Utilities Advisory Board Regular Meeting

Agenda

January 25, 2022 @ 12:00 pm

Virtual

welcome

Agendas and all backup material supporting each agenda item are accessible via the city's website at cityofwinterpark.org/bpm and include virtual meeting instructions.

assistance & appeals

Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's Office (407-599-3277) at least 48 hours in advance of the meeting.

"If a person decides to appeal any decision made by the Board with respect to any matter considered at this hearing, a record of the proceedings is needed to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based." (F.S. 286.0105).

please note

Times are projected and subject to change.

agenda		time
1.	**Call to Order**	
2.	**Consent Agenda**	
3.	**Staff Updates**	
a.	Electric Utility - Dan D'Alessandro	10 minutes
b.	Water & Waster Utility - David Zusi	10 minutes
c.	UAB Performance Measurement Report	5
d.	First Quarter YTD Financial Review - Wes Hamil	15 minutes
4.	**Public Comments (for items not on the agenda): Three minutes allowed for each speaker**	
5.	**Non-Action Items**	
a.	Broadband & Smart City Ad-Hoc Committee - Paul Conway	5 minutes
b.	Update on Hiring Consultant to Address Governance by the UAB - Dan D'Alessandro, Wes Hamil, and David Zusi	10 minutes
c.	Net Metering Legislation – (SB1024 and HB741) • Potential Impact on Municipal electric utilities - Dan D'Alessandro • FMPA position on the legislation	20 minutes
d.	Discuss marketing & communications plan for Electric, Water & Wastewater - Strategy	10 minutes
6.	**Action Items**	
a.	Electric Cost of Service Study - Wes Hamil	15 minutes
b.	Set workshop to discuss Cost of Service assumptions	5 minutes
7.	**Board Comments**	
8.	**Adjournment**	

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date January 25, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Electric Utility - Dan D'Alessandro

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:

Dec21 Electric Utility update.pdf

Monthly Electric Utility Update 12/30/21

Miles of Undergrounding performed

- Project J: 2.72 miles (1% complete)
- Project L: 9.57 miles (34% complete)
- Project Q: 5.78 miles (92% complete)
- Project R: 4.31 miles (24% complete) Commission approved advancement

TOTAL so far for FY 2022 – 1.9 miles

OH/UG Budget update

2021 Undergrounding budget = 6.4M

- FYTD = 1.075M

Total Project Review

- Total Citywide Project Miles- 127.5
- Total Miles Completed- 89.0
- Percentage Completed- 70.0 %
- Total miles remaining- 38.5

Notes of Interest

- The Commission directed the Utility to move project R up to facilitate the Progress Point improvement and trail as well as mitigate reliability issues in the Mead Garden area.
- Construction of solar awning to begin in January
- Signed 6 month trial contract with OUC to maintain and monitor our substations

Issues/Concerns

- Materials are going up exponentially (especially anything resin based like conduit) and the lead-time is extending.
- We still have one vacant lineman position.
- Administrative Assistant out on FMLA
- Engineering manager out on medical

2022 Goals

- Zero personal injuries within work group
    - We had an employee injure his shoulder requiring light duty
- Zero controllable vehicle accidents within work group
    - We had an employee hit a semi-truck box with our back-lot dolly he was bringing home from Tampa.
- Complete 8 miles (to include stretch goal) of underground conversions on the projects as designed
    - Projects R, J, Q & L
- Identify and complete areas with poor reliability for targeted undergrounding advancement (stretch goal of 2 miles) Project "Q" and "L" are our first targets.
- We will utilize targeted overtime with Heart crews to accomplish the additional 2 mile stretch goal
- Negotiate and secure a 2nd interconnection with OUC (Obviously depends on appropriate deal)

- ➢ Green indicates goal has been met
- ➢ Red indicates goal will not be met
- ➢ Orange indicates still underway

Utilities Advisory Board

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Water & Waster Utility - David Zusi

motion / recommendation

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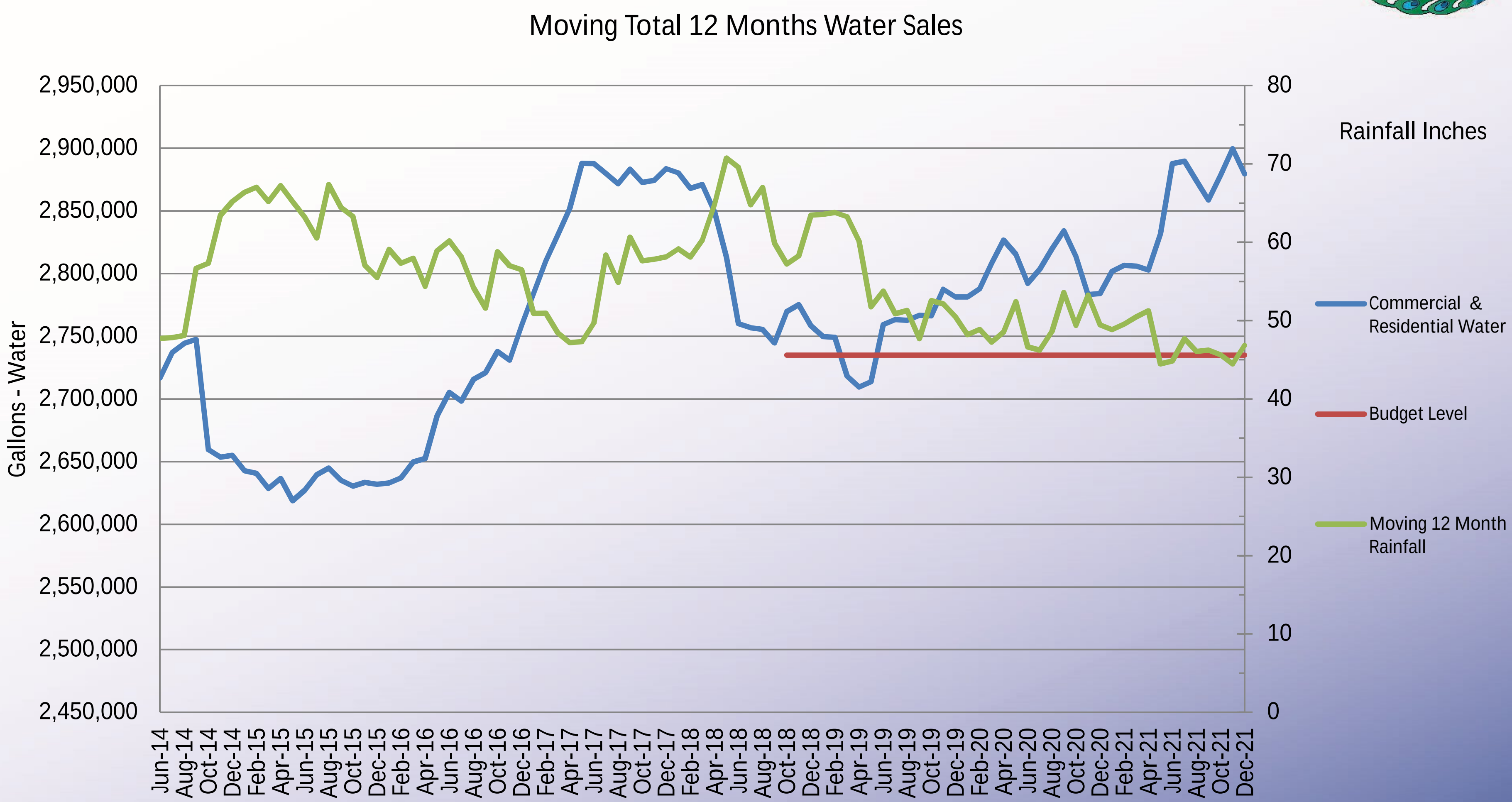
alternatives / other considerations

