

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for
Citrus County Combined Cycle Power Plant,
by Duke Energy Florida, Inc.

DOCKET NO. 140110-EI
ORDER NO. PSC-14-0557-FOF-EI
ISSUED: October 10, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

FINAL ORDER GRANTING DUKE ENERGY FLORIDA, INC.'S DETERMINATION OF
NEED FOR A COMBINED CYCLE POWER PLANT LOCATED IN CITRUS COUNTY

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BY THE COMMISSION:

BACKGROUND

Pursuant to Order No. PSC-13-0598-FOF-EI, issued on November 12, 2013, in Docket No. 130208-EI, In re: Petition for limited proceeding to approve revised and restated stipulation and settlement agreement by Duke Energy Florida, Inc. d/b/a Duke Energy, this Commission approved a Revised and Restated Stipulation and Settlement Agreement (RRSSA) between DEF (DEF or Company), the Office of Public Counsel (OPC), the Florida Industrial Power Users Group (FIPUG), the Florida Retail Federation, and White Springs Agricultural Chemicals, Inc. (PCS Phosphate). Portions of that Agreement contemplated the construction or acquisition of new power plants or the upgrade or expansion of existing power plants to address a potential need for generation resources in light of the closure or cancellation of several power plants under the terms of the RRSSA.

On May 27, 2014, DEF filed a Petition and supporting testimony to determine the need for a Citrus County Combined Cycle Power Plant (Docket No. 140110-EI) and another Petition for determination of cost-effective generation alternatives to meet need prior to 2018 (Docket No. 140111-EI), pursuant to Sections 366.04 and 403.519, Florida Statutes (F.S.), and Rules 25-22.080, 25-22.081, 25-22.082 and 28-106.201, Florida Administrative Code (F.A.C.). If the proposed projects in either docket are placed into service on the projected dates, the terms of the RRSSA permit DEF to recover the costs of the projects through a separate base rate adjustment.

The Citrus County Combined Cycle Power Plant (Citrus County Plant) will be a natural gas-fired combined cycle power plant with an expected summer and winter rating of 1,640 MW and 1,820 MW respectively. The Citrus County Plant will be built on a site adjacent to DEF's Crystal River Energy Center in Citrus County, Florida, with a completion date of December 2018.

On May 29, 2014, we issued a Notice of Commencement of Proceedings pursuant to Rule 25-22.080(3), F.A.C., and an Order Establishing Procedure for both of the petitions. On May 30, 2014, Calpine Construction Finance Company (Calpine) filed a petition to intervene and OPC filed a notice to intervene for both of the dockets. On June 3, 2014, PCS Phosphate and FIPUG filed a petition to intervene for both dockets. On June 11, 2014, NRG Florida LP (NRG) filed a petition to intervene for both dockets. On July 15, 2014, EFS Shady Hills LLC (Shady Hills) filed a petition to intervene in Docket No. 140110-EI. On August 13, 2014, the Southern Alliance for Clean Energy (SACE) filed a petition to intervene in Docket No. 140110-EI. Intervention for these parties was granted pursuant to several orders.¹ A prehearing conference

¹Order No. PSC-14-0301-PCO-EI, issued June 11, 2014 (OPC).
Order No. PSC-14-0306-PCO-EI, issued June 12, 2014 (Calpine).
Order No. PSC-14-0304-PCO-EI, issued June 12, 2014 (PCS Phosphate).
Order No. PSC-14-0305-PCO-EI, issued June 12, 2014 (FIPUG).
Order No. PSC-14-0340-PCO-EI, issued July 3, 2014 (NRG).
Order No. PSC-14-0397-PCO-EI, issued August 1, 2014 (Shady Hills).
Order No. PSC-14-0435-PCO-EI, issued August 20, 2014 (SACE).

was held on August 13, 2014 and a formal hearing was held on August 26, 2014 through August 27, 2014.

This Order only addresses DEF's Petition for a determination of need for the Citrus County Plant. DEF's Petition for determination of cost-effective generation alternatives to meet need prior to 2018 in Docket No. 140111-EI, involving the Hines Chillers Upgrade Project is addressed in a separate Order.

DECISION

Need for Electric System Reliability and Integrity

As proposed, the Citrus County Plant will be built in two 820 MW stages, with the first stage entering into commercial operation in May 2018 and the second stage entering into commercial operation in December 2018. DEF Witness Borsch provided testimony and exhibits concerning DEF's projected reliability need for the proposed Citrus County Plant. As described by Witness Borsch, DEF employs two reliability criteria in its resource planning process: (1) a loss of load probability criterion, and (2) a reserve margin criterion. Witness Borsch stated that DEF's resource plans have been reviewed by this Commission each year since the early 1990s in the annual Ten-Year Site Plan review process.

Witness Borsch asserted that the Company's need for the proposed Citrus County Plant in the summer of 2018 is driven by the aforementioned reserve margin criterion. DEF's minimum reserve margin threshold is 20 percent and the Company calculates its reserve margin based on the relationship between peak load and total capacity available to serve that load. In addition to DEF's claimed need to satisfy its reserve margin criterion, Witness Borsch testified that the Citrus County Plant would provide reliability and stability to the Florida electric grid as determined by the Florida Reliability Coordinating Council, Inc.

Load Forecast

The Company's load forecast is the same forecast that appears in DEF's 2014 Ten-Year Site Plan. DEF forecasts its future load requirements by utilizing statistical modeling techniques. In order to model and forecast load, DEF makes certain assumptions relating to factors that influence energy consumption and demand. DEF's assumptions for forecasting load can generally be described as economic, demographic, and weather related. The demographic and weather related assumptions are what the Company refers to as "General Assumptions." General Assumptions include accounting for normal weather, population and average household size, production conditions/environment concerning phosphate mining, wholesale contracted load, demand side management, and the amount of cogeneration expected by its customers. Economic related assumptions such as inflation, employment, and income are also utilized to model and forecast load requirements.

DEF utilizes its forecast assumptions to produce projections of customer, energy, and peak demand requirements, through the application of both econometric and end-use modeling

methodologies. We note the econometric modeling approach attempts to explain (and thus predict) the Company's energy and demand requirements as a function of relevant (demographic, economic, and weather) variables. The end-use, or statistically adjusted end-use approach, attempts to determine and refine projections of future demand by modeling new and upcoming industry regulations and the characteristics of new electricity-driven devices.

