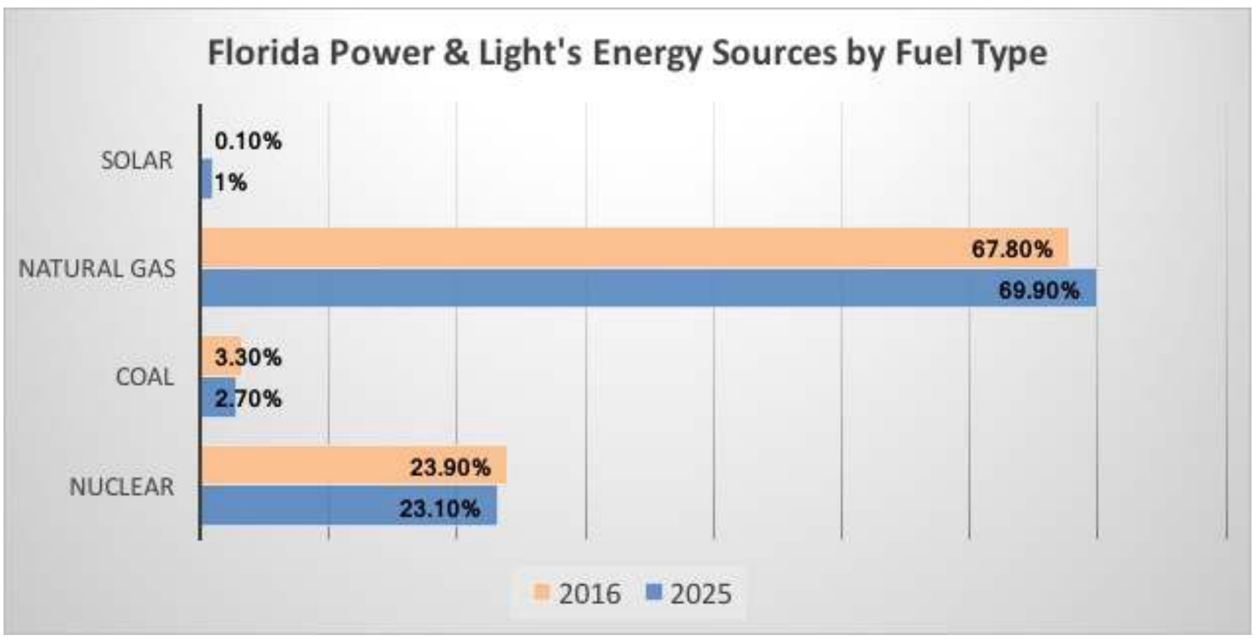
Florida Power & Light

Florida is home to four regulated, monopoly utility companies: Duke Energy, Tampa Electric, Southern Company's Gulf Power, and NextEra Energy's Florida Power & Light (FPL), which is the largest of the four. In the first quarter of 2016, FPL reported a net income of $393 million compared to $359 million for the prior-year quarter. The utility's service territory covers the east coast of Florida and parts of the west coast south of Tampa Bay. The company serves more than 9.5 million customers through 4.8 million customers accounts and has a generating capacity of over 25,000 megawatts.

FPL's energy portfolio is dominated by fossil fuels, specifically natural gas. The utility operates 70 fossil fuel units that make up 21,766 megawatts of the utility's 25,254 megawatt generating capacity. In 2016, FPL had 110 megawatts of solar (0.1%) in its portfolio. By the end of 2025, FPL plans to have only 1% of solar.



Data from FPL's Ten Year Power Plant Site Plan submitted to the Public Service Commission in April 2016

'Hedging' Natural Gas Prices

In August 2015, the *Tampa Bay Times* reported that the four Florida utility companies lost $6.1 billion in natural gas hedging, which is when a utility agrees to buy a volume of fuel in the future at a fixed price. Since 2002, the Florida Office of Public Counsel says losses for each utility are: $1.4 billion for Duke

Energy Florida, $390 million for Tampa Electric, **$4.1 billion for Florida Power & Light** and $171 million for Gulf Power. (Duke disputes the numbers and said its losses are $1.1 billion.) The counsel's office tally translates to $815 on average for every electric customer in Florida.

Months later, in April 2016, the utilities agreed to limit their natural gas hedging by 25%. However, the utilities and the state public service commission (PSC) agree that the practice of hedging still benefits customers by reducing wide swings in customer bills.

