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March 14, 2019

HAND DELIVERED

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition for Approval of Shared Solar Tariff by Tampa Electric Company
FPSC Docket No. 20180204-EI

Dear Mr. Teitzman:

Enclosed for filing in the above docket are the following:

1. A CD containing Tampa Electric's Response to Staff's First Data Request, No. 5 (Final Revised) – Fuel Flat; Tampa Electric's Response to Staff's First Data Request, No. 5 (Final Revised) – Fuel 2%; and Tampa Electric's Response to Staff's Third Data Request, No. 9 – Fuel (Revision 2)

2. Tampa Electric's Response to Staff's Fourth Data Request (Nos. 1-7)

These items were furnished to Staff Counsel and the Office of Public Counsel on February 28, 2019.

Thank you for your assistance in connection with this matter.

Sincerely,

James D. Beasley

JDB/pp
Enclosures

1. Please prepare:

a. A revised version of Staff's First Data Request, No. 5, that incorporates the Company's most recent long-term fuel price forecast, base rate settlement requirements (i.e. no increase in base rates in the years 2019 through 2021 for non-SoBRA projects), and Environmental Cost Recovery Clause charges. Please note: Staff is aware that TECO will be unable to predict certain components (GPIF, Asset Optimization), so these may be excluded to simplify the analysis.

b. A discussion of how these analyses reflect rate impacts to non-participants.

A.

a. Attached are revised versions of Staff's First Data Request No. 5. One includes no increase in fuel for the full period and the other shows a 2% per year increase in fuel for the full period to show impacts on the bill for participants and non-participants. For the summary tab, the Base Rate Charge has been left flat for all years as this would only potentially change as a result of a retail rate case which has not be scheduled yet and as part of the controlling Settlement and Stipulation would not occur prior to 2022.

The tabs showing 100%/50%/0% subscription still have the full calculation as if each year would be impacted by the revenue requirement vs the LFCR to show the crossover point where revenue requirements impact on base rates becomes negative versus the levelized rate utilized for SSR-1 service.

b. In the response to Staff's First Data Request No. 5 provided previously, a simplified approach to fuel impacts was utilized that did not appropriately show the impact on the fuel clause to non-participants from the SSR-1 PV assets. As can be shown in the revised Staff's First Data Request No. 5 there is no adverse bill impact to non-participants from SSR-1. The only impact to the fuel clause will be beneficial should SSR-1 not be fully subscribed in any period. The proposal is that the participation be capped at 95% of the total (kWh) annual energy production which the company intends to police rigorously throughout each year. The change is the result of a better representation that the 17.5 MW PV array dedicated to SSR-1 service is entirely incremental and would not have existed absent SSR-1 being approved. All future PV installations will be entirely dependent on customer demand. If SSR-1 did not exist or had not been proposed, either the additional 17.5 MW at Lake Hancock would not have been built until a future tranche of SoBRA was being approved (in which case the PV installations to come would have been smaller to compensate) or it would have been built and later incorporated into a SoBRA tranche.

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2. Please prepare a revised version of Staff's Third Data Request, No. 9. The NPV column appears to have errors in how the discount was applied. Please ensure that the data in this table reflects the company's long-term fuel price forecast provided in response to Staff's First Data Request, No. 28A.

A. A new version is being provided, however the company does not see where errors occurred in how the discount was applied in the NPV column. The new version reflects the annual PV values along with the NPV amount.

3. During the December 10, 2018, Informal Meeting, the Company stated that the cross-over point (the point at which Fuel Cost Recovery Clause (FCRC) charges for residential customers are higher than the SSR-1 rate) will occur approximately seven to eight years after implementation of the SSR-1 tariff. Please provide staff with the SSR-1 customer rate forecast that shows the year in which the SSR-1 tariff will be more economical than the forecasted FCRC charge, based on TECO's long-term fuel price forecast.

A. The crossover point is not related to the Fuel Cost Recovery Clause in Staff's First Data Request No. 5. The "seven to eight year" comment made during the December 10, 2018 Informal Meeting was intended to address the impact on base rates from the levelization of the charge under SSR-1 versus the revenue requirements calculation for the Lake Hancock site. This cross-over point can be seen on the new Staff's First Data Request No. 5, in any of the three percentage tabs, column S where the crossover from a positive revenue requirement impact to a negative revenue requirement impact happens in the year 2027, which is year 8.

