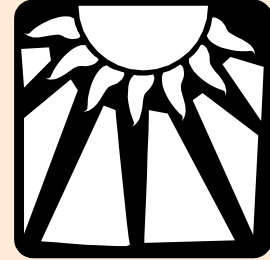




Florida Public Service Commission

Consumer Bulletin

Braulio L. Baez, Chairman



Green Power and Green Pricing

Most of the energy produced in Florida is derived from fossil fuels such as coal, natural gas, and oil. However, many consumers throughout the state currently have access to an optional utility program that supports a greater level of utility company investment in cleaner energy sources. Altogether, these energy sources are oftentimes referred to as "green power," and the program offered by some of the state's utilities is called a "green pricing" program.

Which Energy Sources Are Generally Associated With "Green Power"?

The energy sources that are generally associated with the concept of "green power" (also known as "green energy") typically include the following:

- ◆ Photovoltaic cells (PVs) and solar energy
- ◆ Wind power
- ◆ Hydroelectric power
- ◆ Biomass

PVs convert sunlight into electricity and solar radiation can be captured in order to heat water. Wind power and hydroelectric power rely upon wind and water for energy production, respectively. Biomass is the name given to any organic matter that is derived from plant and animal material, such as wood from forests, residue from agricultural and forestry processes, and industrial, human, or animal waste. Biomass is typically burned at power plants in a manner similar to fossil fuels.

What Is "Green Pricing" and How Does It Work?

Green power is typically more costly to produce than the energy produced by traditional fuels, such as coal and natural gas. Green pricing programs are voluntary programs offered by some utilities that allow interested customers to support investments in green energy. Participating customers agree to pay an additional charge on their monthly bill. Those funds are then used by the utility to install added "green" generation, or to purchase green energy from other generating sources.

Many utilities offer green pricing programs in an effort to build customer loyalty, increase customer choice, and diversify the types of fuel that are used to produce electricity. To date, more than 500 investor-owned utilities, municipal utilities, and rural electric cooperatives around the nation have either implemented or announced plans to offer a green pricing option to their customers.

Many of these programs are "pilot green pricing programs" designed to gauge the level of consumer interest and potential for enrollment. The Florida Public Service Commission (PSC) has encouraged the state's investor-owned electric utilities to develop green pricing programs.

Which Utilities In Florida Offer Green Pricing Programs?

In Florida, the investor-owned utilities that currently offer green pricing programs to their customers include the following:

- ◆ Florida Power & Light Company
- ◆ Gulf Power Company
- ◆ Tampa Electric Company

In addition, the municipal utilities in Florida that currently offer a green pricing option to their customers include the following:

- ◆ Utilities Commission, City of New Smyrna Beach
- ◆ Gainesville Regional Utilities
- ◆ City of Lakeland
- ◆ City of Tallahassee

If you have any questions about the availability of green pricing programs, please contact your local utility company. In addition, if you need background information about energy saving tips, you may contact the PSC by calling its Division of Regulatory Compliance and Consumer Assistance at **1-800-342-3552**. You may also contact us by e-mail at contact@psc.state.fl.us. The Commission's Web site is located at www.floridapsc.com and offers information on a range of utility topics. Please feel free to visit this Web site to review our many brochures and reports about the industries that we regulate.

Braulio L. Baez is the Chairman of the Florida Public Service Commission. The PSC sets the rates regulated utility companies charge for natural gas, electric and telephone service within the state. In 37 counties, it sets the price you pay for the water you drink, if your water company is privately owned.