

STATE OF FLORIDA



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# Public Service Commission

June 24, 2016

Kenneth Hoffman  
215 S. Monroe Street  
Suite 810  
Tallahassee, FL 32301  
[Ken.Hoffman@fpl.com](mailto:Ken.Hoffman@fpl.com)

## STAFF'S THIRD DATA REQUEST

*via email*

RE: Docket No. 160070-EQ – Petition for approval of renewable energy tariff and standard offer contract, by Florida Power & Light Company.

Dear Kenneth Hoffman,

By this letter, the Commission staff requests that Florida Power & Light Company (FPL or company) provide responses to the following data requests.

1. Please refer to the company's response to Staff's First Data Request, No. 1 and tariff page 10.313. The data request asked for an estimate of payments to a 50 MW renewable generating facility operating at the minimum capacity factor required to receive full capacity payments, with the company's response providing a value of 96%. However, the tariff sheet shows a value of 94% for the Annual Capacity Billing Factor for the avoided unit.
  - a. Please reconcile this difference in values.
  - b. Please provide a revised response to Staff's First Data Request No. 1 using a 94% Capacity Factor.
2. Please refer to proposed tariff page 9.032.1, paragraph 3.2.3. Please explain the reason for the increased notification requirements, including any experience the company may have had with other negotiated contracts that would support this modification.
3. Please refer to proposed tariff page 9.032.1, paragraph 3.2.7. Please explain the requirement for a remedial action report and the reasoning behind the ten (10) day timeframe for this to be provided to FPL.
4. Please refer to proposed tariff page 9.033, paragraph 4.4. Please explain the reason and impact of this proposed modification on QFs and FPL's general body of ratepayers.

5. Please refer to proposed tariff pages 9.035, paragraph 8.2 and 9.036, paragraph 8.4.7. Please explain how FPL interprets the phrase "prudent industry standards" compared to "industry standards" in these contexts.
6. Please refer to proposed tariff pages 9.036, paragraph 9.1 and 9.037, paragraph 9.5.1.
  - a. Please explain the reason for the increase in completion/performance security from \$30/kW (reduced to \$15/kW under some circumstances) to \$50/kW after the Effective Date, and to \$100/kW prior to two years before the Guaranteed Capacity Delivery Date.
  - b. Please explain the large increase compared to Duke Energy Florida's and Tampa Electric Company's \$30/kW, and Gulf Power Company's \$20/kW.
7. Please refer to proposed tariff page 9.036, paragraph 9.1. Please explain why the timeframe for delivery of the completion/performance security is proposed to be reduced from 30 days to 5 days.
8. Please refer to proposed tariff page 9.037, paragraph 9.3. Please explain the reduction from 30 days to provide a replacement Letter of Credit to 10 days.
9. Please refer to proposed tariff page 9.037, paragraph 9.5.2. Please explain the reason for the modification of this paragraph and the requirement to replenish the completion/performance security within five (5) days.
10. Please refer to proposed tariff page 9.038, paragraph 10.1.3. Please explain the reduction from 30 days to provide a replacement Termination Fee Letter of Credit or Bond to 10 days.
11. Please refer to proposed tariff page 9.040, paragraph 12.14. Please explain this additional occurrence of default, and how it would relate to paragraph 12.3.
12. Please refer to proposed tariff page 9.045, paragraph 18.4. Please explain the reason for requiring a QF to be responsible for FPL's costs for Assignment. As part of this response, please provide an estimate of these costs.
13. Please refer to proposed tariff pages 10.304 and 10.311.
  - a. Please explain why the company has elected to eliminate the as-available energy cost projections.
  - b. Please explain why the company has elected to eliminate the unit fuel cost projections.
  - c. Please provide the estimated as-available energy rate forecast for the period 2016 through 2025.

- d. Please provide the estimated unit fuel cost forecast for the period 2024 through 2032.
14. Please refer to proposed tariff page 10.311.1, *i*<sub>p</sub>, the annual escalation rate associated with the plant cost of the Company's Avoided Unit. Please explain the reason for the increase from 2.0% to 3.0%.

Please file all responses electronically no later than Monday, July 18, 2016 from the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6524 if you have any questions.

Sincerely,

*s/ Bianca Y. Lherisson*  
Bianca Y. Lherisson  
Attorney

BYL/dml

cc: Office of Commission Clerk