4. Has TECO considered incorporating any mechanisms into the tariff to ensure that non-participants are held harmless from any negative economic impact?

a. For example, would TECO be willing to reduce customer base rates in 2019, 2020, and 2021, as allowed under Section 13 of the 2017 Settlement Agreement to reflect the foregone fuel revenues due to the SSR-1 program?

b. As another example, would TECO be willing to credit the FCRC the difference between the SSR-1 program tariff revenues and foregone fuel revenues resulting from the program for all program years?

A. Non-participants are being held harmless or benefiting from the SSR-1 program. Tampa Electric decided to build utility-scale solar facilities outside of SoBRA because it was pursuing a shared-solar tariff under which the energy from such a facility would be sold. Tampa Electric is building the 17.5 MW of Lake Hancock for the benefit of those customers wanting all or a portion of their energy to come directly from solar and who are unwilling or unable (due to economic or other reasons such as not having a roof or being unable to utilize a roof) to avail themselves of privately owned solar.

Some of the potential SSR-1 customers may elect to lease private solar systems or pursue other options to minimize any non-renewable form of their energy use. The company does not believe there are any significant foregone fuel revenues as SSR-1 participants who might otherwise build their own PV would under either case consume their solar energy from a resource that would not add cost or revenues to the fuel clause. Additionally, by building these solar facilities the company is adding to its generation mix a zero-cost fuel option that will also minimize the need for higher cost fuel during peak load periods that would otherwise occur if these generating resources were not available.

a. No

b. No

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5. In response to Staff's First Data Request, No. 10, TECO states that the 17.5 MW SSR-1 portion of Lake Hancock is part of the SoBRA units. Would TECO be willing to agree that the 17.5 MW SSR-1 portion of Lake Hancock will not be eligible for SoBRA recovery at any future date, if the SSR-1 tariff is approved?

A. Tampa Electric has agreed that if the Commission approves the SSR-1 tariff as proposed with the 17.5 MW of Lake Hancock as the PV resource providing the energy to the SSR-1 tariff service, then those 17.5 MW will not be eligible for SoBRA recovery at any future date.

6. In the event that participation in the SSR-1 tariff exceeds the MWh production of the facility, how would TECO determine which customers no longer receive power under the tariff to make up the difference?

A. Tampa Electric is implementing systems to assure that energy sold under the SSR-1 tariff will not exceed the annual energy output of the 17.5 MW Lake Hancock unit. If the tariff is successful and Tampa Electric adds new generating capacity to service SSR-1 customers, the same limitation will apply to the combination of those total units. The process that will be used to assure this occurs, is when an available energy limit approaches Tampa Electric will stop adding new customers to SSR-1 service and put new applicants on a waiting list. Tampa Electric experiences annually a move out rate for customers over 20% approaching 30%. While many of those may be relocating within the Tampa Electric service area, some of those may elect to not continue SSR-1 service and certainly those that move out of the service area will not continue SSR-1 service. Tampa Electric believes that this turnover percentage will apply in a similar rate to SSR-1 customers and vigilant management of the tariff will assure that no customer will be required to abandon SSR-1 service at the request of Tampa Electric to assure no oversell of available SSR-1 energy.

7. Can TECO affirm that all parties to the 2017 Settlement Agreement agree that the provisions of its SSR-1 Tariff proposal are not in conflict with the settlement, particularly Paragraph 12 of the agreement in regards to not allowing increases in any existing base rate component of a tariff or rate schedule, or any other charge imposed on customers during the term, unless the application of such new or revised tariff, rate schedule, or charge is optional to Tampa Electric's customers?

A. Public Counsel has confirmed their understanding of the application of Paragraph 12 to the SSR-1 tariff application and that there is no conflict. Tampa Electric has reached out to the other parties to confirm that their understanding is the same as Public Counsel. At the time that the Settlement Agreement was entered into, all parties to it were aware that there was no prohibition of the company pursuing a community solar program.