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VIA ELECTRONIC FILING

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 170097-EI – FPL’s Petition for Approval of a New Depreciation Class and Rate for Energy Storage Equipment

Dear Ms. Stauffer:

Enclosed please find Florida Power and Light Company’s Responses to Staff’s Second Data Request (Nos. 1-5).

Please do not hesitate to contact my office at 561-304-5639 if you have any questions.

Sincerely,

s/ John T. Butler
John T. Butler

Enclosures

QUESTION:

Please refer to both Florida Power & Light Company's (FPL) initial and Supplemental Response to Staff's First Data Request, No. 5.

- a. The Company indicated that the assets listed in response No. 5 are not associated with its "50 MW Battery Storage Pilot" (Battery Storage Pilot) as approved by Florida Public Service Commission (Commission) Order No. PSC-16-0560-AS-EI, but rather the specific assets comprise "six smaller battery storage project installations."¹ Are the "six smaller battery storage project installations" the same project components of the energy storage project launched in conjunction with the "White House Summit on Scaling Renewable Energy and Storage" (Energy Storage Pilot)?²
- b. If the response to (a.) is affirmative, are there any grants or financial awards being provided to the Company by the U.S. Federal Government for undertaking/ participating in the Energy Storage Pilot? If so, please discuss, with specificity, any arrangement between the FPL and the U.S. Federal Government, which has, or will lead to, any financial transfers (to FPL) associated with the Energy Storage Pilot?
- c. Are there any key distinctions between the information being sought (i.e. study objectives) in FPL's Energy Storage Pilot and Battery Storage Pilot? If so, please identify such distinctions.

¹ Order No. PSC-16-0560-AS-EI, issued December 15, 2016, in Docket No. 160021-EI, In re: Petition for rate increase by Florida Power & Light Company., Docket No. 160061-EI, Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Company., Docket No. 160062-EI, 2016 depreciation and dismantlement study by Florida Power & Light Company., and Docket No. 160088-EI, Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company.

² Please see FPL Newsroom release: <http://newsroom.fpl.com/2016-06-16-FPL-launches-innovative-energy-storage-project-in-conjunction-with-White-House-summit-on-scaling-renewable-energy-and-storage>

RESPONSE:

- a. Yes, the six smaller battery storage project installations are the same project components of the energy storage project launched in conjunction with the White House Summit on Scaling Renewable Energy and Storage. The FPL Newsroom release referenced herein specifically described three of the six project components: Southwest, Florida Bay, and Sony Tennis.
- b. There are no grants or financial awards being provided by the U.S. Federal Government to FPL in connection with the aforementioned six project components.
- c. Yes. FPL's Energy Storage Pilot was targeted at understanding certain specific applications and system configurations as described in the responsive documents to FPSC Staff's Sixteenth

Request for Production of Documents No. 83 in FPL's most recent rate case (Docket No. 160021-EI).

FPL's 50 MW Battery Storage Pilot will expand FPL's knowledge of battery technology in a different set of specific applications, including shifting solar plant output to peak times, smoothing the short-term fluctuations in solar output, utilizing batteries to defer transmission or distribution upgrades in dense urban environments, and using customer-sited projects for reducing demand at peak times. Thus, the 50 MW Battery Storage Pilot will target learnings at enhancing service for customers and enhancing operations of existing or planned solar facilities, as outlined in the Settlement Agreement. Further, the larger scale of deployment (at 50 MW) will enable the battery portfolio to have a more substantial and ascertainable impact on the system's operation. It will also provide additional opportunities to improve FPL's processes for managing portfolios of storage systems and to more efficiently integrate them into FPL's grid control systems.

QUESTION:

Please refer to Page 86, Section c), of FPL's 2017 Ten Year Site Plan.

