

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED-FPSC
APR 13 AM 10:42

COMMISSION
CLERK

DATE: April 13, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Erik L. Sayler, Senior Attorney, Office of the General Counsel
RE: Docket No. 090109-EI - Petition for approval of solar energy power purchase agreement between Tampa Electric Company and Energy 5.0, LLC.

Please place this memorandum and attachment into the docket file. The attachment contains the updated proposed list issues.

ELS/th
Attachment

DOCUMENT NUMBER - DATE
02760 APR 13 09
FPSC-COMMISSION CLERK

DRAFT LIST OF ISSUES (April 13, 2010)

Legal Issues

- Issue 1:** Is the Commission authorized to approve, for cost recovery, renewable energy payments made by TECO to Energy 5.0 that exceed TECO's full avoided cost? **(agreed)**
- Issue 2:** In selecting a responder to its 2007 renewable energy RFP, was TECO legally obligated to select the most cost-effective proposal among all the technologies offered? **(agreed)**
- Issue 3:** Did TECO have the discretion to opt for the most cost-effective proposal from among those responders submitting solar renewable energy proposals? **(agreed)**
- Issue 4:** Is the Commission authorized to allow TECO to recover from its retail ratepayers, costs incurred by TECO associated with improvements to its transmission system to accommodate the interconnection with Energy 5.0? **(agreed)**

Factual Issues

- Issue 5:** How should any costs of transmission upgrades, separate from interconnection costs, incurred by TECO in connection with its negotiated agreement with Energy 5.0 be treated, if at all, for ratemaking purposes? **(agreed)**
(Note: TECO, Energy 5.0, and Mosaic will attempt to reach a stipulation on the factual and legal Transmission Issues 4 & 5)
- Issue 6:** Was TECO's RFP that resulted in the negotiated agreement between TECO and Energy 5.0 conducted in a fair and reasonable fashion? **(agreed)**
- Issue 7:** Did TECO's RFP that culminated in the negotiated agreement between TECO and Energy 5.0 result in the most cost-effective renewable resource being selected? **(agreed)**
- Issue 8:** Does the payment pursuant to the negotiated contract between TECO and Energy 5.0 exceed the levelized cost of electricity (LCOE) for this project? **(Staff)**
- Issue 9:** If cost recovery for the negotiated contract between TECO and Energy 5.0 is approved, would TECO's ratepayers be required to pay more, over the life of the project, for renewable energy from the Energy 5.0 project than other comparable current solar PV projects? **(Staff new proposed; Substitute Issue 3, Alt 1)**
- Issue 10:** If the Commission has authority to approve cost recovery for payments that are above a utility's full avoided cost for renewable energy projects, is Levelized Cost of Electricity (LCOE) an appropriate metric to evaluate this negotiated agreement? **(Staff new proposed; Substitute for Issue 3, Alt 2)**

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Issue 11: Should the Commission approve the requested recovery for costs incurred under the negotiated agreement between TECO and Energy 5.0 that do not exceed TECO's avoided cost through the fuel and purchased power cost recovery clause? **(agreed)**

Issue 12: Should the Commission approve cost recovery for any payments, above avoided cost, incurred under the negotiated agreement between TECO and Energy 5.0 *for the purchase of environmental attributes and renewable energy credits* through the fuel and purchased power cost recovery clause? **(agreed)**

Issue 13: Should the Commission approve the requested recovery for costs incurred under the negotiated agreement between TECO and Energy 5.0 through the fuel and purchased power cost recovery clause? **(agreed)**

(Note: Issues 11 and 12 are subparts of Issue 13; Mosaic will notify parties whether Issues 11 & 12 can be dropped)