

Proposed Florida amendments would set solar energy policy



Tom Harriman, of Harriman’s, Inc., has been a past president of the Solar Energy Industries Assoc., Florida chapter and is currently a board member. The Florida SEIA backed a bill that won’t be on the ballot this November, which would have allowed third-party vendors to sell up to 2 megawatts of solar power to consumers and increase competition and choice within the solar market. Tiffany Tompkins ttompkins@bradenton.com

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Manatee

To local solar business owner Dale Gulden, Florida’s motto has gone from the Sunshine State to the “Noneshine” State.

This election season, Florida voters will have two choices to make regarding solar: one amendment on the Aug. 30 primary ballot has been overwhelmingly supported, while the other in November has made local solar businesses and many others feeling left in the dark.

The state Legislature voted to put [Amendment 4](#) on the Aug. 30 ballot, which if approved would exempt solar energy devices from commercial, industrial and residential property taxes. The bill is known as the “Florida Tax Exemptions for Renewable Energy Measure.”

Until last week, the amendment had been widely supported by small solar businesses like Gulden’s and utility companies with no apparent opposition. Conservative radio-show host James Hoyt started the Stop Playing Favorites PAC, or political action committee, against Amendment 4, arguing that he’s not against solar but isn’t a fan of industries who he says have a lobbying power without an easily consumable product.

Proponents for the amendment argue that the price for installing solar has been going down and this tax exemption would make it that much easier for businesses and private consumers to invest in solar.

On the Nov. 8 ballot, Amendment 1 is a measure sponsored by the Consumers for Smart Solar PAC, which has raised over \$16 million for its campaign.

Of that \$16 million for the “Rights of Electricity Consumers Regarding Solar Energy Choice,” nearly \$12 million was contributed by four utility companies: Florida Power & Light, Duke Energy, Tampa Electric Co. and Gulf Power Co.

[Amendment 1](#)’s first part would establish the right for consumers to own or lease solar equipment, something that consumers can do already.

The second part states that state and local governments will keep the right to protect consumers’ rights and ensure that “consumers who do not choose to install solar are not required to subsidize the costs of backup power and electric grid access to those who do.”

It calls for a fair system between solar and non-solar consumers, but doesn’t detail how that fair system would be done. Florida Power & Light spokeswoman Alys Daly could not speculate what that fairness would mean for either type of consumer, and said it was up to the state to decide. Although “fair share” isn’t in the Amendment 1 language, it’s a phrase used by spokespeople from Consumers for Smart Solar and FPL.

The common thread that local solar business owners, like Solar Direct’s president Gulden, Brilliant Harvest’s founder Bill Johnson and Harrimans, Inc.’s president Tom Harriman, all told the Bradenton Herald about Amendment 1: “It’s a wolf in sheep’s clothing.”

“Obviously you want to be smart,” Gulden said of the PAC’s name, adding that he has seen Facebook friends who are quick to support the bill because of the words “smart solar.”

Gulden equated this fair system to a fictional scenario of two car owners: hybrid and non-hybrid. For example, a non-hybrid owner says they pay more for gas just because the other car owner has a hybrid, not because the non-hybrid car uses more gas.

“It’s being portrayed as they’re protecting their customers,” he said.

Florida doesn’t currently have a law that allows third-party suppliers to sell electricity to consumers. If Amendment 1 were passed, solar businesses worry that Florida utility companies would monopolize the solar business, charge a fee to current and future solar consumers to be connected to the grid and all around limit access to solar.

“The reality of the situation is solar is coming to Florida,” Johnson said. “It’s not the issue of ‘if.’ It’s the issue of ‘when.’”

Johnson said he’s not against utility companies. He would prefer if utility companies worked together with solar businesses to make a better policy so everyone comes out ahead: more local jobs for solar companies, savings for consumers and utility companies adopting business models that allow them to meet the rising demands of consumers who want solar.

A bill buried by ‘smart solar’

According to the Solar Energy Industries Association, or SEIA, Florida ranks 14th out of 50 for cumulative solar energy installed, but its solar potential is ranked third.

Tom Harriman, of Harrimans Inc., has been a past president of the solar association’s Florida chapter and is currently a board member. The Florida SEIA backed a measure that won’t be on the ballot this November, which would have allowed third-party vendors to sell up to 2 megawatts of solar power to consumers and increase competition and choice within the solar market.

Floridians for Solar Choice, a PAC backed by groups like Audubon Florida, Environment Defense Fund and the Tea Party Network and which opposes Amendment 1, has raised \$2 million for its campaign, an eighth of what Consumers for Smart Solar raised for Amendment 1. Johnson’s Brilliant Harvest [contributed \\$2,500 to oppose](#) Amendment 1.

“Hopefully we can reduce as many barriers as we can,” Harriman said. One barrier already overcome by Florida law keeps deed-restricted communities from banning solar panels.

The failed amendment from Floridians for Solar Choice, which hopes to place the amendment on the 2018 ballot, would have given businesses and individuals the constitutional right to sell up to 2 megawatts directly to others. Right now, only utility companies have that right.

