

VOTE SHEET

September 4, 2008

Docket No. 080203-EI – Petition to determine need for West County Energy Center Unit 3 electrical power plant, by Florida Power & Light Company.

Docket No. 080245-EI – Petition for determination of need for conversion of Riviera Plant in Palm Beach County, by Florida Power & Light Company.

Docket No. 080246-EI – Petition for determination of need for conversion of Cape Canaveral Plant in Brevard County, by Florida Power & Light Company. (Deferred from the August 19, 2008 Commission Conference.)

Issue 1: Has FPL met the requirements of Rule 25-22.082, Florida Administrative Code, with respect to the selection of building WCEC 3?

Recommendation: Yes. FPL issued a RFP consistent with the requirements of Rule 25-22.082, F.A.C., on December 13, 2007. The RFP process was conducted in accordance with the guidelines provided by Rule 25-22.082, F.A.C. Pursuant to Rule 25-22.082(15), F.A.C., costs in addition to those identified in this need determination proceeding for WCEC 3 would not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.

APPROVED, as modified at the Commission Conference.

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Neil A. Igo
Katrina J. McMurry
[Signature]
[Signature]
[Signature]

Neil A. Igo (Issue 9 and Issue 17)

REMARKS/DISSENTING COMMENTS:

Commissioner Skop dissented on issues 9 and 17.

DOCUMENT NUMBER-DATE

08164 SEP-4 08

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Issue 2: Is there a need for WCEC 3, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL has demonstrated a reliability need in the summer of 2013 based on maintaining a 20 percent reserve margin planning criterion. The construction of WCEC 3 in 2011 will provide adequate generating capacity to allow for the conversions of the existing Cape Canaveral and Riviera generating units and will not adversely impact system reliability.

APPROVED

Issue 3: Is there a need for WCEC 3 taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL has adequately demonstrated a need for WCEC 3 in 2011 and the conversions of the Riviera and Cape Canaveral plants. The cost estimates presented by all three projects consisting of capital costs, fuel costs, emission costs and water are reasonable.

APPROVED

Issue 4: Is there a need for WCEC 3, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. While adding WCEC 3 in 2011 followed by the Riviera and Cape Canaveral conversions will not change FPL's generation mix, which will remain predominately natural gas, building additional coal or nuclear generation by 2013 is not feasible. The addition of WCEC 3 followed by the conversions will, however, lead to reductions in the amount of natural gas and fuel used. The addition of WCEC 3 and the conversions will also lead to an overall increase in system efficiency of 1.4 percent for WCEC 3 and 1.1 percent for the conversions for an overall system efficiency of 2.5 percent.

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Issue 5: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to FPL which might mitigate the need for WCEC 3?

Recommendation: No. FPL's forecasted reliability need already accounts for all the identified cost-effective DSM and renewable generation. The amount of DSM and renewable generation included is the same as the amount the Commission approved as reasonable in Docket No. 070650-EI.

APPROVED

Issue 6: Is WCEC 3 the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL's economic analysis of WCEC 3 and conversion of the Riviera and Cape Canaveral units utilized a reasonable range of fuel and environmental costs. Together, these three projects will result in the greatest savings for FPL's ratepayers.

APPROVED

Issue 7: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine need for WCEC 3?

Recommendation: Yes.

APPROVED

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Issue 8: If an affirmative determination of need is granted, should FPL be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3?

Recommendation: Yes. Since the construction of WCEC 3 and the conversion projections are interrelated, FPL should annually report to the Director of the Division of Economic Regulation the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion relied upon in these proceedings.

APPROVED

Issue 9: Should FPL be granted an exemption from Rule 25-22.082, Florida Administrative Code, with respect to the conversion of the Riviera plant?

Recommendation: Yes. FPL's plan with the conversions is more cost-effective than the plan that was compared to the RFP responses. Therefore, FPL has demonstrated that the conversion projects will likely result in a lower cost supply of electricity and should be granted an exemption from the requirements of Rule 25-22.082(18), F.A.C. ~~Since the construction of WCEC 3 and the conversion projections are interrelated, costs in addition to those identified in this need determination proceeding for all 3 projects should not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.~~

APPROVED, *as modified at the Commission Conference.*
Commissioner Skop dissented.

Issue 10: Is there a need for the conversion of the Riviera plant, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL has demonstrated a reliability need in the summer of 2013 based on maintaining a 20 percent reserve margin planning criterion. The construction of WCEC 3 in 2011 will provide adequate generating capacity to allow for the conversions of the existing Cape Canaveral and Riviera generating units and will not adversely impact system reliability.

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Issue 11: Is there a need for the conversion of the Riviera plant, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL has adequately demonstrated a need for WCEC 3 in 2011 and the conversions of the Riviera and Cape Canaveral plants. The cost estimates presented by all three projects consisting of capital costs, fuel costs, emission costs and water are reasonable.