fiscal impact

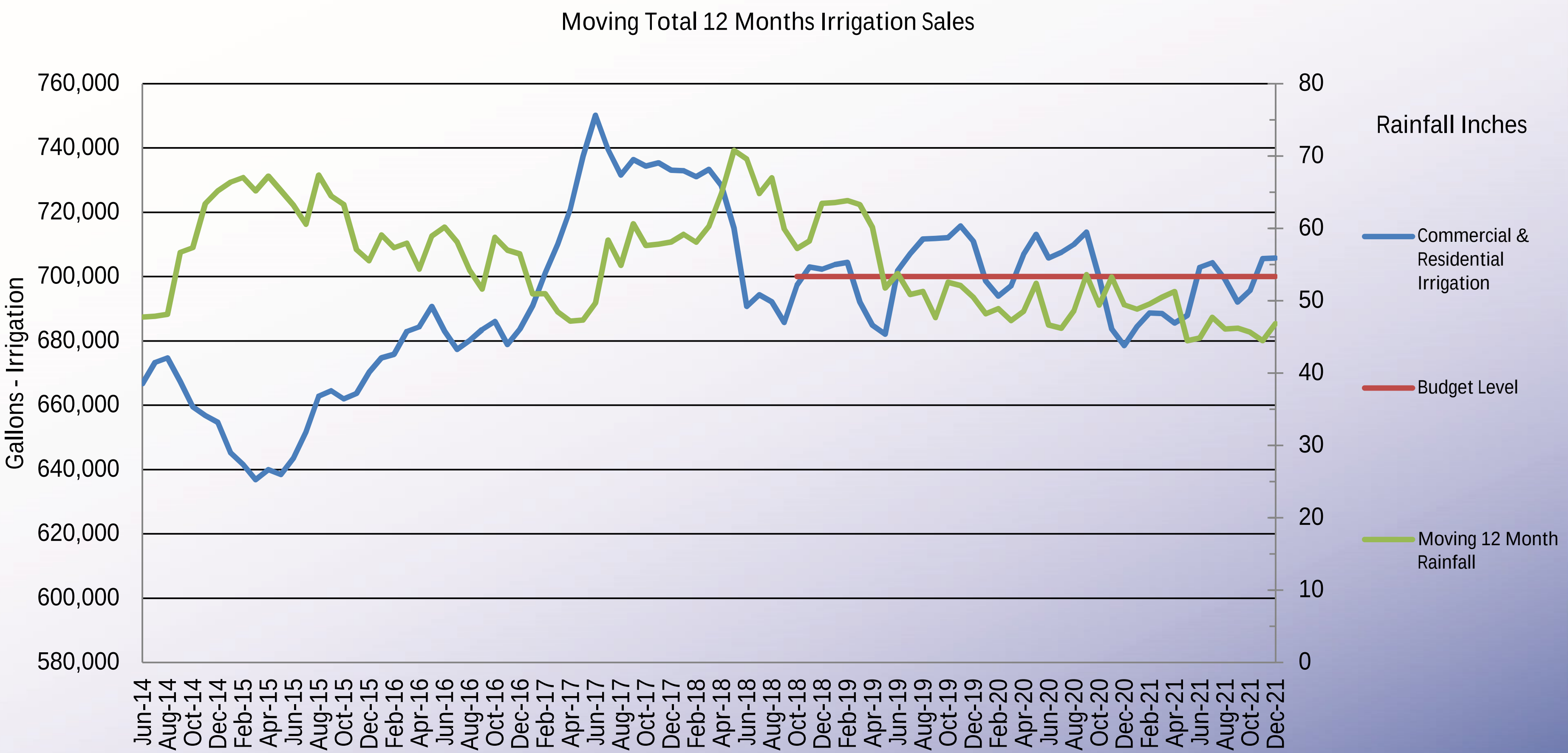
ATTACHMENTS:

UAB Water Graphs December 2021 - DD.pptx

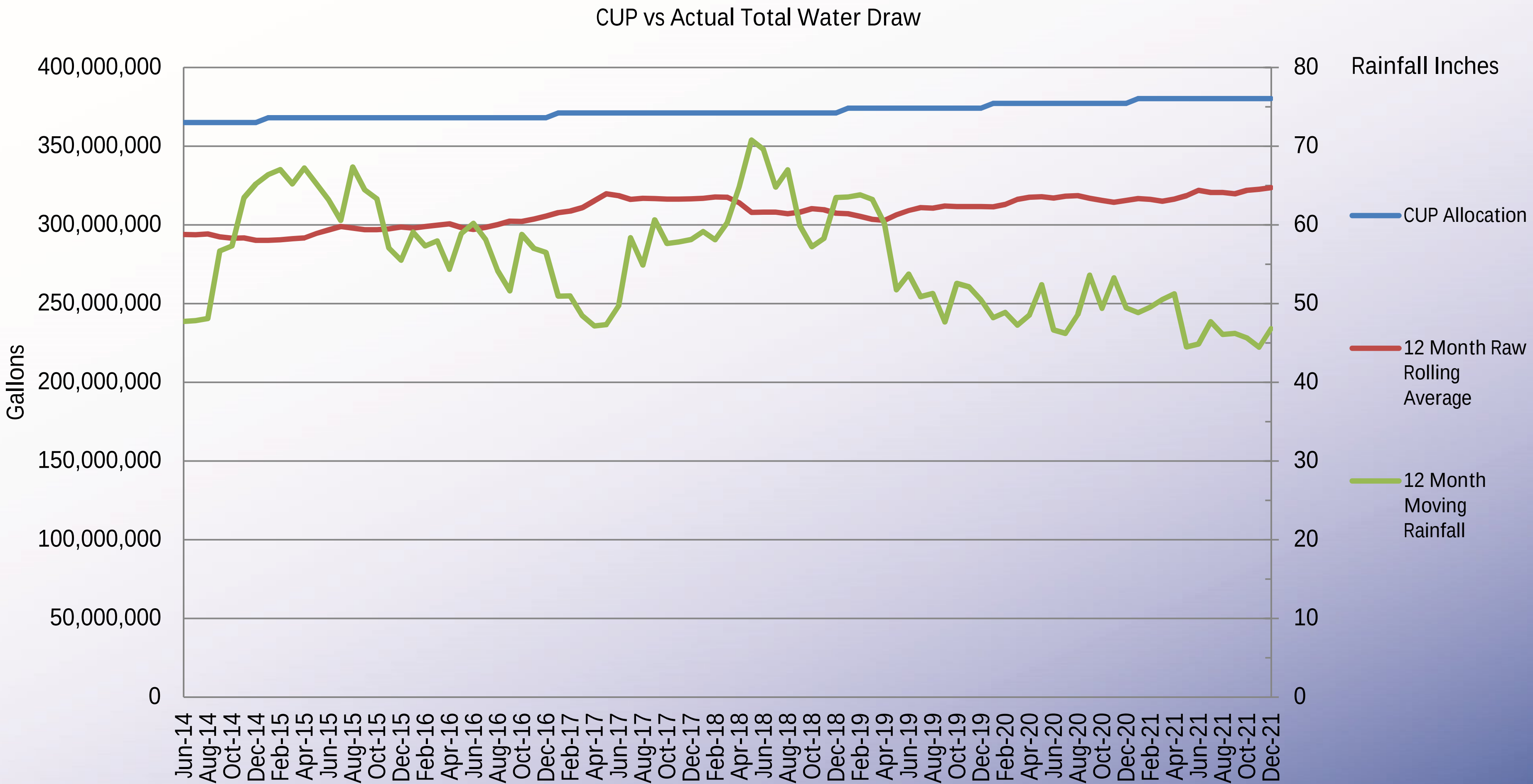
Moving Total 12 Months Water Sales



Moving Total 12 Months Irrigation Sales



Consumptive Use Permit (CUP) vs Actual Total Water Draw



Utilities Advisory Board

agenda item

item type Staff Updates	meeting date January 25, 2022
prepared by Jennifer Guittard	approved by
board approval	
strategic objective	

subject

UAB Performance Measurement Report

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:

Utility PM Jan2022.pdf

Utility Monthly Performance Measurements

The Utility Advisory Board identified performance measurements for the Electric and Water Utilities. These are activity and profitability measures used as management tools to set baseline performance measures to be reviewed monthly to implement strategies for improved performance on those baselines. This report organizes the performance measurements by service type.

Water Sewer Utility

Service Type	Measure	Goal	Sept	Oct	Nov	On Target
Environment	Count of Rebates Processed		7	3	3	
	Total MWh generated from Aloma solar system	>15 MWh	14.69	14.09	11.16	Below Goal
Operational	Average % Water meters reporting	>98.50%	98.0%	98.2%	98.0%	Near Goal
	Count of Wastewater Incidents	0	0	0	0	Met Goal
	Wastewater Incident Overflow in 1,000s Gallons	0	0	0	0	Met Goal
	Water pumped compared to CUP allocation	<12.4 mgd	9.93	11.28	10.44	Met Goal

Both

Service Type	Measure	Goal	Sept	Oct	Nov	On Target
Customer Service	Call Abandonment Rate		29.80%	26.00%	26.10%	
	Number of disconnects for non-pay		195	257	47	
	Utility Billing Call Average Wait Time		9:21	7:52	8:07	
	Volume of calls to City Utility Billing		6128	5310	4035	
Financial	Accounts receivable/billed revenue – FYTD	<10%	6.88%	7.36%	5.96%	Goal Met
	Average cost of purchased power per kWh - FYTD	<$0.05	$0.0472	$0.0611	$0.0599	Goal Met
	Average revenue per kWh – FYTD	>$0.10	$0.1094	$0.1267	$0.1277	Goal Met
	Bad debt expense/billed revenue – FYTD	<0.25%	0.19%	0.18%	0.40%	Below Goal
	Debt service coverage ratios - W&S - FYTD	>1.5	2.64	2.72	3.11	Goal Met
	Debt service coverage ratios - Electric - FYTD	>1.5	3.91	6.52	5.56	Goal Met
	Percentage of utility accounts receivable over 60 days outstanding		3.04%	2.49%	2.47%	
	Utility accounts receivable over 60 days outstanding		$206,181	$176,932	$145,877	

**Technical issues in our call reporting system caused no collection of data during system interruption. Working towards resolution.*

Index Key- the monthly data text is colored green when the change from the previous month is an improvement, and red when it is not. The On Target column is highlighted comparing the most recent monthly data to the Goal: Red if below, Yellow if Near, Green if Above.

Electric Utility

Service Type	Measure	Goal	Sept	Oct	Nov	On Target
Efficiency	Rate Comparison to Duke	<100%	83.3%	84.9%	86.4%	Met Goal
	Rate Comparison to State Avg	<105%	97.5%	99.1%	100.5%	Met Goal
	Solar Net new metering Customers		0	3	3	
Financial	Rolling 12 month kWh	407 (FY21)	422,033,827	427,699,268	424,015,336	Met Goal
Operational	Heart of Florida United Way Emergency Utility Assistance Program: Assistance provided to customers		$2,637	$2,612	$625	
	Heart of Florida United Way Emergency Utility Assistance Program: Available balance		$58,402	$55,789	$55,163	
	Heart of Florida United Way Emergency Utility Assistance Program: Number of customers approved for assistance		10	9	3	
	Underground System Complete (%)		68.30%	68.90%		
Reliability	CAIDI		111.3	92.15	93.03	
	L-Bar		72.6	99.8	158.7	
	L-Bar Rank to Peers (12 mo rolling)	Top 5	15th/24	15th/23	14th/19	Below Goal
	Outage Occurrences		11	19	7	
	SAIDI		0.7	4.2	0.6	
	SAIDI Rank to Peers (12 mo rolling)	Top 5	7th/24	6th/23	6th/19	Near Goal
	SAIDI Sum	< 19 Annually	34.00	37.70	37.70	Below Goal

**FMPA and FMEA data often lag 1or2 months.*

Translation Table

L-Bar	*Measures the average length of a single outage*
SAIDI	*Measures the average frequency of momentary interruption events for the average customer*
KWH	*Kilowatt hour*
CUP	*Consumptive Use Permit*
YTD	*Year to Date*
MWh	*Megawatt hour*

Utilities Advisory Board

agenda item

item type Staff Updates	meeting date January 25, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject

