

State of Florida



Public Service Commission

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COMMISSION
CLERK

DATE: May 10, 2012

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Analysis (Clemence, Ellis)
Office of the General Counsel (Harris)

Handwritten initials and signatures in blue ink, including 'PE', 'LET', and 'MA'.

RE: Docket No. 120079-EQ – Petition for approval of facility charges to interconnection customer-owned renewable generation of Tropicana Manufacturing Company, by Florida Power & Light Company.

AGENDA: 05/22/12 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\RAD\WP\120079.RCM.DOC

Case Background

On April 9, 2012, Florida Power & Light Company (FPL) petitioned the Commission for approval of charges for the interconnection of a renewable land fill gas-fired generation facility owned by the Tropicana Manufacturing Company (Tropicana). The petition seeks the Commission's approval to charge Tropicana approximately \$95,000 to cover the costs of system modifications identified by the interconnection study.

On April 7, 2008, Commission amendments to Rule 25-6.065, Florida Administrative Code (F.A.C), relating to interconnection and net metering of customer-owned renewable

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generation became effective.¹ The purpose of the rule is to promote the development of customer-owned renewable generation up to 2 Megawatts (MW) in size, and to expedite the interconnection of such generation. In addition, the rule permits customers to offset electric consumption through net metering, further mitigating costs associated with self-generation.

The rule requires each investor-owned utility to file standard interconnection agreements and tariffs for Commission approval. On May 7, 2008, FPL filed tariffs as required by the rule. On September 24, 2008, the Commission approved the tariffs filed by FPL.²

The rule defines three tiers of customer-owned renewable generation eligible for expedited interconnection: Tier 1 -10 kW or less; Tier 2 -greater than 10kW and less than or equal to 100 kW; or Tier 3 -greater than 100 kW and less than or equal to 2 MW. The rule also prohibits installations from exceeding 90 percent of the customer's utility distribution service rating. The rule allows a company to conduct an interconnection study to identify any distribution upgrades that may be necessary for a Tier 3 installation. The study and the necessary upgrades are to be paid by the customer, which ensures that there is no subsidization from other customers. Any costs resulting from the interconnection, identified by the company, must be approved by the Commission before being charged to a customer.

In this docket, Tropicana seeks to interconnect its facilities with FPL using the Tier 3 standard interconnection agreement. The interconnection study conducted pursuant to the rule has identified approximately \$95,000 for interconnection facility costs.

The Commission has jurisdiction pursuant to Section 366.91 Florida Statutes and Rule 25-6.065, Florida Administrative Code.

¹ See Order No. PSC-08-0161-FOF-EI, issued March 19, 2008, Docket No. 070674-EI, In re: Interconnection and Net Metering of Customer-Owned Renewable Generation.

² See Order No. PSC-08-0624-TRF-EI, issued September 24, 2008, Docket No. 080265-EI, In re: Petition for approval of net metering tariff and standard interconnection agreements, by Florida Power & Light Company.

Discussion of Issues

Issue 1: Should FPL be granted approval to recover from the Tropicana Manufacturing Company the proposed facility charges to interconnect customer-owned renewable generation?

Recommendation: Yes. Staff recommends that the Commission approve the recovery of costs proposed in the petition by FPL for the interconnection charges to interconnect the renewable generation facilities from the Tropicana Manufacturing Company. (Clemence, Ellis)

Staff Analysis: Tropicana plans to install 1.6 MW of customer-owned renewable land fill gas-fired generation at its Fort Pierce site. Tropicana plans to interconnect and operate the facility in parallel with the FPL system. Tropicana, however, intends to use all of the generation on-site and does not intend to export the energy to FPL.

In order for FPL to determine what utility transmission and distribution facilities would be required to install the land fill gas-fired generator in the desired configuration, an Interconnection Study was performed. FPL's petition seeks approval of the costs associated with the upgrades to interconnection facilities.

Interconnection facilities installed by FPL will include relay protection cabinets, protection and control materials and equipment, and fiber optic cabling. This equipment will ensure that the Tropicana generation will be tripped in the event that the source feed from FPL is lost, provide isolation from FPL's system during extended outages, and prevent the flow of energy onto FPL's system.

Below is a chart that summarizes the charges proposed by FPL. A more detailed list of charges is included as Exhibit A in the petition.

Interconnection Upgrade	Cost
Foundation, Conduit, Grounding, and Substation Contractor Labor	\$5,938.00
Relay Protection Cabinets (Quantity=3)	\$42,750.00
Other Materials (Protection & Control ("P&C") + Substation)	\$4,750.00
P&C Contractor Labor	\$23,750.00
FPL P&C & Substation Engineering	\$17,812.00
Total Charge	\$95,000.00

Tropicana has filed a letter in support of the petition. FPL has stated that Tropicana is aware of these proceedings and does not dispute the proposed charges. Staff recognizes that the charges proposed by FPL are an estimate. If Tropicana believes that the final charge from FPL unreasonable, staff believes they could petition the Commission for resolution of the disagreement.

Staff recommends that the Commission approve the recovery of costs proposed in the petition by FPL for the post interconnection study charges to interconnect the renewable generation facilities from the Tropicana Manufacturing Facility. Staff has reviewed the proposed upgrades and costs and recommends them as reasonable.

Docket No. 120079-EQ

Date: May 10, 2012

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action Order within 21 days, the docket may be closed upon issuance of a Consummating Order. (Harris)

Staff Analysis: If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action Order within 21 days, the docket may be closed upon issuance of a Consummating Order.