

Ruth Nettles

From: Nanci_Nesmith@fpl.com
Sent: Wednesday, November 07, 2007 4:42 PM
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Cc: Sabrina_Spradley@fpl.com; Bryan_Anderson@fpl.com; Lynne_Adams@fpl.com; Natalie_Smith@fpl.com
Subject: Electronic Filing / FPL's Petition for Approval of a Negotiated Renewable Energy Contract with Manatee Green Power, LLC
Attachments: Petition Manatee FINAL.doc; Exhibit A- PPA.pdf; Exhibit B to Petition Summary Report FINAL 11-07-07.doc; Exhibit C.pdf

070677

Electronic Filing

a. Person responsible for this electronic filing:

Bryan S. Anderson, Esq.
700 Universe Blvd.
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b. Docket No. _____

c. Documents are being filed on behalf of Florida Power & Light Company.

d. There are a total of 41 pages in the attached documents.

e. The document attached for electronic filing is Florida Power & Light Company's Petition for Approval of a Negotiated Renewable Energy Contract with Manatee Green Power, LLC and Exhibits.

(See attached file: Petition Manatee FINAL.doc) (See attached file: Exhibit A- PPA.pdf) (See attached file: Exhibit B to Petition Summary Report FINAL 11-07-07.doc)(See attached file: Exhibit C.pdf)

Thank you,
Nanci NeSmith
Florida Power & Light Company

DOCUMENT NUMBER- DATE

10171 NOV-7 5

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's)
Petition for Approval of a Negotiated)
Renewable Energy Contract with Manatee)
Green Power, LLC)

Docket No. 070677

Dated: November 7, 2007

PETITION

Pursuant to Sections 366.04 and 366.91, Florida Statutes, and Rules 25-17.240 and 28-106.201, Florida Administrative Code, Florida Power & Light Company ("FPL" or the "Company"), petitions this Commission for approval of a negotiated renewable energy contract for FPL's purchase of firm capacity and energy, as well as defined Green Attributes, from Manatee Green Power, LLC (the "Contract"). Manatee Green Power, LLC ("Manatee") would produce the electricity for sale under the contract from a new renewable energy facility using landfill gas as a fuel in the state of Florida. FPL requests that the Commission enter a finding that the Contract will be considered prudent for capacity and energy clause recovery purposes. A true and correct copy of the Contract is attached as Exhibit A to this Petition. In support of this Petition FPL states as follows:

1. FPL is a public utility subject to the jurisdiction of the Commission pursuant to Chapter 366, F.S. FPL's General Offices are located at 9250 West Flagler Street, Miami, FL 33174. The Commission has jurisdiction pursuant to Section 366.91, F.S., to establish rates at which a public utility shall purchase capacity and/or energy from renewable energy facilities, and FPL invokes that jurisdiction in filing this Petition. FPL has a substantial interest in the rates it pays renewable energy facilities for capacity and energy.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

2. Pleadings, motions, notices, orders or other documents required to be served upon the petitioner or filed by any party to this proceeding should be served upon the following individuals:

R. Wade Litchfield
Vice President and
Associate General Counsel
Florida Power & Light Company
700 Universe Boulevard
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3. Manatee plans to install and operate a generating plant near the Lena Road Landfill located in Manatee County, Florida (the “facility”). Under the Contract Manatee would begin delivering energy during 2008 and firm capacity in 2009. The proposed Contract’s term extends through January 1, 2024, unless terminated earlier in accordance with the Contract. The facility would be designed to produce a maximum of 5,700 kilowatts (“kW”) of electric power using three reciprocating synchronous generators with an expected net power output of 5,250 kW. Energy will be produced using landfill gas as fuel. Accordingly, the facility will constitute a “Renewable Generating Facility” within the meaning of Section 366.91(2)(a), F.S., and Rule 25-17.210(1), F.A.C.

4. For the reasons explained below, the purchase of firm capacity and energy from Manatee’s proposed facility pursuant to the rates, terms and other conditions of the Contract can reasonably be expected to contribute towards the deferral or avoidance of capacity-related costs by FPL, as well as provide fuel diversity, and energy security at a cost to FPL’s customers which is not expected to exceed full avoided costs, giving consideration to the characteristics of the capacity and energy (including renewable characteristics) to be delivered under the Contract.

See Rule 25-17.240(2), F.A.C. A summary of the contract setting forth the information required to be provided pursuant to Rule 25-17.0832(b), F.A.C., is attached as Exhibit B to this Petition.

5. The Contract is expected to result in “a cost to the utility’s ratepayers which does not exceed full avoided costs, giving consideration to the characteristics of the capacity and energy to be delivered by the renewable generating facility under the contract,” as required pursuant to Rule 25-17.240(2), F.A.C. Manatee asked FPL to negotiate pricing based upon a 2008 combustion turbine unit (“CT”) included in FPL’s generation plan at the time that Manatee first approached FPL concerning the facility. As a result of negotiations, Contract pricing was adjusted to be consistent with Manatee’s proposed 2008 initial operation date with a commitment to provide firm capacity starting in 2009. A summary of projected capacity and energy costs under the Contract, compared with the 2008 CT (with an in-service date of June 1, 2008; i.e., FPL’s 2006 Standard Offer Contract) taking into account Manatee’s proposed capacity operation date of January 1, 2009, is attached as Exhibit C to this Petition.

6. The facility’s proposed 5,250 kW of firm capacity can be expected to avoid some firm capacity purchases that would otherwise be needed during periods of higher than expected system demand and/or electric generating constraints. Capacity payments use a formulary approach. In order to receive full capacity payments Manatee has to operate at a 90% capacity billing factor during on-peak hours and an 80% capacity billing factor during the other hours (based on a 12 month rolling average). Accordingly, the purchase of firm capacity and energy from the renewable generating facility “can reasonably be expected to contribute towards the deferral or avoidance of additional capacity construction or other capacity-related costs.” Rule 25-17.240(2), F.A.C. In addition, by using landfill gas for its primary fuel, rather than natural

gas delivered by pipeline, purchases from the Manatee facility will enhance FPL's fuel diversity and help enhance energy security. Id.

7. The proposed Contract provides that Manatee would sell and FPL would purchase defined Green Attributes associated with the renewable energy produced by the facility. This supplemental energy-based payment recognizes the value of the renewable characteristic of energy from the facility. FPL's agreement to purchase the Green Attributes of Manatee's electrical production benefits FPL's customers by encouraging development of a new renewable generation facility in Florida that will serve FPL's customers. Such Green Attributes may also benefit FPL's customers in the future, for example by being used to satisfy a future Florida or federal renewable portfolio standard.

WHEREFORE, for the foregoing reasons, FPL respectfully requests that the Commission grant this Petition and (i) approve the proposed renewable energy contract between FPL and Manatee in the form attached hereto as Attachment A; and (ii) enter a finding that the Contract is prudent for capacity and energy clause recovery purposes.

Dated: November 7, 2007

Respectfully submitted,

By: s\ Bryan S. Anderson
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