First Quarter YTD Financial Review - Wes Hamil

motion / recommendation

background

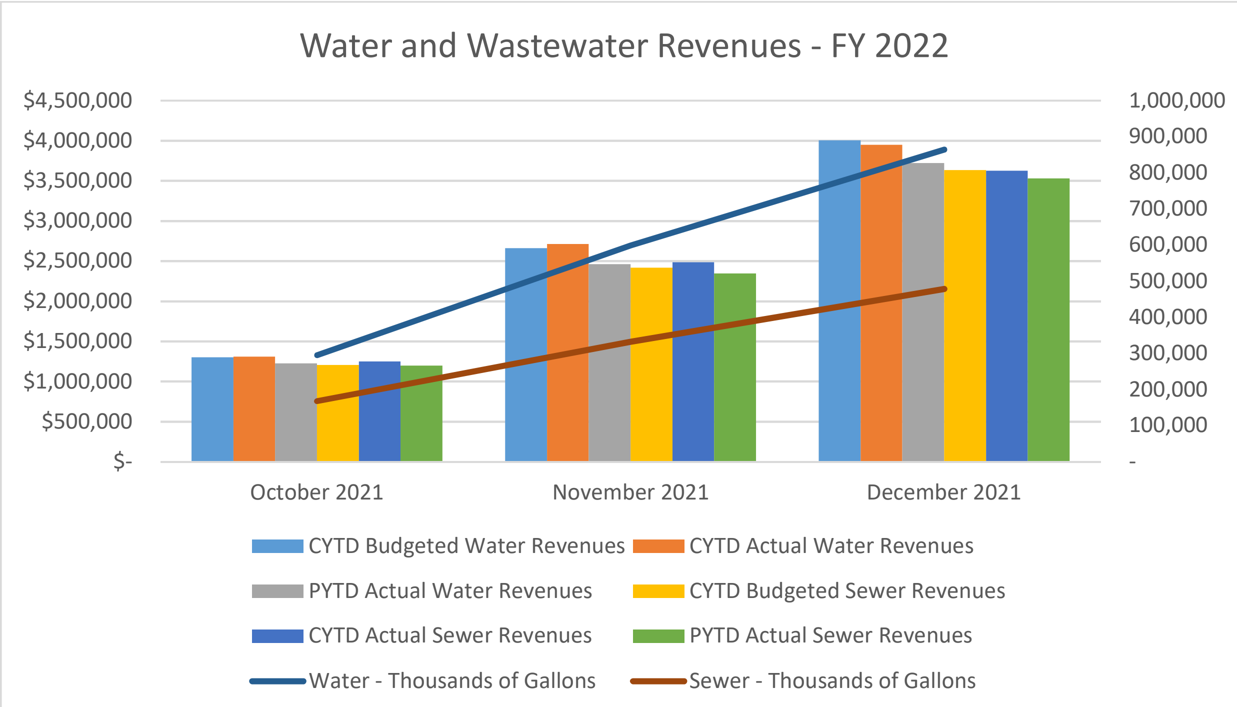
alternatives / other considerations

fiscal impact

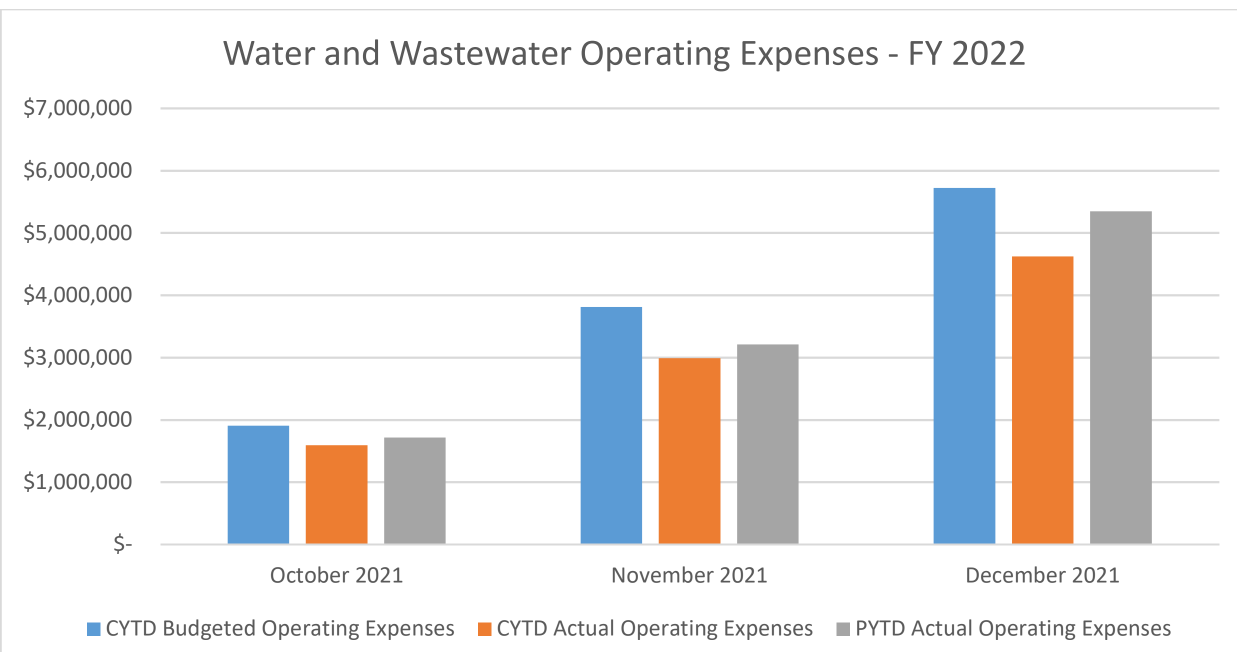
ATTACHMENTS:

UAB Financial Report - December 31, 2021.pdf

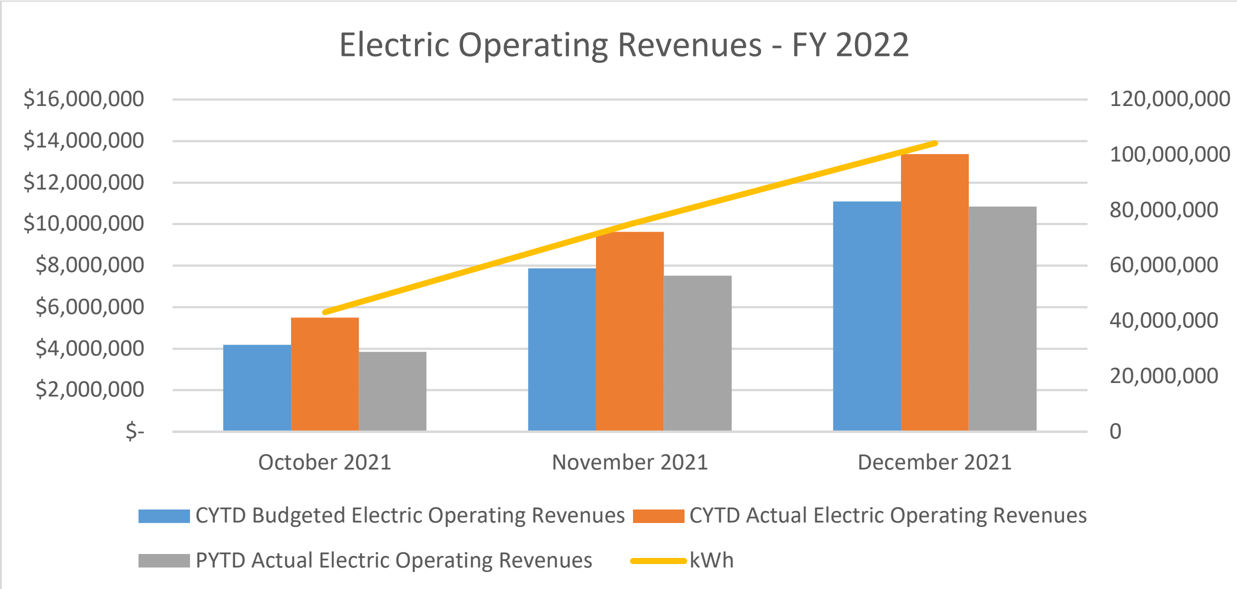
Key Financial Performance Indicators



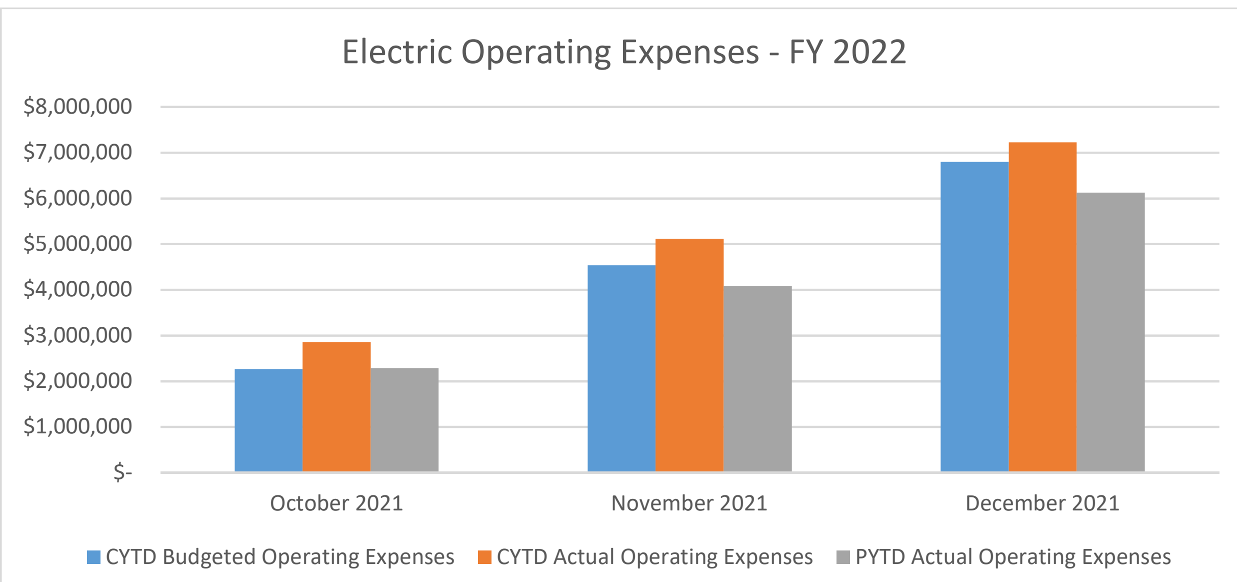
Water revenues are $58,066 (1.45%) below budget and wastewater revenues are $7,567 (0.21%) below budget.



