

1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Move on to Item No. 8.

3 MS. THOMPSON: Good morning, Commissioners.

4 Takira Thompson with Commission staff.

5 Item No. 8 is a petition by Seminole Electric
6 Cooperative for determination of need for the
7 Seminole combined cycle facility and a joint
8 petition by Seminole and Shady Hills Energy Center,
9 LLC, for a determination of need for the Shady
10 Hills combined cycle facility.

11 The Shady Hills facility will be a
12 573-megawatt natural gas-fired combined cycle unit
13 located at the existing Shady Hills power plant
14 site in Shady Hills, Florida, and will have an
15 in-service date of December 2021.

16 The Seminole facility will be a 1,122-megawatt
17 natural gas-fired combined cycle unit located at
18 the existing Seminole generating station in Putman
19 County, Florida, and will have an in-service date
20 of December 2022.

21 The portfolio, including the Seminole and
22 Shady Hills facilities is projected to save
23 Seminoles members approximately \$363 million as
24 compared to the next least cost portfolio over the
25 stated period.

1 Staff has oral modifications to the
2 recommendations that have been filed.

3 Staff has reviewed the petitions and
4 recommends that the determinations of need be
5 granted for both facilities because they provide
6 the most cost-effective alternatives.

7 Staff is available for any questions.

8 CHAIRMAN GRAHAM: Commissioners, any questions
9 of staff?

10 Commissioner Polmann.

11 COMMISSIONER POLMANN: Thank you, Mr.
12 Chairman.

13 Was it your intention to vote this item all
14 issues or issue by issue?

15 CHAIRMAN GRAHAM: However you want to take it.
16 If you want to go -- if you have a specific
17 question of a specific issue, we can entertain
18 that, or --

19 COMMISSIONER POLMANN: Commissioner Clark, did
20 you have questions on particular issues?

21 COMMISSIONER CLARK: No.

22 COMMISSIONER POLMANN: It's my intention to --
23 well, let me make a comment first.

24 Issue 6 is where we come to the -- to the meat
25 of the item, which is the question of determining

1 the need. The Items 1 through 5 are in review of
2 Section 403.519(3), which are aspects of individual
3 concepts leading up to the final determination
4 under 6. It would be my intention to support staff
5 recommendation on Issue 6, but I do have some
6 concerns among the other issues.

7 In particular, Mr. Chairman, and I have talked
8 at length with staff about this, on -- on Issue 4,
9 which deals with -- let me see if I can find the
10 page on that. I will take anybody's help finding
11 the page number.

12 CHAIRMAN GRAHAM: Page 29.

13 COMMISSIONER POLMANN: Thank you, sir.

14 This deals with fuel diversity and supply
15 reliability. And in general, what we have seen in
16 a number of other dockets as well is the tendency
17 with electric power generation in a shift toward
18 greater and greater reliance on natural gas. And
19 just as a comment, that concerns me a bit that,
20 across Florida, we -- we see a shift towards a
21 greater reliance on a single fuel type. So going
22 forward, that will continue to -- to concern this
23 commissioner.

24 There are a lot of reasons to use natural gas.
25 It has great benefit, and we don't need to go into

1 the details here. Other aspects of -- within this
2 need determination for -- in terms of cost and --
3 and all the alternatives that were examined, I
4 think, show favorable outcomes in the examination
5 that was done.

6 In this particular case, in Issue 4, there is
7 a recommendation to support this, and there are
8 appropriate reasons to retire the coal unit. I am
9 not saying that going to gas in this case is -- is
10 a negative, but I do believe that, in the larger
11 picture, there can be some concerns about further
12 consolidation to natural gas looking at the fleet
13 of electric generation across the state. And I
14 think it may be appropriate for this commission to
15 continue to consider that in the larger picture. I
16 am not exactly sure how to do that on a
17 case-by-case basis; but looking at a trend, I think
18 it's an important issue that we should continue to
19 examine.

