



Florida solar amendment on the rise despite free-market concerns

By William Patrick

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TALLAHASSEE, Fla. — Florida is one of only five states to prohibit residents and businesses from buying solar-generated electricity from anyone but a public utility.

The restriction results in a solar monopoly, but an unlikely coalition of tea party, libertarian and progressive environmental groups aims to put the issue to voters.

Bad news for the unpopular energy giants.

The deregulatory effort would open the solar energy market. Whether it would also pave the way for market distorting tax subsidies is a matter of dispute among some free-market advocates.

Under the banner [Floridians for Solar Choice](#), a registered political committee, the solar coalition is trying to amend the state constitution through a 2016 ballot initiative that, if successful, would remove all government and utility imposed barriers to buying solar electricity through small-scale solar systems.

That means homeowners, landlords and businesses could buy electricity from private, non-utility solar companies supplying up to 2 megawatts of electricity at the same location as the solar installations, or from a connected property. The Orange County Convention Center is the state's largest rooftop system and generates 1 megawatt of electricity, according to FSC.

Proponents say this creates consumer choices.

Marita Noon, executive director of the [Citizens Alliance for Responsible Energy](#), a group outside the solar amendment coalition, says there's a catch.

"The problem is that converting free sunshine into energy is expensive," Noon told Watchdog. "The solar industry is dependent on tax subsidies."

While the ballot language doesn't include solar subsidies, tax increases or solar energy mandates, critics are quick to point out they're not expressly prohibited, either.

The conservative powerhouse [Americans for Prosperity](#) is sounding the alarm over this portion of the amendment language:

“It shall be the policy of the state to encourage and promote local small-scale solar-generated electricity production to enhance the availability of solar power to customers.”

“Changing our constitution such that it ‘shall be the policy of the state to encourage and promote’ equals subsidies and mandates by another name — not a free-market policy,” said Chris Hudson, AFP’s Florida director.

Pro-amendment groups [Conservatives for Energy Freedom](#) and the [Libertarian Party of Florida](#) have issued strong statements condemning AFP over its public opposition to the initiative.

[On its website](#), Conservatives for Energy Freedom calls AFP’s position “misleading” and “inaccurate.” The group asserts that “anyone who reads the (amendment’s) full language in context can see it promotes customers, not the industry, and does so by removing market barriers for customers.”

[Read the full amendment here.](#)

An LPF staffer told Watchdog, “The Libertarian Party of Florida is against subsidies and always has been. The ballot initiative opens up the market and allows people to sell energy that they’ve produced to an end consumer. This is two completely different issues.”

Groups such as Greenpeace USA, the Sierra Club of Florida and the Tropical Audubon Society are predictably supportive of the measure, as are industry interests groups such as the Florida Solar Energy Industries Association, the Florida Alliance for Renewable Energy and the Florida Retail Federation.

The lion’s share of funding for the umbrella group Floridians for Solar Choice comes from the Southern Alliance for Clean Energy, a left-leaning environmental advocacy organization that [participated in a rally at the Florida Capitol](#) last year for Democratic gubernatorial candidate Charlie Crist.

The most recent records from the Florida Division of Elections shows the Southern Alliance for Clean Energy Action Fund has contributed \$355,460 of Floridians for Solar Choice’s \$370,248 total, or 96 percent.

The Republican Liberty Caucus of Florida and the Tea Party Network support the initiative.

The [Gainesville Tea Party](#) has yet to take a position, but the group’s former president and current steering committee chairwoman told Watchdog she supports it.

“It’s a move away from the utility companies’ energy monopoly,” said Laurie Newsom.

“That being said, we still won’t have a free market. Energy is subsidized. So the next question is, what are we going to do about it? That’s what makes this initiative interesting,” she said.

Floridians for Solar Choice says the amendment would lead to [more choices for homeowners](#) to contract with companies that can provide solar power systems at no upfront cost and sell power directly to the customer at a long-term fixed rate.

[One such company is Solar City](#). The California-based business is a national leader in supplying rooftop solar installations and is a founding member of nationwide advocacy group [The Alliance for Solar Choice](#).

But, according to Noon, the promises of “no upfront costs” are only doable with heavy doses of taxpayer support.

“Solar panels on their own don’t make sense,” she said. “It costs thousands of dollars even with large, built-in tax subsidies.”

[Solar City advertises](#) government tax credits — 30 percent federal — and tax rebates as part of its consumer financing options that include long-term contracts, sometimes decades long. Nicole Kaeding of the libertarian Cato Institute told Watchdog in an email the federal tax incentive “benefits the solar industry and solar consumers, but it harms the broader energy market by misallocating resources and driving up prices elsewhere.”

Market-oriented supporters of Florida’s solar amendment say subsidy talk, at this point, is misplaced.

“What I like about (the amendment) is that people are cracking away at the current broken system,” said Newsom.

“If subsidies and mandates came down the pike in the future? I’d be against them. And I’m cynical enough to think that’s exactly what will happen here.”

“The thing that concerns me the most is that we have to resort to changing the constitution just so the public can have a say,” Newsom said.

Floridians for Solar Choice has obtained [72,025 petition signatures](#) as of Tuesday, enough for the Florida Supreme Court to review the amendment language. The group needs 683,149 signatures to appear on the voting ballot in 2016.