According to DEF's 2014 Ten-Year Site Plan, once customer, energy, and peak demand models are formulated, an overall evaluation process commences. After evaluation, preliminary customer, energy, and demand forecasts are produced. These preliminary forecasts are then evaluated by DEF's Senior Management. Following review by Senior Management, DEF releases its official customer, energy, and demand forecasts. These final forecasts provide the basis for the Company's demand and system requirements.

DEF contends that there will be a need for additional generation capacity on its system in 2018. Witness Borsch stated "[b]y the summer of 2018, when the Citrus County Combined Cycle Plant is expected to come on-line, the summer peak demand is projected to grow to 9,439 MW and by the next summer, when the Citrus County Combined Cycle Power Plant is expected to be fully operational, the summer peak demand is projected to reach 9,813 MW." DEF's forecast presented in this docket represents an annual growth rate of approximately 1.4 over the next ten year projected period. The Company contends that without new capacity in 2018, its reserve margin will be 11.7 percent, which is below the Company's 20 percent commitment.¹

Witness Borsch further testified that the Company's system energy requirement, or net energy for load, is also projected to increase over the same time period due to increasing customer growth and Florida's general improving economic conditions. Net energy for load is expected to grow from 39,801 GWh in 2014, to 41,995 GWh in 2018, or by 2,194 GWh over the period. While net energy for load is expected to grow to 43,013 GWh by 2019 or by 3,212 GWh from 2014 – 2019.

We note, however, that Witness Pollock's Exhibit 85, which details the impact of limiting DEF's net firm summer peak demand to reflect only achieving 50 percent of its projected growth spanning the timeframe of 2014 – 2023, encompassing the Company's 2018 need. Witness Pollock's testimony characterizes this 50 percent load growth adjustment as an illustration of potential forecasting error.

OPC contends in its brief, that DEF's "... load forecast is fraught with uncertainty and demonstrates an optimistic level of growth that may not be warranted in the demand recently exhibited by either retail or wholesale native load that DEF is required to serve." Further OPC argues, "[i]f one layers on to this fragility in the DEF forecast, the potential softness in the wholesale demand represented largely by sales to [Seminole] a real doubt persists with regard to the need for the combined cycle unit in 2018."

² See Order No. PSC-99-2507-S-EU, issued December 22, 1999, in Docket No. 981890-EU, In re: Generic investigation into aggregate electric utility reserve margins planned for Peninsular Florida.

Upon cross examination by OPC, Witness Borsch explained how wholesale contracts factor into DEF's load forecast. OPC questioned Witness Borsch on how the Company's wholesale contracts are generally structured and performed, as well as accounted for within the Company's load forecast. Witness Borsch indicated that all projected wholesale capacity contract amounts are, in fact, actual contracted amounts between the Company and its wholesale customers. OPC asked Witness Borsch a series of questions relating to whether the Company revisits contracts with its wholesale customers, specifically mentioning Seminole. Witness Borsch testified that "... if there are updates from year to year based on new contracts or renegotiation of existing contracts, then the results of those contracts are folded into the Company's next year's Ten-Year Site Plan."

PCS Phosphate presented Witness Borsch with Exhibit 140 titled: "Historic percentage of Summer Net Firm Demand to Average System Demand and adjusted Summer Net Firm Demand Forecast." The conclusion reached in Exhibit 140 is that average summer net firm demand as a percentage of average system demand is higher in the forecast years of 2014 – 2018 than it was for the actual years of 2009 – 2013. Alternatively, DEF is projecting a higher summer peak demand relative to historic average demand for this and the next four years than the past five-year actual period. PCS Phosphate supports its analysis by multiplying the historic (2009 – 2013) average summer net firm demand as a percentage of average system demand, by the forecasted average system demand (2014 – 2023), which results in a 10-year adjusted summer firm peak demand.

One issue concerning DEF's load forecast is the potential for forecast error and associated magnitude. None of the Intervenor filed a load forecast. We agree with Witness Hibbard that forecast assumptions are "just that – assumptions," and in all likelihood, these assumptions will deviate from actual experience. We find the primary assumptions of DEF's load forecast are economic, demographic, and weather related. Furthermore, these are proper inputs and necessary assumptions for modeling and forecasting the future demand and energy needs of the Company's customers. Concerning intervener testimony filed in this docket, Witness Pollock suggested the possibility of error in DEF's forecast without clearly defining a basis for either its magnitude or direction. When asked if he has concluded that DEF's load forecasted energy growth or the timing of forecasted growth is in error, Witness Hibbard responded "no, I have not." We agree with this assessment.

We understand the deviation in projected summer peak demand may be arbitrary. However, to assess the reasonableness of assumptions by NRG, we compared DEF's forecasts to the adjusted forecasts set forth by Witness Pollock, see Table 1 below:

Table 1: DEF Net Summer Firm Demand Forecast Compared with Hearing Exhibits 85 and 140

Year	DEF ³	NRG ⁴	Percent Difference, NRG to DEF	PCS ⁵	Percent Difference, PCS to DEF
2014	8,812	8,411	(4.55%)	8,068	(8.44%)
2015	9,042	8,525	(5.72%)	8,207	(9.23%)
2016	9,149	8,579	(6.23%)	8,331	(8.94%)
2017	9,307	8,658	(6.97%)	8,387	(9.89%)
2018	9,440	8,725	(7.57%)	8,513	(9.82%)
2019	9,813	8,911	(9.19%)	8,719	(11.15%)
2020	9,935	8,973	(9.68%)	8,919	(10.23%)
2021	9,952	8,980	(9.77%)	9,004	(9.53%)
2022	10,067	9,039	(10.21%)	9,095	(9.66%)
2023	10,173	9,092	(10.63%)	9,215	(9.42%)
2014 - 2023 Average Variation			(8.05%)		(9.63%)

To the extent Witness Pollock raises general issues surrounding forecast error potential, as in, projections will usually differ from actuality, we concur. The level of forecast error for the relevant year of 2018, which is the planned in-service date for the Citrus County Plant, is 50 percent. NRG provided no basis for selecting a 50 percent reduction to DEF's Net Summer Firm Demand Forecast. In as much as NRG did not file an alternative firm summer peak demand forecast, we interpret this Exhibit to be illustrative in nature, highlighting what NRG proffers as a possible forecast error.