APPROVED

Issue 12: Is there a need for the conversion of the Riviera plant, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. While adding WCEC 3 in 2011 followed by the Riviera and Cape Canaveral conversions will not change FPL's generation mix, which will remain predominately natural gas, building additional coal or nuclear generation by 2013 is not feasible. The addition of WCEC 3 followed by the conversions will, however, lead to reductions in the amount of natural gas and fuel used. The addition of WCEC 3 and the conversions will also lead to an overall increase in system efficiency of 1.4 percent for WCEC 3 and 1.1 percent for the conversions for an overall system efficiency of 2.5 percent.

APPROVED

Issue 13: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to FPL which might mitigate the need for the conversion of the Riviera plant?

Recommendation: No. FPL's forecasted reliability need already accounts for all the identified cost-effective DSM and renewable generation. The amount of DSM and renewable generation included is the same as the amount the Commission approved as reasonable in Docket No. 070650-EI.

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Issue 14: Is the conversion of the Riviera plant the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL's economic analysis of WCEC 3 and conversion of the Riviera and Cape Canaveral units utilized a reasonable range of fuel and environmental costs. Together, these three projects will result in the greatest savings for FPL's ratepayers.

APPROVED

Issue 15: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine need for the conversion of the Riviera plant?

Recommendation: Yes.

APPROVED

Issue 16: If an affirmative determination of need is granted, should FPL be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed Riviera Conversion?

Recommendation: Yes. Since the construction of WCEC 3 and the conversion projections are interrelated, FPL should annually report to the Director of The Division of Economic Regulation the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion relied upon in these proceedings.

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Issue 17: Should FPL be granted an exemption from Rule 25-22.082, Florida Administrative Code, with respect to the conversion of the Cape Canaveral plant?

Recommendation: Yes. FPL's plan with the conversions is more cost-effective than the plan that was compared to the RFP responses. Therefore, FPL has demonstrated that the conversion projects will likely result in a lower cost supply of electricity and should be granted an exemption from the requirements of Rule 25-22.082(18), F.A.C. ~~Since the construction of WCEC 3 and the conversion projections are interrelated, costs in addition to those identified in this need determination proceeding for all 3 projects should not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances. FPL should be required to annually report the budgeted vs. actual construction expenses for all three projects.~~

APPROVED, *as modified at the Commission Conference.*
Commissioner Skop dissented.

Issue 18: Is there a need for the conversion of the Cape Canaveral plant, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL has demonstrated a reliability need in the summer of 2013 based on maintaining a 20 percent reserve margin planning criterion. The construction of WCEC 3 in 2011 will provide adequate generating capacity to allow for the conversions of the existing Cape Canaveral and Riviera generating units and will not adversely impact system reliability.

APPROVED

Issue 19: Is there a need for the conversion of the Cape Canaveral plant, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL has adequately demonstrated a need for WCEC 3 in 2011 and the conversions of the Riviera and Cape Canaveral plants. The cost estimates presented by all three projects consisting of capital costs, fuel costs, emission costs, and water are reasonable.

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Issue 20: Is there a need for the conversion of the Cape Canaveral plant, taking into account the need for fuel diversity and supply reliability as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. While adding WCEC 3 in 2011 followed by the Riviera and Cape Canaveral conversions will not change FPL's generation mix, which will remain predominately natural gas, building additional coal or nuclear generation by 2013 is not feasible. The addition of WCEC 3 followed by the conversions will, however, lead to reductions in the amount of natural gas and fuel used. The addition of WCEC 3 and the conversions will also lead to an overall increase in system efficiency of 1.4 percent for WCEC 3 and 1.1 percent for the conversions for an overall system efficiency of 2.5 percent.

APPROVED

Issue 21: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to FPL which might mitigate the need for the conversion of the Cape Canaveral plant?

Recommendation: No. FPL's forecasted reliability need already accounts for all the identified cost-effective DSM and renewable generation. The amount of DSM and renewable generation included is the same as the amount the Commission approved as reasonable in Docket No. 070650-EI.

APPROVED

Issue 22: Is the conversion of the Cape Canaveral plant the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

Recommendation: Yes. FPL's economic analysis utilized a reasonable range of fuel and environmental costs. Together, the WCEC 3 and conversion projects will result in the greatest savings for FPL's ratepayers.

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Issue 23: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine need for the conversion of the Cape Canaveral plant?

Recommendation: Yes.

APPROVED

Issue 24: If an affirmative determination of need is granted, should FPL be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed Cape Canaveral Conversion?

Recommendation: Yes. Since the construction of WCEC 3 and the conversion projections are interrelated, FPL should annually report to the Director of the Division of Economic Regulation the budgeted and actual cost compared to the estimated total in-service cost of the proposed WCEC 3, Cape Canaveral Conversion, and Riviera Conversion relied upon in these proceedings. ~~Costs in addition to those identified in this need determination proceeding should not be recoverable unless FPL can demonstrate that such costs were prudently incurred and due to extraordinary circumstances.~~

APPROVED, *as modified at the Commission Conference.*

Issue 25: Should these three dockets be closed?

Recommendation: Yes. Upon issuance of an order granting FPL's petitions to determine the need for WCEC 3, the Cape Canaveral Conversion, and the Riviera Conversion, each of these three dockets should be closed when the time for filing an appeal has run.

APPROVED