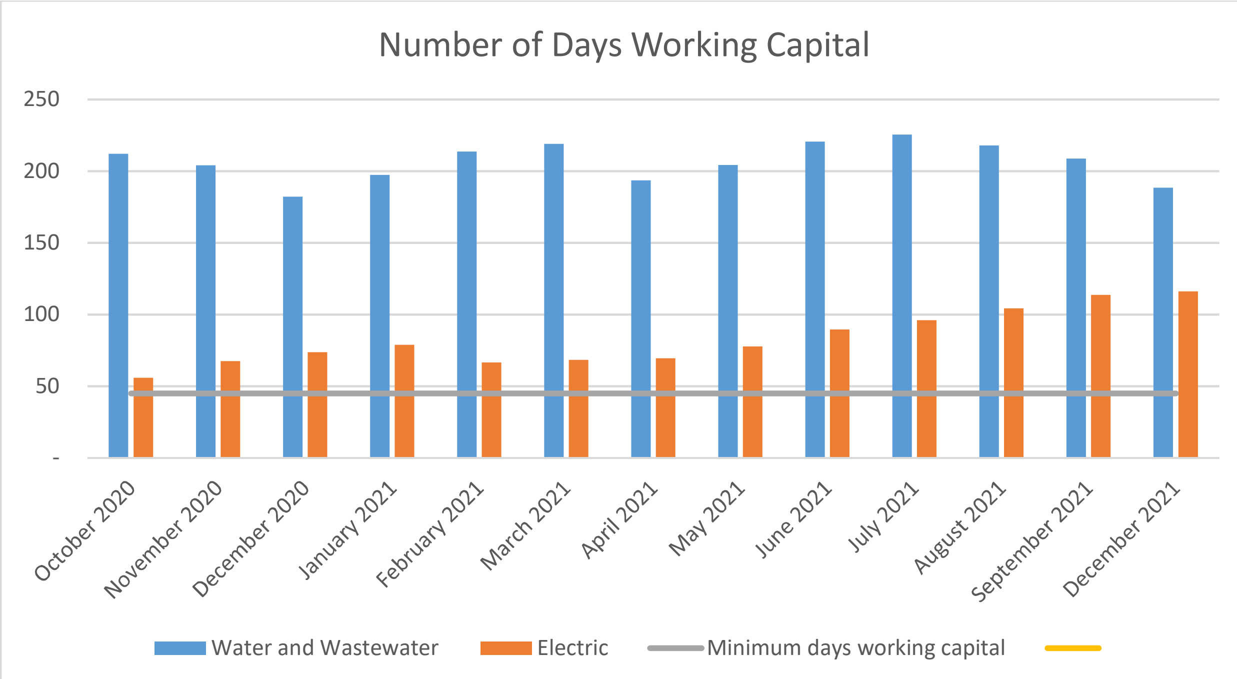
Water and wastewater operating expenses are within budget each month



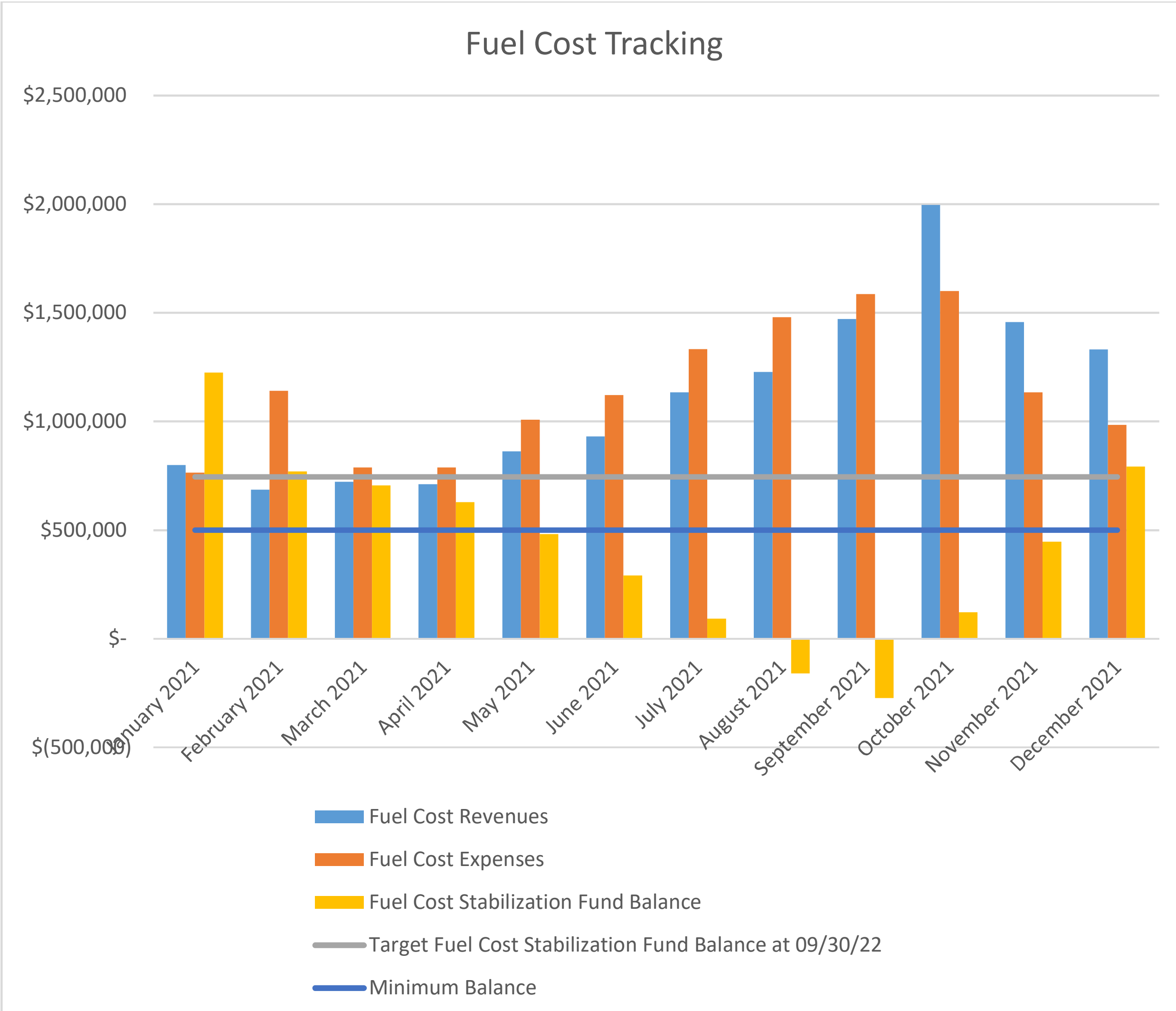
Electric operating revenues are exceeding budget projections. Higher fuel rates are the reason for the significant variance from budget and prior year results.