Table 1 displays NRG's exhibit relative to DEF's net summer firm demand forecast, which yields a forecast deviation of 7.57 percent from DEF's total projected amount for 2018. We compared this illustrative forecast error to DEF's 2009 forecast error of 2013 demand, which was 10.9 percent. We find this is relevant because they both represent a five year range, thus the forecast error percent in both these instances is comparable. The 2009 Ten-Year Site Plan variance of 2013 demand can largely be attributed to a weak economic recovery stemming from the unforeseen effects of the great recession and associated housing market decline. There is no record evidence to indicate the recession of 2008-2009 has fundamentally altered DEF's

³ Hearing Exhibit Number 49.

⁴ Hearing Exhibit Number 85.

⁵ Hearing Exhibit Number 140.

expected forecast result for 2018 demand in a manner that casts doubt on the reasonableness of the forecast.

With regard to arguments raised by OPC concerning wholesale contracts, we are unaware of any other proper treatment for wholesale demand than to include capacity amounts that are actually contracted for the purposes of the Company's load forecast. As Witness Borsch indicated when discussing the Company's summer peak demand forecast, located in Schedule 3.1 of its 2014 Ten-Year Site Plan, "... what we show is what is the contracted capacity that we are expected to provide, expected to be able to provide on peak under the contracts that we have executed with various wholesale entities." Further on this point, OPC asked Witness Borsch, "is it your testimony that you are not aware of any change in the projected sales of power to Seminole for the years 2015 through 2020?" To which Witness Borsch responded, "[i]t's my testimony that as of the time these values were given to me that they represent the contracted amounts that we have. I am not aware of updates to those contracts, which would have occurred since the provision of this load forecast, and so I'm not aware of any other particular changes, no."

Concerning arguments raised by PCS Phosphate, we are unaware of how historic average summer net firm demand as a percentage of average system demand assists with forecasting future demand needs. While the anomaly between the average summer net firm demand as a percentage of average system demand being higher in the forecast years of 2014–2018 than in the actual years 2009–2013, DEF's forecast is based upon normalized weather conditions, while historic demand and energy forecasts represent the actual impact of severe or mild weather conditions on its customers.

We reviewed the Company's assumptions of population, employment, income, prices, weather, and domestic production (amongst others) used to forecast DEF's customers, energy, and demand. Likewise, we reviewed DEF's load forecast methodologies. We find these assumptions, data inputs, and methods are reasonable for predicting future demand and were reasonably estimated. While we are cognizant of forecast error potential generally associated with estimating future system load requirements, DEF's choice of model variables, methodology, and results with respect to its load forecast appear reasonable. Additionally, there is no record evidence to indicate the economic circumstances of 2008-2009 would impact DEF's 2018 forecasted demand. We find, therefore, the results of DEF's load forecast presented in this docket are reasonable for the purposes of determining the need for DEF's proposed Citrus County Plant in 2018.

Total Capacity

Our decision on a need determination petition must be based on the facts as they exist at the time of the filing with the underlying assumptions tested for reasonableness. It is prudent for a utility to continue to evaluate whether it is in the best interests of its ratepayers for a utility to participate in a proposed power plant before, during, and after construction of a generating unit. If conditions, such as load growth or capacity retirements, or capacity additions or any additional

purchased power agreements change from what was presented at the need determination proceeding, then a prudent utility will be expected to respond appropriately.

Witness Borsch asserted that peak load growth contributes to the need for the proposed Citrus County Plant; however, the need is primarily driven by generation retirements. DEF's total capacity includes firm purchased power and installed generating capacity. Prior to the projected 2018 in-service date of the proposed Citrus County Plant, DEF's projected capacity from purchased power agreements (PPA) remains relatively unchanged. DEF is planning to retire several of its existing generating units prior to commercial operation of the proposed Citrus County Plant, including Crystal River Units 1 and 2 (740 MW) in 2018 and Suwanee Steam Units 1-3 (129 MW).

For the purposes of evaluating the need for the Citrus County Plant, DEF assumed that it would satisfy its reliability needs prior to 2017 with the addition of combustion turbines at DEF's Suwanee site (316 MW), and the addition of its proposed Hines Project (220 MW). At the start of the hearing DEF announced a potential PPA/acquisition of Calpine's Osprey Facility (515 MW) in lieu of constructing the proposed Suwanee Project. Based on testimony at the hearing, the terms of the agreement would be a two-year PPA followed by an acquisition of the unit in year three. In light of the described PPA/acquisition, Witness Borsch testified that the Company would not retire Suwanee Steam Units 1-3 until sufficient transmission is in place to support the retirement of those units.

During the hearing the intervening parties discussed several generation scenarios that could affect DEF's projected need in 2018. The majority of the discussion centered on delaying the retirement of Crystal River Units 1 and 2 beyond 2018 and the potential impact associated with a PPA/acquisition of the Osprey Facility.

OPC presented a hypothetical reserve margin calculation that added 515 MW from Calpine's Osprey Facility in 2016, delayed the retirement of Crystal River Units 1 and 2 beyond 2018, and added the Citrus County Plant in 2019. FIPUG additionally raised questions concerning DEF's decision to retire Crystal River Units 1 and 2 in 2018 rather than 2020, which is the term allowable by the existing Florida Department of Environmental Protection (DEP) permit.

Witness Borsch acknowledged that under OPC's hypothetical scenario, DEF would maintain a reserve margin above 20 percent beyond 2018. However, Witness Borsch testified that transmission constraints currently limit DEF from receiving more than 249 MW from the Osprey Facility. Assuming DEF acquires the Osprey Facility at the end of 2016 Witness Borsch explained that the transmission projects necessary to access the full-capacity of the plant would not be complete until 2020 at the earliest.

With respect to continued operation of Crystal River Units 1 and 2, Witness Borsch testified that DEF has reliability concerns about the long-term site-averaging approach at the Crystal River Energy Center. Witness Borsch opined that continued reliance in 2019 on the dependent operational reliability between Crystal River Units 1 and 2 and Crystal River Units 4 and 5 when DEF has a readily available, cost-effective means of remedying that operational

reliability risk is not justified. These reliability concerns were articulated in Commission Order No. PSC-14-0173-PAA-EI. In that Order, we approved certain environmental projects predicated on the following compliance alternative:

Establish a MATS compliance plan for CR 1 and 2 and configure the units to operate in compliance through mid-2018, and establish a resource plan to provide for replacement of combined cycle generation in that timeframe. This alternative includes a competitive solicitation for combined cycle energy and capacity starting in 2018, identification of additional resources needed in 2016 and beyond, and a transmission plan that supports the required resources.