20 So having said that, Mr. Chairman, I am not
21 opposed. I don't -- I don't think it's
22 inappropriate, because of the scale of this
23 particular project, to do anything other than to
24 support staff recommendation.

25 I did have a considerable discussion with

1 staff on -- on these -- all of the issues here, and
2 I have come to the conclusion that it is in the
3 public benefit to move this item forward, and I
4 will just leave it at that.

5 I will listen for any other comments from the
6 Commission. So thank you, sir.

7 CHAIRMAN GRAHAM: Commissioner Clark.

8 COMMISSIONER CLARK: I said I didn't have any,
9 but I will echo Commissioner Polmann's concerns.

10 I have expressed the same issues on a number
11 of occasions, increased reliance on natural gas and
12 our concerns about fuel diversity for the state.
13 And in this particular case, it seemed like a
14 little more difficult decision until you factor in
15 the potential cost savings for the consumers. And
16 I think that's where this issue really reaches its
17 peak at, is there is an incredible cost savings for
18 the consumers by allowing these units to come on
19 and replace those.

20 I -- I am concerned about fuel diversity. I
21 am concerned about future price of gas as well, and
22 the increased reliance on it. But I agree with
23 your sentiments, Commissioner Polmann, I think you
24 are right on target, and it is something I think
25 this commission needs to watch very carefully.

1 Thank you.

2 CHAIRMAN GRAHAM: I will entertain a motion.

3 COMMISSIONER CLARK: I move approval of the
4 items.

5 CHAIRMAN GRAHAM: It's been moved and seconded
6 the approval of the items on Item No. -- all issues
7 on Item No. 8.

8 COMMISSIONER POLMANN: Thank you for your
9 comments, Commissioner Clark, and for moving the
10 item. I will support all issues, and second all
11 issues on this item.

12 CHAIRMAN GRAHAM: I have to agree with the two
13 of you. I think this is something that I always
14 struggle with every time it comes up before us.
15 The problem you run into, though, is right now, and
16 especially with the facts that came before us in
17 this case, the price of the natural gas is the
18 prudent thing to do. And, you know, I think
19 myself, and all of us will entertain any other
20 ideas that, you know, people who come before us
21 with some sort of fuel diversity, but then we have
22 to take those facts into account at the time. But
23 the case as put before us, I mean, these are the
24 options that we have. But I agree with you, that
25 it is a concern as we get closer and closer to

1 70 percent natural gas.

2 COMMISSIONER POLMANN: Thank you for your
3 comments, Mr. Chairman. I -- I -- I do appreciate
4 the thorough analysis that has been done, and the
5 conversation that we were able to have with staff.
6 I have think -- for me, I -- I believe I was
7 provided great benefit with that discussion. I
8 learned quite a bit in the depth of the analysis
9 that the staff has provided. I think good
10 discussion, and I appreciate the comments from my
11 colleagues.

12 CHAIRMAN GRAHAM: Okay. No further
13 discussion. All in favor say aye.

14 (Chorus of ayes.)

15 CHAIRMAN GRAHAM: Any opposed?

16 (No response.)

17 CHAIRMAN GRAHAM: By your action, the panel
18 has approved all issues on Item No. 8.

19 (Whereupon, other matters ensued and Item No.
20 8 continued as follows:)

21 CHAIRMAN GRAHAM: For the record, Commissioner
22 Clark, your motion on Item No. 8 included the staff
23 oral modifications, correct?

24 COMMISSIONER CLARK: Correct.

25 CHAIRMAN GRAHAM: Okay. I just wanted to make

1 sure that was clear.

2 Okay. This concludes our meeting. We have
3 another hearing in this room in about five minutes,
4 so by that clock back there, we will start at
5 10:20.

6 Thank you very much, and travel safe.

7 We are adjourned.

8 (Agenda item concluded.)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
and that this transcript constitutes a true
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,
employee, attorney or counsel of any of the parties, nor
am I a relative or employee of any of the parties'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED this 15th day of May, 2018.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #GG015952
EXPIRES JULY 27, 2020