Increasing costs of fuel are causing expenses to exceed budget. Savings in vacant positions and tree trimming are offsetting some of the purchased power overage.



Number of days of working capital exceed the minimum of 45 days in both Water and Wastewater and Electric.



The orange columns below show the rising fuel costs experienced over the summer and the blue columns show our fuel rate increases to keep up with these costs. The fuel adjustment put in place October 1 combined with lower than anticipated natural gas prices have brought our fuel cost stabilization fund balance to a positive $792,253 at December 31.

The over recoveries of October and November and projected lower natural gas prices have allowed us to reduce our fuel rates a bit effective January 1, 2022.

The table below shows the impact to a 1,500 kWh/month residential customer of recent fuel cost recovery rates:

	01/01/2021	**07/01/2021**	**09/01/2021**	**10/01/2021**	**01/01/2022**
Total monthly electric charges, plus taxes	$192.04	$199.84	$207.91	$227.97	$209.99
Dollar change		$7.80	$8.07	$20.06	($17.98)
Percentage change		4.06%	4.04%	9.65%	(7.89%)

Management's Discussion and Analysis (Unaudited)

The following discussion and analysis provides an overview of Winter Park's unaudited and preliminary financial position and results of operations in comparison to the approved budget and prior year equivalent period.

Operating Revenues Analysis:

	As of December 31				Variances			
	Actual 2022	YTD Budget 2022	Actual 2021		Actual vs Budget		2022 vs 2021	
Water	3,946,427	3,989,825	3,721,845		(43,398)	(1.09%)	224,582	6.03%
Wastewater	3,623,439	3,633,124	3,527,699		(9,685)	(0.27%)	95,740	2.71%
Electric	13,241,411	10,998,802	10,658,574		2,242,610	20.39%	2,582,837	24.23%
Other - Water and Wastewater	451,838	459,000	398,296		(7,162)	(1.56%)	53,542	13.44%
Other - Electric	82,741	226,600	291,012		(143,859)	(63.49%)	(208,271)	(71.57%)

Budget Analysis:
Both water and wastewater have small negative variances of less than 1.10% in comparison to budget. $2,250,687 of the budget variance for electric revenues is due to fuel revenues. Fuel rates were increased July 1, 2021, September 1, 2021 and again on October 1, 2021 to keep up with increasing fuel costs. The negative variance of $143,859 for other electric revenues is primarily related to contributions in aid of construction. These are charges to developers and builders for connecting to the electric grid and fluctuate with construction activity. The City estimates how much this will be and budgets for the associated cost. Developers and builders are charged based on estimated costs for their specific projects so, there is no impact to the bottom line if more or less construction activity occurs.

Prior Year Analysis:
Water and wastewater rates were increased by 1.17% effective October 1, 2021. Water sales in thousands of gallons are 6.84% higher than the prior year. Wastewater sales in thousands of gallons are 5.34% higher. Both were lower than normal for the first quarter of FY 2021 but, finished the year above budget.

Electric fuel revenues were $2,573,471 higher than the prior year due to the fuel rate increases discussed above. Other water and wastewater revenues were lower in the prior year due to the suspension of industrial waste charges (grease trap charges) during the pandemic (resumed April 2021). Other electric revenues were higher in the prior year due to greater contributions in aid of construction which were $175,269 less in the current year.

Operating Expenses Analysis:

	As of December 31				Variances			
	Actual 2022	YTD Budget 2022	Actual 2021		Actual vs Budget		2022 vs 2021	
Water:								
Admin	448,346	538,053	486,748		89,707	16.67%	(38,402)	(7.89%)
Operating	4,217,246	5,265,041	4,703,727		1,047,794	19.90%	(486,481)	(10.34%)
Depreciation and amortization	909,652	0	893,336				16,316	1.83%
Electric:								
Admin	536,673	572,094	472,583		35,421	6.19%	64,090	13.56%
Operating	6,645,224	6,404,472	5,762,936		(240,752)	(3.76%)	882,288	15.31%
Depreciation and amortization	994,166		983,719				10,447	1.06%

Budget Analysis:
Water and Wastewater:
Vacant positions, chemicals for water treatment, and water line maintenance were all sources of budgetary savings.

Electric:
Budget savings in administration were for vacant positions. In operations, bulk power purchases were over budget by $1,075,433 due fuel cost increases. Significant areas where spending to date has been less than budgeted are vacant positions, bulk power transmission costs, and tree trimming.

Prior Year Analysis:
Water and Wastewater:
Prior year admin costs included consulting services for a risk and resilience study and bond issuance costs related to the refunding of the Water and Wastewater Refunding and Revenue Bond, Series 2010. Operating expenses for personnel costs, chemicals, water line maintenance, and wastewater treated by others were higher in the prior year.

Electric:
Admin costs were higher in the current year due to the timing of the City's FMEA membership which was $41,073. This membership helps the City with access to mutual aid for restoring power interrupted by a storm. This fee was paid in January in the prior year.

Bulk power costs for the first quarter of FY 2022 were $1,232,151 higher than the prior year due to greater fuel costs. These costs were partially off set by decreases in personnel costs due to vacant positions and tree trimming.

Other items of Note:

Unrestricted cash in the Water and Wastewater and Electric Funds improved to $10,020,655 and $4,562,922, respectively at December 31, 2021. Significant portions of both have been commited to the projects below:

	Water and Wastewater	Electric
Relocate water and wastewater lines for SR 434 widening	2,200,000	
Iron Bridge improvements	687,791	
Reclaimed water initiative	180,277	
Solar awning at Public Works Complex		500,000
Meter replacements		459,000
Total	3,068,068	959,000

For Future Consideration:

The Water and Wastewater Fund has some large capital expenditures totaling $12M to be funded over the next five years. The normal Public Service Commission index increases will not be adequate to accommodate these costs. We will be reviewing rates to accommodate both these projects and ongoing operating expenses in the April – June time frame.