[Emphasis Added]

In that same Order we stated the following with regard to the plan described above:

After DEF established a MATS compliance plan for CR 1 and 2 to operate through mid-2018, the Company performed an economic evaluation comparing the alternatives identified above. When compared to retiring the units in 2016, DEF estimates that the second alternative will result in a net present value savings of approximately \$307 million, with cumulative savings beginning in 2017. Thus, we find that DEF's proposal represents significant savings based on avoided transmission projects and avoided purchased power agreements that would otherwise be needed, for reliability purposes, in the 2016 through 2018 timeframe.

[Emphasis Added]

DEP also recognized that continued operation of Crystal River Units 1 and 2 deferred or resolved significant grid reliability issues identified by the Florida Reliability Coordinating Council in a 2013 study. The study determined that the addition of a combined cycle facility by summer 2018 in the vicinity of the existing Crystal River Energy Center would resolve the reliability issues created by the potential shutdown of Crystal River Units 1 and 2 and the retirement of Crystal River Unit 3.

Upon review of the record, we find there is sufficient information to calculate DEF's reserve margin through 2018 and beyond. As addressed there are two major points of contention with respect to DEF's projected total capacity: (1) How much capacity from the Osprey Facility should be included prior to 2018; and (2) Should DEF delay the retirement of Crystal River Units 1 and 2? Based on the testimony of Witness Borsch, we find DEF has demonstrated that assuming a maximum of 249 MW from the Osprey Facility prior to 2020 is an appropriate assumption.

Based on the evidence in the record, we recalculated DEF's originally filed reserve margin based on the assumptions discussed above and including the continued operation of Suwannee Steam Units 1-3. Table 2 summarizes DEF's original reserve margin calculation and our recalculated reserve margin. As previously stated, DEF's filing assumed the addition of the Suwannee Project and the retirement of Suwannee Steam Units 1-3 in 2016. The calculated

reserve margin assumes the addition of the Osprey Facility in 2016 and no retirement of Suwannee Steam Units 1-3.

Table 2: Summer Reserve Margin Calculations⁶

	DEF as Filed		DEF w/o Suwannee Project	
	Reserve Margin	MW Shortage	Reserve Margin	MW Shortage
2016	20.4%	-	21.0%	-
2017	20.7%	-	21.3%	-
2018	11.7%	785	12.3%	723
2019	6.9%	1,284	7.6%	1,222
2020	4.5%	1,535	5.2%	1,473

Therefore, we find DEF's load forecast presented in this docket to be reasonable for the purposes of determining the need for DEF's proposed Citrus County Plant in 2018. Using DEF's load forecast and assuming the appropriate changes to DEF's installed capacity, the Company's reserve margin would drop to 12.3 percent in 2018, thus demonstrating a reliability need at that time.

Conclusion

There is no record evidence to indicate the recession has fundamentally altered DEF's expected forecast result for 2018 demand in a manner that casts doubt on the forecast. We find DEF's load forecast presented in this docket to be reasonable for the purposes of determining the need for DEF's proposed Citrus County Plant in 2018. Based on the evidence in the record, if DEF did not construct the proposed Citrus County Plant in 2018, the projected reserve margin could drop as low as 12.3 percent in 2018.

Need for Adequate Electricity at Reasonable Cost

DEF asserts that the total cost of the Plant, including the allowance for funds used during construction and transmission interconnection costs, is \$1,514,000,000. DEF states that over 80 percent of this cost is based on fixed or firm price bids. DEF also states that the location of the Citrus County Plant allows DEF to avoid the costs to build separate site and transmission infrastructure for the Citrus County Plant because of its location adjacent to the Crystal River Energy Center.

OPC, FIPUG, PCS Phosphate, Shady Hills, and NRG did not provide arguments directly related to the information discussed in this section. Calpine and SACE did not disagree with DEF on this matter.

⁶ Hearing Exhibit No. 50 and Commission staff Calculation.

DEF's Citrus County Plant is a proposed 1,640 MW power plant located adjacent to the Company's Crystal River Energy Center. As proposed the Citrus County Plant will include four combustion turbines, four heat recovery steam generators, and two steam generators.

DEF Witness Landseidel testified that the Citrus County Plant will be located on a site next to the Company's Crystal River Energy Center that takes advantage of existing infrastructure including transmission facilities. He elaborated that one power block will be connected to the Crystal River Energy Center 500kV transmission system, effectively replacing the generation from the retired Crystal River Unit 3 nuclear unit, and the other power block will be connected to the Crystal River Energy Center 230kV transmission system, effectively replacing Crystal River Units 1 and 2 once those plants are retired. Witness Landseidel testified that DEF's ability to use existing infrastructure facilities at the Crystal River Energy Center for the Citrus County Plant avoids the cost of building separate, similar facilities for the project thus providing cost-savings.

DEF utilized the Strategist resource optimization program to perform the Company's economic evaluation of the proposed Citrus County Plant. Witness Borsch testified that the Strategist model is a utility accepted industry production cost model. Inputs to the Strategist model include the costs and operational characteristics of generating units. Additionally Witness Borsch attested that fuel and emission pricing are typically two of the most sensitive inputs to the production cost model.

Financial Assumptions

DEF used a capital structure consisting of 50 percent equity at cost rate of 10.50 percent and 50 percent debt at a cost rate of 3.75 percent. DEF applied an after-tax discount rate of 6.46 percent based on the effective income tax rate of 35.26 percent. No evidence was presented in the record disputing the reasonableness of these financial assumptions. We find that the financial assumptions used for this evaluation are reasonable.

In evaluating the proposed purchased power agreements (PPA), DEF included the cost of imputed debt by determining the additional equity cost related to the purchased power proposals. Standard and Poor's is the only rating agency that makes an adjustment to offset the expenditures of debt-like commitments associated with the fixed, long-term payments of PPAs. The cost associated with imputed debt was not determinative to the most cost-effective option to the Company.

