

Solar Industry Update

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"You Should Assume You Are Going to Lose Power and Hope That You Don't."

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In the face of Hermine's landfall, Florida Governor Rick Scott warned Floridians: "You should assume you are going to lose power and hope that you don't." Three days later, Scott expressed frustration at the rate of power restoration: "I am incredibly disappointed about where the city is on restoring power. It has been almost four days since the storm, and there are still over 21,000 families and businesses in Tallahassee without power."

Certainly, losing power was a reasonable expectation for electric customers at ground zero, but less expected was the extent of power outages throughout the rest of the state, particularly in places where Hermine's effects were perhaps only somewhat more intense than a typical summer storm.

A lot has changed in the world of electricity since the last time a hurricane made landfall in Florida in 2005. Back then, it was taken for granted that a hurricane could leave hundreds of thousands of people without power, possibly for days while utilities worked to restore service. Flooded streets, wind-ravaged homes and buildings, and downed power lines are standard fare in the area immediately surrounding landfall. But, perhaps surprisingly, many of the people who endured short and long-term power outages suffered no substantial wind damage to their homes or flooding in their neighborhoods. This is because a power line some distance away was damaged and power was cut off to places that were otherwise unaffected by the storm.

Tampa Bay, for example, received substantial rainfall, as well as some coastal and localized flooding, but no hurricane-force winds. The National Weather Service indicated that, for Tampa, Hermine "is not going to be much different from what we've seen with other tropical storms." Even though landfall was up in the Panhandle, thousands of Bay Area electric customers were left in the dark over the weekend. Overall, state-wide estimates totaled 300,000 without power.

Our entire way of life depends on electricity, and for the past few decades, Florida utilities have done a fine job of delivering reliable power service to the state's ever-growing population. But while the electricity transmission and distribution system is a feat of twentieth-century industrial engineering, its inherent weakness and susceptibility to interruption hit close to home for thousands and thousands of Floridians when they woke up Friday morning and attempted to navigate life without electricity to power their lights and clocks, turn on their computers, run their appliances, and charge their phones. Many morning commuters faced frustrating traffic conditions exacerbated by lack of power to traffic signals.

In 2012 when Super Storm Sandy wreaked havoc in the Northeast, utilities and electricity customers took a hard look at the traditional electric grid model and asked why *all* of their power had to come from a

centralized power plant and be shipped to them over power lines that are vulnerable to falling tree limbs and spectacularly exploding transformers, among other hazards that could cut off power at any moment, particularly during major weather events. Today, New York's Reforming the Energy Vision program is finding win-win solutions for utilities and customers to add resources like customer-sited solar power, batteries, demand response, and other measures that address the immediate need for reliable, as well as environmentally responsible power.

When a hurricane last made landfall in Florida in 2005, a typical 200-watt solar panel cost \$800. Today, the same panel goes for less than \$199—and the price drop has no end in sight. Today in Florida, the price of the average five-kilowatt system after tax credits is beginning to rival the all-in cost of a similarly sized gas-powered backup generator, coming in at prices in some cases well under \$11,900—certainly within the reach of most homeowners, particularly with zero-down, low-interest financing. And a rooftop solar array offsets electric usage all year long, rather than simply sitting in storage waiting for the next storm to hit.

Florida has enjoyed an eleven-year hiatus from hurricane landfalls, and Hermine might well serve as a relatively mild wake-up call to look more and more to legislators, regulators, and utilities to lead the Sunshine State in building a twenty-first century power-delivery system, including the meaningful adoption of solar power to improve resilience against storms, reduce costs, and address Florida's dependence on carbon-emitting fuels, such as coal and natural gas.

In Florida, after a storm blows over, the sun comes right out, allowing even the simplest solar array without an integrated battery to provide power to the home or business immediately, often more quickly than the utility's service truck can arrive and repair the downed power line.

Maybe as Florida homeowners and businesses continue to learn more about solar power's benefits, they will no longer have to "assume that they will lose power and hope that they don't" when future storms hit.

Chris Delp and Tim Hughes are attorneys in the Solar Industry Practice Group at Shumaker, Loop & Kendrick, LLP, where they monitor regulatory developments and market trends and provide experienced counsel and representation in the development, financing, and construction of solar photovoltaic systems. To learn more, please visit www.slk-law.com/Industries/Solar.

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