The City of Winter Park, Florida
Statement of Net Position
Proprietary Funds
December 31, 2021
Unaudited

	Water and Wastewater		Electric	
	December 31, 2021	December 31, 2020	December 30, 2021	December 31, 2020
ASSETS				
Current Assets:				
Cash, Cash Equivalents and Investments	$ 10,020,655	$ 8,598,964	$ 4,562,922	$ 2,039,177
Restricted Cash, Cash Equivalents and Investments	-	1,966	-	-
Accounts Receivable - Net	1,192,144	1,080,623	2,897,402	2,529,357
Unbilled Service Charges	2,773,860	2,474,880	5,051,195	3,826,036
Accrued Interest Receivable	20,664	39,911	-	(6,458)
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	979,266	914,313	4,130,662	2,891,469
Prepaid Items	81,529	81,403	-	61,399
Advances to Other Funds	2,800,000	2,800,000	-	-
Total current assets	17,868,118	15,992,060	16,642,181	11,340,980
Non-Current Assets:				
Restricted Assets:				
Cash, Cash Equivalents and Investments:				
Sinking/Debt Reserve Funds	397,241	383,264	1,190,360	1,189,272
Renewal and Replacement Funds	5,738,211	4,861,691	-	-
Impact Fee Funds	17,211,736	16,399,384	-	-
Capital Project Funds	15,040	15,424	-	-
Customer Deposits	1,845,324	1,665,618	2,054,476	1,840,350
Accrued Interest Receivable:				
Impact Fee Funds	36,011	58,160	-	-
Renewal and Replacement Funds	10,554	13,196	-	-
Special Assessments Receivable	-	-	16,126	40,913
Capital Assets:				
Non-depreciable	3,502,333	3,502,333	10,134,277	10,134,277
Depreciable - Net	96,900,450	95,204,009	84,569,673	81,822,922
Other Assets:				
Deposits	274,000	274,000	-	-
Total non-current assets	125,930,900	122,377,079	97,964,912	95,027,734
Total Assets	143,799,018	138,369,139	114,607,093	106,368,714
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Expense on Refunding Bonds	3,563,820	4,034,337	3,493,701	3,947,588
Deferred Expense Other Postemployment Benefits Obligation	39,723	39,723	15,005	15,005
Total Deferred Outflows of Resources	3,603,543	4,074,060	3,508,706	3,962,593
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,129,487	181,916	1,679,227	1,787,670
Accrued Liabilities	107,035	108,801	13	
Due to Other Funds	-	-	-	-
Due to Other Governments	34,543	13,033	96,686	76,532
Accumulated Unused Compensated Absences	213,003	202,738	71,317	71,815
Accrued Interest Payable	79,568	35,126	409,110	436,773
Current Portion of Revenue Bonds Payable	3,620,000	2,085,000	3,125,000	3,010,000
Customer Deposits	1,845,324	1,665,618	2,054,476	1,840,350
Total current liabilities	7,028,960	4,292,232	7,435,829	7,223,140
Noncurrent Liabilities:				
Bonds Payable	42,026,289	46,986,872	47,819,429	51,015,731
Other Postemployment Benefits	1,591,431	1,591,431	607,858	607,858
Accumulated Unused Compensated Absences	432,510	496,687	100,441	118,706
Total noncurrent liabilities	44,050,230	49,074,990	48,527,728	51,742,295
Total Liabilities	51,079,190	53,367,222	55,963,557	58,965,435
DEFERRED INFLOW OF RESOURCES				
Other Postemployment Benefits Related Deferred Inflows	150,007	150,007	58,419	58,419
NET POSITION				
Net Investment in Capital Assets	58,335,354	53,684,231	47,253,222	41,879,056
Restricted for:				
Capital Projects (expendable)	17,240,649	16,450,353	-	-
Renewal and Replacement (expendable)	5,699,105	4,825,227	-	-
Unrestricted	14,898,256	13,966,159	14,840,601	9,428,397
Total Net Position	**$ 96,173,364**	**$ 88,925,970**	**62,093,823**	**$ 51,307,453**

Note: the information above does not include all journal entries that would be completed for the comprehensive annual financial report

The City of Winter Park, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
December 31, 2021

Unaudited

	Water and Wastewater			Electric		
	Actual December 31, 2021	**YTD Budget December 31, 2021**	**Actual December 31, 2020**	**Actual December 31, 2021**	**YTD Budget December 31, 2021**	**Actual December 31, 2020**
Operating Revenues:						
Water	$ 3,946,427	$ 3,989,825	$ 3,721,845	$ -	$	$ -
Wastewater	3,623,439	3,633,124	3,527,699	-		-
Electric	-	-		13,241,411	10,998,802	10,658,574
Other	451,838	459,000	398,296	82,741	226,600	291,012
Total Operating Revenues	**8,021,704**	**8,081,949**	**7,647,840**	**13,324,152**	**11,225,402**	**10,949,586**
Operating Expenses:						
General and Administrative	448,346	538,053	486,748	536,673	572,094	472,583
Operations	4,217,246	5,265,041	4,703,727	6,645,224	6,404,472	5,762,936
Depreciation and Amortization	909,652	-	893,336	994,166		983,719
Total Operating Expenses	**5,575,244**	**5,803,094**	**6,083,811**	**8,176,063**	**6,976,566**	**7,219,238**
Operating Income	**2,446,460**	**2,278,855**	**1,564,029**	**5,148,089**	**4,248,836**	**3,730,348**
Nonoperating Revenues (Expenses):						
Investment Losses	(350,966)	8,500	7,231	(215,258)	(9,500)	(22,006)
Gain on Disposal of Assets	-	-	-	18,115	6,250	1,854
Interest and Fiscal Charges	(399,361)	(292,057)	(480,176)	(500,171)	(414,735)	(539,058)
Miscellaneous Revenue	7,216	5,000	6,546	7,216	-	16,104
Total Nonoperating Revenues (Expenses)	**(743,111)**	**(278,557)**	**(466,399)**	**(690,098)**	**(417,985)**	**(543,106)**
Income Before Contributions and Transfers	**1,703,349**	**2,000,299**	**1,097,630**	**4,457,991**	**3,830,851**	**3,187,242**
Contributions and Transfers:						
Capital Contributions	253,396	-	105,503	-		-
Transfers In	-	-	-			-
Transfers Out	(726,716)	(726,716)	(718,457)	(669,446)	(669,446)	(633,451)
Total Contributions and Transfers	**(473,320)**	**(726,716)**	**(612,954)**	**(669,446)**	**(669,446)**	**(633,451)**
Change in Net Position	**1,230,029**	**1,273,583**	**484,676**	**3,788,545**	**3,161,405**	**2,553,791**
Total Net Position - Beginning, as Restated	**94,943,335**		**88,441,294**	**58,305,278**		**48,753,662**
Total Net Position - Ending	**$ 96,173,364**		**88,925,970**	**62,093,823**		**51,307,453**

Note: the information above does not include all journal entries that would be completed for the comprehensive annual financial report

Utilities Advisory Board

agenda item

item type Non-Action Items	meeting date January 25, 2022
prepared by Pamela Bracko	approved by
board approval	
strategic objective	

subject

Broadband & Smart City Ad-Hoc Committee - Paul Conway

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

agenda item

item type Non-Action Items	meeting date January 25, 2022
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subject

Update on Hiring Consultant to Address Governance by the UAB - Dan D'Alessandro, Wes Hamil, and David Zusi

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

agenda item

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subject
Net Metering Legislation – (SB1024 and HB741)

item list
- Potential Impact on Municipal electric utilities - Dan D'Alessandro
- FMPA position on the legislation

motion / recommendation

background

alternatives / other considerations

fiscal impact

ATTACHMENTS:
SB1024 solar net metering.pdf

ATTACHMENTS:
HB 741 Solar Net Metering - Original.pdf

By Senator Bradley

5-00845-22 20221024__

A bill to be entitled

An act relating to net metering; amending s. 366.91, F.S.; revising and providing legislative findings relating to the redesign of net metering to avoid cross-subsidization of electric service costs between classes of ratepayers; requiring the Public Service Commission to propose new net metering rules that comply with specified criteria by a certain date; authorizing certain customers who own or lease renewable generation before a specified date to remain under the existing net metering rules for a specified time; providing applicability; requiring certain public utilities to provide a specified report to the commission; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Present subsections (6) through (9) of section 366.91, Florida Statutes, are redesignated as subsections (7) through (10), respectively, a new subsection (6) is added to that section, and subsection (1) and present subsection (7) of that section are amended, to read:

366.91 Renewable energy.—

(1) The Legislature finds that<u>:</u>

<u>(a)</u> It is in the public interest to <u>continue</u> ~~promote~~ the development of renewable energy resources in this state <u>in a manner that is fair and equitable to all public utility customers</u>. Renewable energy resources have the potential to help diversify fuel types to meet Florida’s growing dependency on

natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the state, improve environmental conditions, and make Florida a leader in new and innovative technologies. The development and maturation of the solar energy industry, the substantial decline in the cost of solar panels, and the increase in customer-owned and -leased renewable generation support the redesign of net metering by the commission.