Generation Cost Estimates and Projected Performance Specifications

DEF estimated that the Citrus County Plant will have an in-service cost of approximately \$1.5 billion. Witness Landseidel presented testimony and exhibits regarding cost estimates and performance projections of the proposed Citrus County Plant. DEF's cost estimates and operational characteristics are based on advanced class gas turbines in a 4 by 2 configuration. DEF relied on a power plant engineering and construction firm, an engineering procurement and construction contractor with advanced gas turbine plant experience in Florida, and the Company's experience with combined cycle projects to develop the cost estimates for the Citrus

County Plant. Witness Landseidel testified that DEF has successfully executed several combined cycle gas turbine projects. Our review of DEF's past cost projections for combined cycle projects, when compared to actual costs indicate that the projects, are often at, or below, the projected cost.

With respect to the operational characteristics of the Citrus County Plant, we compared DEF's estimates and projections to the generic cost and performance projections made by a power plant engineering and construction firm as well as internal DEF resources. We also compared the heat rate to the heat rate projected by Florida Power & Light in its recently approved Port Everglades Energy Center. Based on these comparisons, we find DEF's operational characteristics are reasonable for evaluation purposes. No evidence was presented disputing the reasonableness of these assumptions.

Fuel Costs

DEF's fuel price forecasts were presented by DEF Witness Delehanty. Charts of DEF's base, high, and low fuel price forecasts and other industry natural gas price forecasts were provided as exhibits to Witness Delehanty's direct testimony. DEF's fuel price forecasts were provided in response to Commission staff discovery. DEF's fuel price forecasts of natural gas, coal, and distillate oil represent a combination of short-term fuel price forecasts and long-term fuel price forecasts. The Company's short term forecast is based on available futures market prices, spot market prices, and short-term contract prices. The Company's long term forecast is a forward-looking evaluation of the marginal cost of supply at the expected level of demand, prepared with the assistance of DEF's current industry consultant, Energy Ventures Analysis, Inc.

DEF worked collaboratively with Energy Ventures Analysis, Inc. to ensure that the assumptions and data inputs in its long term commodity price forecasts were consistent with DEF's internal planning assumptions and data inputs. DEF's low and high natural gas price forecasts scenarios were developed by comparing the DEF Energy base natural gas price forecast to recent, recognized industry natural gas price forecasts and applying statistically relevant standard deviations to the data. The low natural gas price forecast is 18 percent lower and the high natural gas price forecast is 14 percent higher than DEF's base natural gas price forecast. No party took a position opposing DEF's fuel price forecasts. We reviewed the record evidence in this case pertaining to DEF's base, high, and low fuel price forecasts and we find they are reasonable projections of fuel prices for the relevant forecast horizon (2014-2041).

Environmental Costs

DEF has consistently included a cost of carbon dioxide (carbon) in its base case for planning purposes since 2006. DEF believes that it is prudent to model a price on carbon as a way of capturing the risk of potential future legislation and pending Environmental Protection Agency regulation of carbon, as well as the impact of a national carbon policy. In order to test the reasonableness of its carbon cost forecast, DEF reviewed carbon dioxide cost estimates from the Energy Information Agency and cost estimates from the failed Waxman-Markey bill. DEF asserted that the carbon price it currently uses has been set at a level the Company believes to be

a reasonable trajectory to represent the risk of federal climate change legislation or regulation given the current uncertainty surrounding such policy. We note that neither the appropriateness for DEF to include the projected carbon cost in its base case of the resource planning nor the actual carbon price used by DEF was challenged by any of the parties in this docket. We find that the proposed Citrus County Plant would lower DEF's carbon emissions profile, which will help Florida in complying with future regulations or future compliance plans. DEF also performed a zero-price carbon case sensitivity analysis as an alternative to its base case. The results of such analyses show that the Citrus County Plant is still the most cost-effective resource for DEF's customers.

Rate Impact

DEF projected a residential base rate increase of approximately \$6.55 on a 1,000 kWh bill when the Citrus County Plant is placed into service. Paragraph 16.b. of the RRSSA states:

[I]f DEF petitions the Commission for a need determination for additional generation, not to exceed 1,800 MW, to be placed into service in 2018, and the Commission grants that determination of need, and DEF constructs and places in-service that additional generation in 2018, DEF's base rates shall be increased by the annualized base revenue requirement for the first 12 months of operation.

Therefore, if the in-service date of the Citrus County Plant is delayed beyond 2018, the base rate increase, per the settlement, will not be applicable.

Conclusion

We find that DEF's assumptions and forecasts in its analysis of the proposed Citrus County Plant are reasonable for evaluation purposes.

Need for Fuel Diversity and Supply Reliability

DEF argues that the abundant supply of natural gas resources ensures that fuel is readily available at a cost-effective price to the Citrus County Plant providing natural gas supply diversity. DEF also asserts that DEF's access to abundant natural gas supplies for the Citrus County Plant through gas transportation pipeline interconnections further provides DEF and its customers with fuel supply diversity by ensuring a reliable fuel supply to the Citrus County Plant. DEF further opines that natural gas is an attractive fuel source because compared to oil and coal, it is a cleaner burning fuel and, therefore, it does not have the same level of environmental costs and related impacts associated with plants using alternative fuels.

None of the Intervenors provided any evidence or arguments concerning fuel diversity and supply reliability that were contrary to the evidence and arguments offered by DEF.

DEF's proposed Citrus County Plant will be fueled by natural gas. Based on the current assumptions the Company's energy generation from natural gas is projected to increase from 56.6 percent in 2013 to 66.2 percent in 2019, the first full year of service for the Citrus County

Plant. As discussed, the proposed Citrus County Plant is replacing coal-fired and nuclear generation at the Company's Crystal River Site. Witness Borsch testified that new coal-fired generation is not feasible at this time given environmental constraints. Additionally, DEF asserted that additional coal generation would generally take six to seven years to construct while new nuclear generation would require at least ten years, which is beyond DEF's projected need in 2018. We also note that only one respondent to DEF's Request for Proposals (RFP) was not natural gas-fired technology. Therefore, we find that natural gas generation is the only reasonable generation option to meet the Company's needs at this time.

To support the Citrus County Plant's natural gas needs, DEF has contracted for firm gas transportation on the Sabal Trail pipeline beginning on October 1, 2017. DEF Witness Patton testified that Sabal Trail was the best gas transportation solution for the Citrus County Plant because it provides new gas infrastructure that enhances reliability and diversifies DEF's gas transportation portfolio. DEF's capacity from long term firm transportation agreements that support DEF's existing gas plants is nearly equally divided between Gulfstream and Florida Gas Transmission. The estimated percentages of DEF's firm transportation service are Gulfstream (36 percent), Florida Gas Transmission (34 percent) and Sabal Trail (30 percent).