Fracking Investments

In December 2014, the PSC allowed FPL to invest $191 million in a joint fracking venture with PetroQuest Energy, Inc. in Oklahoma and bill customers for the investment. The measure was opposed by the state's largest energy users, lawyers who represent the public in rate cases, and environmental groups.

In June 2015, the PSC approved FPL's increase in financing fracking investments by as much as $500 million a year. The regulators rejected their own staff's recommendation that said the project was untested, risky, and had the potential to benefit FPL's shareholders more than its customers.
In August 2015, it was revealed that the $191 million originally invested has shown a $5.8 million loss.

In May 2016, the Florida Supreme Court ruled 6-1 that the PSC exceeded their authority when they allowed FPL to charge customers for investments into PetroQuest Energy, Inc.

Campaign Spending

Between the 2004 and 2012 election cycles, FPL gave state-level candidates, political parties and committees $7,512,632. FPL gave the Republican Party $4,154,818 from 2004-2012. FPL gave the Democratic Party $2,062,814 from 2004-2012.

Follow the Money reported that NextEra Energy Inc. has given $8,243,793 to 1,191 filers (persons who filed to run for political office) over 8 years.

A report by the *Tampa Bay Times* found that FPL had given $2.6 million in campaign contributions in the 2012 cycle alone. And NextEra gave at least $500 (the maximum amount allowed) to 116 Florida legislators out of 160.

In November 2016, it was reported that FPL poured $6.1 million into state legislative campaigns.

Contributions to the Failed Anti-Solar Ballot Initiative

From August 2015 through the 2016 election, FPL spent $8 million in an effort to get Floridians to approve Amendment 1, a controversial ballot measure that would have amended the state's constitution to pave the way for more restrictions and fees for solar customers.

It was revealed in October 2016 though leaked audio obtained by the Energy and Policy Institute and the Center for Media and Democracy that Consumers for Smart Solar (the campaign backing Amendment 1) crafted the ballot language in an attempt to have voters believe it was really pro-solar. The audio also revealed that if approved, the ballot amendment would "completely negate anything they [pro-solar groups] would try to do either legislatively or constitutionally down the road."

The amendment was rejected by the voters.

Lobbying Expenditures and Influence

FPL has had one lobbyist registered in Florida for every two legislators each legislative session between 2007-2013, and has been one of the largest donors to state-level campaigns in recent election cycles. FPL's spending on legislative lobbying from 2007-2013: $4,713,000, with FPL employing 190 lobbyists. An *Orlando Sentinel* analysis of the 2013 lobbyist-compensation found FPL spent $545,000 lobbying the legislature, and $430,000 lobbying the executive branch.

The *Wall Street Journal* reported in November 2016 that NextEra is having difficulty overcoming its image problem as it is trying to buy Oncor, which is the biggest utility in Texas. The article explores how NextEra failed to win approval to buy Hawaiian Electric Industries earlier in 2016, and also discusses how FPL complained to state legislators in Florida after they received a $75 million rate increase in 2009 and not the $1.3 billion it wanted. Within months, four utility commissioners were rejected for reappointment or not confirmed by the state senate.

Texas Commissioner Ken Anderson said NextEra/FPL is "not known for playing well with other people. They have a reputation among regulators and others as 'my way or the highway.' That's not going to work in Texas."

Revolving Door

State Senator Miguel Diaz de la Portilla received $410,855 in income from Becker & Poliakoff,P.A. during the 2012 calendar year, and one of the firm's clients includes FPL. Sen. Diaz de la Portilla called South Miami Mayor Philip Stoddard and lobbied him in 2012 to support FPL's base-rate increase.
In 2012, Integrity Florida found 11 members of the Florida legislature on the payroll of lobbying firms. Other sitting state legislators also listed FPL as a client.

$1.3 Billion Rate Increase

In 2016, FPL submitted a request for $1.3 billion in base-rate hikes. FPL wants regulators to approve rates that would generate an additional $826 million in 2017, $270 million in 2018, and $209 million in 2019. A customer would see base-rates increase from $57 to $70, and the total bill would increase from $91 to $107. Additionally, FPL's rate case expenses, estimated at $4.2 million, will be paid by its customers.

It was also discovered by Energy and Policy Institute that FPL has requested that its customers pay for its membership dues to the Edison Electric Institute - more than $2 million per year.

Weakening Energy Efficiency Standards and Ending Solar Rebates

At the end of 2014, the PSC voted 3-2 in favor of FPL and the other utility companies' proposals to gut Florida's energy-efficiency goals by more than 90 percent, and to terminate solar rebate programs by the end of 2015.