(b) Customer-owned and -leased renewable generation are not available to many public utility customers who lack the financial resources to purchase or lease rooftop solar panels or who reside in multitenant buildings. The substantial growth of customer-owned and -leased renewable generation has resulted in increased cross-subsidization of the full cost of electric service onto the public utility's general body of ratepayers. Therefore, the redesigned net metering rate structures required in paragraph (6)(a) must ensure that public utility customers who own or lease renewable generation pay the full cost of electric service and are not cross-subsidized by the public utility's general body of ratepayers.

(6)(a) On or before January 1, 2023, the commission shall propose a revised net metering rule that complies with the following criteria:

1. The net metering rate structures and billing must ensure that public utility customers owning or leasing renewable generation pay the full cost of electric service and are not subsidized by the public utility's general body of ratepayers.

2. The net metering must ensure that all energy delivered by the public utility is purchased at the public utility's

applicable retail rate and that all energy delivered by the customer-owned or -leased renewable generation to the public utility is credited to the customer at the public utility’s full avoided costs.

3. The net metering may include fixed charges, including base facilities charges, electric grid access fees, or monthly minimum bills, to help ensure that the public utility recovers the fixed costs of serving customers who engage in net metering and that the general body of public utility ratepayers does not subsidize customer-owned or -leased renewable generation.

(b) Any public utility customer who owns or leases renewable generation that is in service before January 1, 2023, pursuant to a standard interconnection agreement offered by a public utility, shall be granted 10 years to continue to use the net metering rate design and rates that applied before the revised net metering rule was adopted under paragraph (a). This paragraph applies to customers who purchase or lease real property upon which customer-owned or -leased renewable generation is installed for all or part of that 10-year period.

(c) The commission shall require a public utility requesting a change in base rates under s. 366.06 to report to the commission the impact of net metering on the public utility’s revenues and cost of service.

(8)~~(7)~~ Under the provisions of subsections (5) and (7) ~~(6)~~, when a utility purchases power generated from biogas produced by the anaerobic digestion of agricultural waste, including food waste or other agricultural byproducts, net metering shall be available at a single metering point or as a part of conjunctive billing of multiple points for a customer at a single location, 5-00845-22 20221024__

so long as the provision of such service and its associated charges, terms, and other conditions are not reasonably projected to result in higher cost electric service to the utility’s general body of ratepayers or adversely affect the adequacy or reliability of electric service to all customers, as determined by the commission for public utilities, or as determined by the governing authority of the municipal electric utility or rural electric cooperative that serves at retail.

Section 2. This act shall take effect July 1, 2022.

A bill to be entitled

An act relating to net metering; amending s. 366.91, F.S.; revising and providing legislative findings relating to the redesign of net metering to avoid cross-subsidization of electric service costs between classes of ratepayers; requiring the Public Service Commission to propose new net metering rules that comply with specified criteria by a certain date; authorizing certain customers who own or lease renewable generation before a specified date to remain under the existing net metering rules for a specified time; providing applicability; requiring certain public utilities to provide a specified report to the commission; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (6) through (9) of section 366.91, Florida Statutes, are renumbered as subsections (7) through (10), respectively, subsections (1) and present (7) of that section are amended, and a new subsection (6) is added to that section, to read:

366.91 Renewable energy.—

(1) The Legislature finds that<u>:</u>

<u>(a)</u> It is in the public interest to <u>continue</u> ~~promote~~ the

development of renewable energy resources in this state <u>in a manner that is fair and equitable to all public utility customers</u>. Renewable energy resources have the potential to help diversify fuel types to meet Florida's growing dependency on natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the state, improve environmental conditions, and make Florida a leader in new and innovative technologies. <u>The development and maturation of the solar energy industry, the substantial decline in the cost of solar panels, and the increase in customer-owned and leased renewable generation support the redesign of net metering by the commission.</u>

<u>(b) Customer-owned and leased renewable generation are not available to many public utility customers who lack the financial resources to purchase or lease rooftop solar panels or who reside in multitenant buildings. The substantial growth of customer-owned and leased renewable generation has resulted in increased cross-subsidization of the full cost of electric service onto the public utility's general body of ratepayers. Therefore, the redesigned net metering rate structures required in paragraph (6)(a) must ensure that public utility customers who own or lease renewable generation pay the full cost of electric service and are not cross-subsidized by the public utility's general body of ratepayers.</u>

<u>(6)(a) On or before January 1, 2023, the commission shall</u>

propose a revised net metering rule that complies with the following criteria:

1. The net metering rate structures and billing must ensure that public utility customers owning or leasing renewable generation pay the full cost of electric service and are not subsidized by the public utility's general body of ratepayers.

2. The net metering must ensure that all energy delivered by the public utility is purchased at the public utility's applicable retail rate and that all energy delivered by the customer-owned or leased renewable generation to the public utility is credited to the customer at the public utility's full avoided costs.

3. The net metering may include fixed charges, including base facilities charges, electric grid access fees, or monthly minimum bills, to help ensure that the public utility recovers the fixed costs of serving customers who engage in net metering and that the general body of public utility ratepayers do not subsidize customer-owned or leased generation.

(b) Any public utility customer who owns or leases renewable generation that is in service before January 1, 2023, pursuant to a standard interconnection agreement offered by a public utility, shall be granted 10 years to continue to use the net metering rate design and rates that applied before the revised net metering rule was adopted under paragraph (a). This paragraph applies to customers who purchase or lease real property upon which customer-owned or leased renewable generation is installed for all or part of that 10-year period.

(c) The commission shall require a public utility requesting a change in base rates under s. 366.06 to report to the commission the impact of net metering on the public utility's revenues and cost of service.

(8)~~(7)~~ Under the provisions of subsections (5) and (7)~~(6)~~, when a utility purchases power generated from biogas produced by the anaerobic digestion of agricultural waste, including food waste or other agricultural byproducts, net metering shall be available at a single metering point or as a part of conjunctive billing of multiple points for a customer at a single location, so long as the provision of such service and its associated charges, terms, and other conditions are not reasonably projected to result in higher cost electric service to the utility's general body of ratepayers or adversely affect the adequacy or reliability of electric service to all customers, as determined by the commission for public utilities, or as determined by the governing authority of the municipal electric utility or rural electric cooperative that serves at retail.

Section 2. This act shall take effect July 1, 2022.

Utilities Advisory Board

agenda item

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strategic objective	

subject

Discuss marketing & communications plan for Electric, Water & Wastewater - Strategy

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

agenda item

item type Action Items	meeting date January 25, 2022
prepared by Wes Hamil	approved by
board approval	
strategic objective	

subject

Electric Cost of Service Study - Wes Hamil

motion / recommendation

background

alternatives / other considerations

fiscal impact

Utilities Advisory Board

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subject

Set workshop to discuss Cost of Service assumptions

motion / recommendation

background

alternatives / other considerations

fiscal impact