Witness Patton additionally testified that DEF's contract with Sabal Trail will allow direct access to onshore unconventional natural gas resources. Witness Borsch attested that the abundant supply of unconventional natural gas resources achieve one of the primary objectives of fuel diversity, specifically ensuring that fuel is readily available at a cost-effective price. Witness Borsch further indicated that conventional gas resources are also expected to increase in production over the next 25 years. Witness Borsch opined that access to conventional and unconventional natural gas resources ensures a reliable fuel supply in the event of gas supply interruptions.

We concur with Witness Borsch's statement that natural-gas fired combined cycle generation is the most economic large-scale generation technology at this time. Furthermore, we agree that the diversification of DEF's fuel supply provides the benefits of reduced fuel cost volatility and fuel supply reliability associated with fuel diversity.

In prior need determination proceedings, this Commission has recognized dual-fuel capability as an enhancement to fuel-supply reliability. The Citrus County Plant is not designed to burn fuel oil and therefore the plant will not have dual fuel capability. Witness Landseidel testified that dual-fuel capability adds additional engineering, design, and construction cost to the plant. He explained that installing dual fuel capability would incur \$25.7 million in capital costs as well as additional costs in operating and testing the plant and recycling the oil.

DEF commissioned an independent engineering risk analysis for single fuel operation based on natural gas at the Citrus County Plant. Based on this report and DEF's own analysis of fuel supply reliability, DEF concluded that reliance on natural gas as a single fuel source at the Citrus County Plant provided adequate reliability compared to the cost and risk associated with adding dual fuel capabilities at the Citrus County Plant.

We find the testimony of Witness Landseidel adequately supports DEF's decision to operate the proposed Citrus County Plant on a single fuel source. As discussed at the hearing, assuming completion of the Citrus County Plant, between 60 and 65 percent of DEF's combined cycle generation would still have dual fuel capability. This percentage is favorable when compared to the overall Florida state percentage of 48 percent.

Conclusion

We find that DEF's selection of the proposed Sabal Trail pipeline to serve the Citrus County Plant can reduce fuel cost volatility and provide fuel supply reliability. Furthermore, the supply reliability benefits associated with the Sabal Trail agreement and the Company's existing fleet of dual fuel combined cycle power plants supports the Company's decision to operate the proposed Citrus County Plant on a single fuel source.

Renewable Energy Sources, Technologies or Conservation Measures

DEF claims that it has provided sufficient evidence that demonstrates there are no renewable energy sources or conservation measures reasonably available to mitigate the need for the Citrus County Plant in 2018. DEF points out that none of the intervenor witnesses testified to this matter and that SACE was the only party that disputed DEF's evidence. DEF states that despite having an ongoing Request for Renewables (RFR) and the open-ended 2018 RFP, it still did not receive any renewable resources or technologies that would mitigate the need for new generation in 2018. DEF also argues that it included all of its current DSM programs in its analysis and determined that even if it meets all of its program goals (existing or proposed) it will still need the Citrus County Plant in 2018.

SACE also asserts that DEF appears to believe that renewable energy must eliminate the need of the plant in its entirety and therefore did not consider if the size of the plant could be reduced using a mix of additional Demand Side Management (DSM) programs and solar power resources.

FIPUG's position was that DEF could defer the in-service date of the plant, but did not provide any arguments related to this matter in support of its position. OPC, PCS Phosphate, Calpine, and Shady Hills did not dispute DEF on this matter.

DEF determined its future demand and energy needs for 2018 based on an Integrated Resource Planning process (IRP). DEF's load forecast developed during the IRP process incorporated all demand and energy reductions expected from DEF's current DSM programs.

For analysis purposes, DEF assumed that its current DSM programs would continue; however, DEF has proposed new DSM goals that are presently under review and pending approval by this Commission's in Docket No. 130200-EI. If approved, Witness Borsch asserts that the proposed goals will slightly accelerate the need for new generation for the study period, because the goals are lower than the existing goals. By 2018, the cumulative difference between the existing and proposed goals is 91 MW. Therefore, DEF was conservative in this

proceeding by assuming greater DSM savings than the company is currently seeking approval for.

DEF has maintained an open RFR that was first issued on July 19, 2007. Despite having an ongoing RFR, DEF claims that there are not any renewable resources commercially available on a utility-scale for generation capacity at a cost-effective price. DEF also kept its 2018 RFP open to proposals for other types of resources besides gas-fired generation, but only gas-fired proposals were received with the exception of a small existing non-solar renewable generation facility. DEF's load forecast included all of its current firm renewable contracts that all extend beyond 2018 and contribute over 450 MW of power a year. For planning purposes, DEF does not include any of its non-firm renewable contracts such as its solar resources in its forecast because they cannot be counted on to meet the reliability needs of the Company.

Conclusion

DEF's IRP process used to determine its resource needs fully takes into account all projected DSM benefits based on its existing approved programs. DEF's ongoing RFR and open-ended 2018 RFP did not identify any renewable resources that could possibly mitigate DEF's capacity needs in 2018.

Cost Effectiveness

DEF argues that the evidence in the record conclusively demonstrates that the Citrus County Plant is the most cost-effective alternative to meet DEF's customer needs commencing in 2018. DEF asserts that no party or witness identified any error in the Company's IRP process or challenges the selection of the Citrus County Plant as the next planned generating unit as a result of that IRP process.

DEF claims that the high efficiency of the Citrus County Plant coupled with the favorable site location adjacent to the Crystal River Energy Center where site infrastructure can be shared and existing transmission infrastructure capacity exists adds substantial benefits to this plant for DEF's customers. DEF additionally opines that the closest bidder proposal resource plan scenario was over \$470 million less cost-effective for DEF's customers.

FIPUG argues that given DEF's recent decision to invest ratepayer money to make environmental upgrades to Crystal River Units 1 and 2, which DEP has permitted to operate through 2020, and this Commission's finding that ratepayers will save more than \$300 million with net savings beginning in 2017, we should defer approving the Citrus County Facility to allow these savings to be realized as projected.