- a. Is FPL describing the assets used in effectuating what is being referred to in this data request as the "Energy Storage Pilot" in the first paragraph of Section c)? If not, please explain.
- b. If the response to (a.) is affirmative, why has FPL chosen to describe the assets used in effectuating what is being referred to in this data request as the "Energy Storage Pilot," in the same section of the 2017 TYSP as the Battery Storage Pilot?
- c. Please reconcile the statements: "[a]t the time this Site plan is being readied for filing, FPL is in the midst of planning the details of this 50 MW expansion [emphasis added] of the pilot program (2017 TYSP, Page 86, Section c), second paragraph), and "as of the date of this response, FPL has not installed any assets associated with the Battery Storage Pilot" (FPL's Supplemental Response to Staffs First Data Request, No. 5, filed 6/26/17).

RESPONSE:

- a. The first paragraph on page 86, Section (c) of FPL's 2017 Ten Year Site Plan is referring to the six smaller battery storage project installations launched in conjunction with the White House Summit on Scaling Renewable Energy and Storage, as discussed in FPL's response to Staff's Second Set of Interrogatories No. 1, subpart (a). Those six smaller storage projects were referred to as an "energy storage pilot program" in the press release announcing the White House Summit.¹ The second paragraph in Page 86, Section (c) of FPL's 2017 Ten Year Site Plan is referring to the Battery Storage Pilot that was authorized by the FPSC in FPL's last base rate case. Thus, there are two phases of battery storage pilot projects being undertaken by FPL: 1) a first wave of six small projects that went into service in 2016 and early 2017, and are already in operation; and 2) an expanded program calling for up to 50 MW of additional projects to be developed over the years 2017 to 2020.
- b. Please see FPL's response to subpart (a) of this data request above. In hindsight, FPL recognizes that it would have been clearer if FPL's 2017 TYSP had clarified the distinction between the two sets of pilot projects or had expanded the subtitle to indicate that two types of storage projects were being discussed.
- c. Those statements refer solely to the 50 MW Battery Storage Pilot authorized in FPL's last base rate case. Therefore, the two statements are consistent. At the time of preparing the filing for the 2017 FPL Ten Year Site Plan and as of the drafting date of FPL's Supplemental Response to Staffs First Data Request No. 5, FPL was planning the first projects to deploy under the 50 MW Battery Storage Pilot (referred to as the "50 MW expansion of the pilot program" in the second paragraph on page 86, Section (c) of the 2017 Ten Year Site Plan).

¹ Please see FPL Newsroom release: <http://newsroom.fpl.com/2016-06-16-FPL-launches-innovative-energy-storage-project-in-conjunction-with-White-House-summit-on-scaling-renewable-energy-and-storage>

QUESTION:

Has the Commission previously reviewed any costs associated with the Energy Storage Pilot for prudence and/or inclusion in the Company's rate base? If so, please explain.

RESPONSE:

Yes. In FPL's most recent rate case (Docket No. 160021-EI), FPL's responses to Staff's Thirty-Second Set of Interrogatories No. 403 and Staff's Sixteenth Request for Production of Documents No. 83) provided information on an energy storage project that was included in FPL's test year projected rate base – a pilot energy storage project at a substation located in Miami-Dade County, with approximately \$6.1 million of capital costs. The response to Staff's Thirty-Second Set of Interrogatories No. 403 was part of Hearing Exhibit 429 and the response to Staff's Sixteenth Request for Production of Documents No. 83 was part of Hearing Exhibit 455, both of which were admitted into the record of FPL's rate case.

QUESTION:

If the response to (3.) is negative, please discuss FPL's position on whether the costs associated with the Energy Storage Pilot are eligible for inclusion in the Company's rate base.

RESPONSE:

N/A.

QUESTION:

Does FPL consider the Commission's approval (assuming it does so) of the transfer of assets into the proposed-to-be-established Federal Energy Regulatory Commission (FERC) Accounts (Accounts 348 - Energy Storage Equipment - Production and 363 - Energy Storage Equipment - Distribution) a determination of prudence with regards to those assets?

RESPONSE:

No. Approval to transfer assets to the new accounts would not constitute by itself a prudence determination for those assets.