

Florida has no renewable energy policy for tough political reasons

Florida has no renewable energy policy and the Legislature is working at lightning speed to repeal all progress made in recent years. How can this be? We are the sunshine state.



Michael Dobson

My View

For example, a Renewable Energy Portfolio Standard (RPS) policy exists in 30 states including the District of Columbia, but not in Florida. This policy sets mandated targets for renewable energy generation that gives private investors the green light.

Many states also have what is called a Public Benefits Fund (PBF). This is a policy that creates somewhat of a trust fund that invests in renewable energy deployment. In some states, the funds are used for solar rebate programs, business incentives, renewable energy project grants and weatherization programs for low-income families. With this fund in place, such a state does not have to rely on the uncertainty of general revenue dollars that fluctuate yearly and create uncertainty in renewable energy markets.

Florida has none of these policies in place. Why? It's related to money and power. In Florida, private electric utilities have undue influence over our political process. It's a historical fact, but, before you say they are bad actors, it's important to understand and appreciate their business model.

Utilities are regulated private corporations that are monopolies with special protections because they are in a regulated industry. Utilities are regulated because of the serious and fundamental role that elec-



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Solar power installations doubled in the United States last year and are expected to double again this year, according to The Associated Press. Above, solar panels mounted on a Philadelphia home.

tricity plays in our nation's security — not to mention that a functioning electric grid is key to how we live as Americans.

Policymakers' objectives are to make sure that our electricity is safe, secure, reliable and cost-effective to citizens. Utilities also have many stockholders, and they're known to be a great investment largely because of their special protections in the regulatory environment.

Central duties of their lobbyists and employees are to enhance their shareholders' stock value and investors' profits. Moreover, they have determined (correctly) that an open and competitive renewable-energy market in Florida will not allow them to generate the same level of profits for shareholders.

Therefore, if there is to be an energy bill, existing utilities want to make sure that they will retain control over the market to the degree that they even get to decide how the market can or will grow.

I don't blame them for their efforts. If they did anything less, they would not be carrying out their responsibilities to the corporation.

Meanwhile, independent

businessmen and entrepreneurs push the envelope to open markets that are not in the regulated utilities' best interest. Energy policy gets really messy in the Legislature — and it also causes a log jam, the kind that eventually kills proposed bills.

By comparison, the renewable energy lobby is fairly new, not well-funded and not a very organized lobby. It consists of a few newly formed trade associations and alliances. Mixed in are lobbyists who represent the interests of a single client or two.

To make matters worse, the various renewable energy interests cannot agree on a policy and the various organizations seem to compete with each other for press, notoriety, and for a small pool of members.

The common threads that exist for other industry groups do not exist for the renewable energy lobby because of vying technologies and the fact that everyone is fighting for a foothold to simply survive. Consequently, opposing parties have been easily able to divide and conquer.

The fundamental tug of war between the two groups is whether to protect the status quo or open

markets for independent companies. With a pro-business, free-market and open-competition legislative predisposition, it seems the answer would be simple. Open markets — right?

But it's not that simple in a legislative process fueled by money and ambitions.

Then there is the argument that no one running for re-election wants to risk having voters think that lawmakers passed a measure that increased utility bills.

Surprisingly, that argument falls flat for several reasons. Legislators have been running for re-election since 2006 after overburdening Floridians with the most onerous additional charges on their electric bills under the "advance-cost recovery" clause for nuclear power. Lawmakers also have placed additional fees on our phone bills over the years, yet in 2008 the majority party gained seats in the Legislature even after such increases.

We are asking policymakers to enhance renewable energy as an industry while not overburdening taxpayers or crippling other energy players.

We believe that they can do this, but they will have to rise above the politics of the day to do so.

Clearly this is a tough issue for legislators, but the guiding principle is simple. How do we generate more jobs in Florida? Is it by keeping the status quo in energy or by opening markets for independent business and entrepreneurs? I suggest it is the latter.

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