NRG argues that DEF's acquisition of the Osprey Facility provides DEF with flexibility to defer the Citrus facility, which, based on the testimony of Witness Hibbard, could mean \$59 million in cumulative present value requirement benefits for ratepayers, even while accounting for the increased O&M expenses necessary to operate Crystal River Units 1 and 2 with new pollution controls in place. NRG opines that continued operation of the Crystal River Units 1 and 2 are both feasible and practical.

PCS Phosphate, Shady Hills, and SACE took positions opposed to DEF's; however, they did not provide arguments directly related to the information discussed in this section. OPC, similarly, did not file arguments directly related to the information discussed in this section. Calpine did not disagree with DEF on this matter.

In its initial filing, DEF presented the results of its economic evaluation of the Citrus County Plant compared to other generation alternatives that resulted from the Company's RFP. No party disputed DEF's economic analysis; rather several of the intervening parties challenged the need for the Citrus County Plant in 2018, based on load projections, and the economics of delaying the in-service date of the plant by continuing operation of Crystal River Units 1 and 2 beyond 2018. In response, Witness Borsch presented testimony supporting the economics of delaying the in-service date of the Citrus County Plant by one year. As such, our decision, as it relates to the cost-effectiveness of the Citrus County Plant will address the Company's evaluation of competing bids as well as the Company's evaluation of delaying the in-service date of the proposed Citrus County Plant.

DEF's RFP Evaluation

DEF has a projected reliability need for additional generation beginning in 2018. DEF identified the proposed Citrus County Plant as its next planned generating unit to meet its projected reliability need in 2018. In accordance with the Rule No. 25-22.082 F.A.C., (Bid Rule) DEF issued an RFP on October 8, 2013, soliciting proposals for other generation capacity resources that might prove superior as a supply-side alternative to the Company's proposed Citrus County Plant. Witness Borsch provided testimony and exhibits regarding the Company's RFP and its economic evaluation of the proposed Citrus County Plant and potential alternatives.

DEF received six proposals in addition to the Company's proposed Citrus County Plant. Witness Borsch testified that none of the proposals individually met DEF's request for 820 MW in-service by May 1, 2018. Witness Borsch further attested that the total generation capacity (1,328 MW) offered by all bidders in response to the 2018 RFP was less than that of DEF's proposed Citrus County Plant (1,640 MW). As a result, DEF considered a range of resource plan scenarios that included all bidder proposals and generic combustion turbines to scenarios with less than all or single bidder proposals and either generic combustion turbines or combined cycle units. In all these bidder proposal resource plan scenarios some combination of utility-owned generation was needed both to meet DEF's projected reliability need in 2018 and to "backfill" the bidder proposed generation when it went off-line before the end of the expected service life of the Citrus County Plant.

DEF evaluated multiple resource plan scenarios in addition to two resource plans that included the proposed Citrus County Plant. DEF's initial economic evaluation demonstrated that the resource plan with the Citrus County Plant was the most cost-effective option when considering the Company's reference case assumptions.

Following the initial detailed evaluation, the Company also performed a final detailed evaluation to compare the bidder proposal resource scenarios to DEF's self-build alternative, the Citrus County Plant. The final detailed evaluation involved a more detailed economic analysis,

which included transmission costs and the cost of imputed debt as well as other costs and charges. DEF’s final economic evaluation increased the cost-effectiveness of the proposed Citrus County Plant. The resource plan with the proposed Citrus County Plant was demonstrated to be the most cost-effective plan in DEF’s initial economic evaluation; therefore, the Company’s additional costs were not a determinative factor in the cost-effectiveness analysis. DEF further performed sensitivity analyses, in which it assumed either a high gas price forecast case or a zero carbon cost (CO2) price case. Table 3 below summarizes the results of DEF’s economic analysis when comparing alternative resource plans with the Citrus County Plant. Under the base case, the savings associated with the Citrus County Plant, compared to other alternatives range from \$477 to \$1,218 million CPVRR. No sensitivity changed the relative result of DEF’s analysis.

Table 3: Summary of Economic Analysis (\$ millions, CPVRR)⁷

Resource Plan	Reference Case	High Gas Case	No CO2 Case
Citrus County	-	-	-
Citrus County + Bid B	29	13	59
Bid A +2 CTs + 1 CC	477	464	269
Bid C1 + 2 CTs + 1 CC	548	535	399
Bids A and C1 + 1 CC	705	699	655
Bid G + 2 CTs + 1 CC	718	693	464
Bids A and G + 1 CC	748	731	600
Bids B, C1, and G + 1 CC	847	811	784
Bids A, B, C1 and G + 2 CTs	1,218	1,171	1,037

We find DEF’s economic analysis of the Citrus County Plant and other resource plans relied on reasonable and fair estimates and forecasts. We find, therefore, that DEF’s analysis demonstrates that the Citrus County Plant is cost-effective under a range of potential scenarios. We would also reiterate that no Party contested the economic analysis as presented by the DEF.

DEF’s Evaluation of Delaying the Citrus County Plant

As discussed earlier, multiple parties discussed delaying the in-service date of the proposed Citrus County Plant by continuing operation of Crystal River Units 1 and 2 beyond 2018. Witness Borsch testified that such a delay would not be cost-effective. Review of DEF’s economic analysis indicates that a one-year delay in the Citrus County Plant would result in a net revenue requirement increase of \$78 million over the life of the plant. Witness Borsch stated that this cost increase is driven primarily by the fuel efficiency of the Citrus County Plant compared to the balance of the fleet, including the extended operation of Crystal River Units 1 and 2 by another year. Table 4 below summarizes the additional cost associated with a one-year delay of the Citrus County Plant.

⁷ Hearing Exhibit No. 60

Table 4: Costs of Delaying Citrus County Plant (\$ millions, CPVRR)⁸

Capital	-65
O&M	-15
Fuel	113
Environmental	28
Other	17
Total	78

Witness Borsch additionally expressed concern that continued operation of Crystal River Units 1 and 2, in to 2019, could result in additional environmental compliance costs. Witness Hibbard provided testimony stating that a one year delay of the Citrus County Plant could result in a savings of \$59 million. Witness Hibbard's estimate of \$59 million in savings appears consistent with DEF's estimated \$65 million savings in capitol costs shown above. At the hearing, Witness Hibbard clarified that these calculated savings were a calculation of the time value of money, associated with delaying the Citrus County Plant, not a cost and benefit analysis.

