

Let's Create a Strong Renewable Energy Standard and Help Jump-Start Florida's Economy!

– Talking Points –

The Issue

Renewable energy in Florida is poised to expand the state's economic base and create jobs while reducing global warming pollution. Recently, the Florida Public Service Commission delivered a renewable portfolio standard (RPS) rule to the Legislature for ratification that adopted Governor Crist's goal of 20% renewable energy by 2020. An RPS that reaches the Governor's target can play an important role in strengthening our state's economy. Developing Florida's renewable energy potential will create new economic opportunities and spur demand for a variety of skilled trades and professional careers.

The good news is that Florida has immense renewable energy resources that can exceed Governor Crist's goal of 20% renewable energy by 2020! It's an exciting time for those who value environmental protection, economic growth and consumer protection.

A strong RPS is good for Florida's economy.

- The jobless rate in Florida hit a 16-year high of 8.1% in December. The state lost more than 255,000 jobs, or 3.2 percent over the year, worse than the 1.9 percent decline nationwide. Construction accounted for 30 percent of the jobs lost. More than 750,000 Floridians remain unemployed, but renewables are poised to significantly impact the creation of new jobs in the state.
- Recent studies have shown job creation achieved by solar generation to be about 15–30 jobs for each MW (mega-Watt or 1000 kilo-Watts)¹.
- A 2007 University of Florida IFAS economic study considered wood-fueled plants of 20–40 MW in size and concluded an average of 9 direct jobs are created per MW with value added benefits of \$13 million per year to the local economy.

Jobs Created per MW of Capacity ² :	<u>Solar</u> 15-30	<u>Biomass</u> 9	<u>Nuclear</u> 0.4-0.9
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- Additionally, 85 percent of the money spent on producing biomass power stays within a 75-mile radius of the plant – stimulating the local economies. On the other hand, electricity generated by natural gas is exported out of Florida – meaning nearly 85 percent of the dollars it costs to deliver energy to the electric grid are exported out of state.

¹ This finding is supported in a recent Navigant Consulting, Inc. report where the lower range represents utility scale installations with little or no manufacturing in the state and the higher range represents mostly distributed installation with a heavy manufacturing base in the state.

² Navigant Consulting, Inc. *Economic Impacts of Extending Federal Solar Tax Credits*, Final Report, September 15, 2008 (This estimate is consistent with the experience in Germany, where the government estimates that 42,000 direct jobs have been created by the installation of 1,382 MW of solar); Rahmani and Hodges, *Economic Impacts of Generating Electricity*, University of Florida/IFAS, September 2007; Lyash, *Presentation by Jeff Lyash, Progress Energy President and CEO, Progress Energy Florida*, January 13, 2009.

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- Florida residents export more than half of their energy dollars to import fuel from other states and countries, primarily as coal, uranium, and natural gas. By those measures, Florida is transferring a significant portion of its wealth out of the region to purchase the energy it needs. It also means we are at the mercy of market forces outside of our control.
- Passing a RPS would help Florida generate more of its own power from clean, renewable, homegrown energy sources, allowing our citizens to keep their wealth in the state, invest those dollars into their own communities and create jobs for their own citizens.
- Florida has much to lose if climate change is not addressed. Our state's economy is centered on our beautiful and abundant coastlines. The damage that global warming would cause to Florida's coastline through rising sea levels, more frequent and intense storm activity, and changing weather patterns all suggest that Florida should be leading the effort to reduce global warming pollution and transitioning toward a clean and renewable energy economy.

A strong RPS is good for Florida's ratepayers.

- Of the three choices facing Florida – development of natural gas power plants, building new nuclear reactors, and renewable energy – the renewable option ultimately costs the consumer less and poses fewer risks to both the environment and public health.
- Statewide 2006 average residential utility rates are 41 percent higher than in 2000, without any significant investments in clean energy. Those price spikes were created by higher fossil fuel costs. Fossil fuels, especially natural gas, will continue to be a high price-volatility fuel source for Florida in the future – comprising over 45% of Florida's total energy mix by 2016.³
- Additionally, early cost recovery for proposed new nuclear reactors helped drive up Progress Energy's ratepayer bills up to 25% this year. Construction costs estimates for new nuclear reactors have tripled in the last several years and are expected to increase – placing enormous risk on the backs of ratepayers. This year, FL consumers can expect substantial price spikes from Progress Energy, Florida Power and Light, and TECO.

2009 Projected Utility Costs		
Progress: 25% ↑	FPL: 16% ↑	TECO: 12% ↑

- Renewable energy sources have stable or no fuel costs at all. Additionally, capital costs are dropping steadily for renewable energy sources. For instance, the price per watt peak of PV solar has dropped from \$27 in 1982 to just \$4 today.
- Renewable resources can be built and brought online much faster than more conventional energy resources such as new nuclear reactors and coal-fired power plants.
- Moreover, RPS rate impacts are relatively low – at most a several percentage point rate impact, as opposed to the rate impacts from traditional energy supplies cited above.

³ A Review of Florida Electric Utility 2007 Ten Year Site Plans, Florida Public Service Commission, December 2007.

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No place for nukes in the RPS

Unfortunately, the renewable energy goals in the proposed RPS stand to be completely undermined by utilities that want to include nuclear power as a resource that can meet the 20% goal. Florida is on the verge of positioning itself as a leader in the new renewable energy economy, reducing global warming pollution and creating jobs that will keep wealth in our communities. We must stop the nuclear industry from undermining Florida's renewable energy plan because:

- No investment would flow to truly renewable energy – Progress Energy would be at 20% renewables by 2017 just from nuclear reactors that are already on the drawing board.⁴
- Nuclear energy is a risky and expensive choice – allowing nuclear power into the RPS will hurt ratepayers by diverting investment from currently available lower-cost renewable resources.
- Nuclear energy doesn't produce safe, meaningful "green" jobs.
- There is nothing "clean" about radioactive nuclear waste, and uranium is a finite resource; nuclear power is simply not renewable.
- The inclusion of nuclear power as a renewable energy resource will simply undermine an RPS intended to promote truly renewable energy.
- Radioactive spent fuel (nuclear waste) is dangerous and remains radioactive for millions of years, and we have yet to find a solution for effective nuclear waste management. More reactors means more radioactive nuclear waste in Florida.
- Nuclear reactors threaten our water supply. Nuclear plants need tens of millions of gallons of water per day in order to operate. More reactors will compete with other important needs here in Florida. Hot water is also discharged to rivers and this "thermal pollution" can stress organisms living within the area and impact the surrounding environment. More nuclear reactors will only continue to negatively impact our natural environment.

⁴ Progress Energy Florida, Inc. *Ten Year Site Plan*, April 2008. Progress Energy Florida has an existing MW capacity of approximately 10,285 MWs. The proposed Levy nuclear reactor units have a capacity of 2,300 MWs, hence $2,300/10,285 = 22\%$.