The Florida SEIA backed the failed proposal and also was one of the groups that [filed a lawsuit against Consumers for Smart Solar](#). They claimed the language of Amendment 1 is misleading, it doesn’t meet the the Florida Constitution’s single-subject requirement and that it establishes a right that consumers have: the right to own or lease solar equipment. The lawsuit failed.

Rubuttal of Amendment 1 supporters

Consumers for Smart Solar spokeswoman Sarah Bascom responded with: “Why would anyone be against Amendment 1?”

Bascom added that an amendment report summary from the Financial Impact Estimating Conference, made up of state economists and policy experts in the Florida House, Senate and Gov. Rick Scott’s office, “concluded that the amendment is not expected to result in an increase or decrease in any revenues or costs to state and local government.”

Both Consumers for Smart Solar and local solar businesses used Arizona as precedent for what would happen if Amendment 1 passed or failed.

If Amendment 1 fails, Bascom said there could be a replay of fraudulent and bankrupt solar companies taking advantage of solar consumers.

If Amendment 1 passes, local solar businesses said Florida utility companies could begin [charging solar consumers an extra fee like what Arizona utility companies](#) now levy on solar consumers connected to the electric grid.

FPL supports Amendment 1 because it says it would protect consumers who do not want or cannot afford solar. FPL spokeswoman Daly claimed that right now, non-solar consumers are paying for solar consumers to use the grid.

“It’s not a fair share,” Daly said, adding that the utility company supports customers who invest in their own solar.

There are fixed costs associated with using the grid, she said, to pay for upkeep of poles, wires and customer service.

Bascom said fixed costs associated with operating the grid are not based on volume of energy used, but are in every customer’s electric bill. These fixed costs, Daly said, are included in the retail rate that FPL charges.

Net-metering is a system enacted by the Florida Legislature in 2007, which allows any type of consumer-owned distributed generation systems like solar or wind power from 10 kW to 2 MW to connect to the grid to use grid electricity when necessary, like at night or when there’s cloud cover.

Since solar consumers have the ability to sell extra electricity they produce from their solar panels at retail, this creates a discount system for these consumers. The meter behaves as if it’s going backwards to take off consumption amounts, Daly said, and FPL is required to buy that electricity put back on the grid whether or not they need it.

When solar consumers sell back their electricity and get this discount, a major incentive for those who want or use solar panels, Daly said it lowers the amount that solar consumers are paying to

utility companies that is a part of the fixed maintenance cost for being connected to the grid. That money has to come from somewhere, and FPL says solar consumers who sell back their electricity are not technically paying fully for maintenance of the grid that they're always connected to, even if they might not be always using it. This gap ups the ante for others because FPL still has that fixed maintenance cost.

A cautionary tale

Cindy Knight doesn't agree that solar consumers aren't paying their fair share. She and her husband Bill have a solar system on their house in rural Manatee County, and get their electricity from Peace River Co-op.

Peace River is one of over 900 electric cooperatives that belong to the National Rural Electric Cooperative Association. NRECA contributed \$100,000 in support of Amendment 1.

"I've always wanted solar all my life," she said. The couple put a solar system on their house in July 2009, during a time where federal tax solar incentives and state solar reimbursements were incredibly enticing.

So enticing, she said, that the [Florida legislature ran out of money](#) because so many people were getting solar. She and her husband were promised \$20,000, a figure that made solar affordable for their household but was only a portion of the total cost.

Eventually, they were paid only \$10,000 for the state solar reimbursement, but then the Legislature started to refund only new solar customers from that point.

Knight said she has two meters connected to her property: one for the solar system on her house and one for her garage. Since she gets two bills, she can compare how solar and non-solar consumers are being charged with the co-op.

"Nobody is subsidizing me for having solar power," Knight said.

With Peace River, the power their solar panels create in surplus shows up on her monthly bill as credits. If the Knights use power from the grid, the credits go down and vice versa. Only at the end of the year, she and her husband receive payment from the cooperative if there's an excess in credits. She said throughout the year, she and her husband typically generate the same amount of solar they use from the grid, so it basically becomes a zero energy charge.

Excluding the energy charges, her monthly fees on each meter include facility use charge of \$22.50, property taxes, county taxes, surge suppression charge, gross receipt tax of 2.5 percent, Florida sales tax and an administration charge. The last charge, \$5, is only on her solar bill, and Knight thinks it's because it's solar.

Last month for both meters, she paid about \$74 in fees alone.

"I don't understand the 'fair share' statement," she said. "It doesn't make any sense."

Knight said she suspects Amendment 1 will be used to get rid of net-metering so that the power companies don't have to buy back the power.

Something that utility companies and local solar businesses can agree on?

[Amendment 4 on the Aug. 30 ballot.](#)

Even if Amendment 4 is not passed, Daly said FPL plans on adding more solar plants in the coming years. Manatee County has one of these plants in the works, projected to be open by December.

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