Based on the preponderance of evidence we do not believe that delaying the in-service date of the Citrus County Plant would be cost-effective. While Witness Hibbard represented potential benefits that could be realized if the plant is delayed, his evaluation did not consider operational costs. Furthermore, we find that the continued operation of Crystal River Units 1 and 2 could cause significant reliability issues.

This Commission's decision on a need determination petition must be based on the facts as they exist at the time of the filing with the underlying assumptions tested for reasonableness. It is prudent for a utility to continue to evaluate whether it is in the best interests of its ratepayers for a utility to participate in a proposed power plant before, during, and after construction of a generating unit. If conditions, such as load growth, capacity retirements, capacity additions, or any additional purchased power agreements change from what was presented at the need determination proceeding, then a prudent utility will be expected to respond appropriately.

Conclusion

We find that DEF's analysis of multiple scenarios, including delaying the in-service date of the project, indicate a high likelihood that the proposed project will result in savings for DEF's customers. Based on DEF's analysis the proposed project will result in a savings of \$477 to \$1,218 million when compared to alternatives received through the Company's RFP.

Need for Evaluation of Alternative Scenarios for Cost Effectiveness

DEF argues that it conclusively demonstrated that it reasonably evaluated all alternative scenarios for cost-effectively meeting DEF's customer needs commencing in 2018. DEF asserts that no intervenor party or witness questioned the fairness or impartiality of the 2018 RFP or

⁸ Hearing Exhibit No. 79

DEF's evaluation of the 2018 RFP that led to the selection of the Citrus County Plant as the most cost-effective generation alternative to meet DEF's need.

DEF additionally states that it developed the 2018 RFP and fairly and impartially implemented it consistently with the Bid Rule to solicit proposals for other generation capacity resources that might prove superior as a supply-side alternative for customers, based on price and non-price attributes, to the Company's Citrus County Plant. DEF further attests that it retained an independent evaluator (DEF Witness Taylor) to ensure the 2018 RFP solicitation documents were clear, fair, and consistent with the Bid Rule. DEF asserts that Witness Taylor confirmed that the 2018 RFP was reasonable and an appropriate document for the solicitation of proposals consistent with the Commission Bid Rule. DEF further states that Witness Taylor independently concluded that DEF's Citrus County Plant is at least \$282 million CPVRR less expensive than the next best bidder proposal portfolio.

DEF explains that it received bid proposals in addition to the Company's self-build proposal for the Citrus County Plant. DEF further expounds that none of these proposals individually or collectively met the Company's reliability need for summer generation capacity commencing in 2018. DEF asserts that it evaluated all bidder proposals to see if there was any combination of them that, individually or collectively with other undeveloped generic Company power plants, provided customers a more cost-effective supply-side generation alternative to the Citrus County Plant. DEF further claims that these combinations, or resource combination scenarios, were quantitatively and qualitatively evaluated against the Citrus County Plant. DEF concludes that the evaluation demonstrated that the Citrus County Plant is the most cost-effective supply-side generation capacity to meet the Company's reliability need in 2018.

FIPUG, PCS Phosphate, NRG, Shady Hills, and SACE took positions opposed to DEF's; however, they did not provide arguments directly related to the information presented by DEF on this matter. OPC, similarly, did not file arguments directly related to the information discussed in this section. Calpine did not disagree with DEF on this matter and as a result did not file any arguments against DEF in their briefs.

Prior to DEF's issuance of its 2018 RFP it held a pre-issuance meeting to discuss the requirements of the 2018 RFP. As a result of the meeting, DEF eliminated a minimum generation capacity limit at the request of a potential bidder.

In response to its RFP, DEF received six bid proposals. As testified by Witness Borsch, none of the proposals met the Company's reliability need for 820 MW coming into service no later than May 1, 2018. Witness Borsch testified that DEF could have rejected the proposals for failure to comply with the 2018 RFP without further evaluation. Witness Borsch additionally testified that there were non-conformance issues or risks associated with the 2018 RFP threshold requirements or technical criteria associated with each of these six 2018 RFP proposals. However, DEF continued its evaluation of these six proposals to see if there was any combination of them that, individually or collectively with other undeveloped generic Company power plants, provided customers a more cost-effective supply-side generation alternative to the Citrus County Plant. As previously discussed, DEF performed a detailed evaluation of the

proposals that included transmission costs and the cost of imputed debt as well as other costs and charges.

DEF also retained an independent monitor/evaluator (Witness Taylor) to ensure that the 2018 RFP solicitation documents were clear, fair, and consistent with the Commission Bid Rule. Witness Taylor concluded that the RFP was sufficiently detailed to provide necessary information to proposers. No party presented any evidence that DEF did not reasonably evaluate all alternative scenarios.

Therefore, we find that DEF's RFP process, including oversight by an independent monitor, was sufficient to ensure a reasonable evaluation of alternative scenarios.

Determination of Need

We find that our analysis of the record evidence in this docket supports the need for the Citrus County Plant in 2018. The following summarizes our review of the proposed plant:

1. DEF's load forecast in this proceeding is reasonable.
2. No cost-effective DSM or renewable resources have been identified that could mitigate the need for the Citrus County Plant.
3. The Citrus County Plant is expected to provide adequate electricity at a reasonable cost to DEF's customers.
4. The Citrus County Plant will increase DEF's fuel diversity and supply reliability by relying on a new fuel transportation provider.
5. DEF performed a reasonable evaluation of alternatives to the Citrus County Plant.
6. Analyses indicate that the Citrus County Plant is the most cost-effective alternative compared to respondents to the Company's RFP and when compared to continuing operation of Crystal River Units 1 and 2.

Therefore, upon consideration of all of the evidence presented in this docket, we grant the requested determination of need since the proposed Citrus County Plant represents the optimal resource option to meet the Company's projected need in 2018.

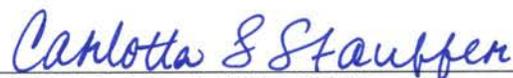
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition for determination of need, filed by Duke Energy Florida, Inc., is hereby granted as set forth herein. It is further

ORDERED that the findings set forth in the body of this Order are hereby approved. It is further

ORDERED that this docket shall be closed if no appeal is timely filed.

By ORDER of the Florida Public Service Commission this 10th day of October, 2014.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MTL

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within five (5) days of the issuance of this order pursuant to Rule 25-22.080, Florida Administrative Code and submitted in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.