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# Public Service Commission

June 12, 2019

Maria Moncada  
Florida Power & Light Company  
700 Universe Blvd.  
Juno Beach, Florida 33408  
maria.moncada@fpl.com

**STAFF'S THIRD DATA REQUEST**  
*via e-mail*

RE: Docket No. 20190061-EI –Petition for approval of FPL SolarTogether program and tariff, by Florida Power & Light Company.

Dear Ms. Moncada:

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

## Resource Planning

1. Please refer to FPL's response to Staff's First Data Request, No. 75.
  - a. Please explain why no additional demand-side management (DSM) was assumed in the development of the SolarTogether Plan and No ST Plan resource plans.
  - b. Please develop revised versions of the SolarTogether Plan and No ST Plan resource plans inclusive of the company's proposed DSM goals from Docket 20190015 and additional incremental DSM after the goalsetting period. Please also answer the following questions using these revised plans:
    - i. Please provide a revised response to Staff's First Data Request No. 28.
    - ii. Please provide a revised response to Staff's First Data Request No. 75.
    - iii. Please provide a revised response to Staff's First Data Request No. 78.
    - iv. Please provide a revised response to Staff's First Data Request No. 79.
    - v. For each plan, please provide an estimate of annual customer bills for a residential customer using 1,000 kWh/mo (in nominal and real values) excluding the proposed SolarTogether Charges and Credits.
    - vi. For each plan, please provide an estimate of annual customer bills for a residential customer using 1,000 kWh/mo (in nominal and real values) including the proposed SolarTogether Charges and Credits.

2. If the SolarTogether petition is not approved, would FPL still construct the SolarTogether solar project sites? If not, please explain why not and provide a resource plan for that scenario. As part of your response, identify unit additions, retirements, and changes for each year.
3. Please refer to FPL's response to Staff's First Data Request, No. 52. Is FPL adding solar resources based upon customer demand for solar generation as a consideration, instead of based on reliability needs or economics? If customer demand is a component, explain how this process for resource planning and generation additions is consistent with the current regulatory structure as stated in response to No. 52.
4. Please refer to FPL's response to Staff's First Data Request, No. 47. Please explain if FPL engaged in a similar methodology in its 2018 Ten-Year Site Plan. If so, please explain why non-SoBRA Solar projects were not included in the non-Solar Together Case. If not, explain why.
5. Please refer to FPL's response to Staff's First Data Request, No. 75. Please explain whether FPL's third reserve margin criteria, the 10 percent Generation only Reserve Margin, was the controlling factor in any unit additions. As part of your response, identify which unit(s), if any, were impacted and the size of the impact.
6. Please refer to FPL's response to Staff's First Data Request, No. 75, Attachment No. 1. Please provide a side-by-side comparison of the following resource plans listed below. As part of your response, provide the annual reserve margin values for each plan, the date each plan was developed, and explain any differences between each of the plans, such as assumptions or methodology.
  - a. FPL's 2018 Ten-Year Site Plan
  - b. FPL's 2019 Ten-Year Site Plan
  - c. FPL's Supply-Only Resource Plan from Docket 20190015
  - d. The No ST Plan.
  - e. The SolarTogether Plan.

### **Cost Effectiveness**

7. Please refer to FPL's response to Staff's First Data Request, No. 72. Please provide the annual and total expenses for administrative costs for the SolarTogether sites if the company constructed the sites outside of the petition.
8. Please refer to FPL's response to Staff's First Data Request, No. 78. Please detail how the gas transportation costs were determined. As part of this response, please provide the annual amount of subscribed firm gas transportation capacity for the company in MCF/d for both the No ST Plan and the SolarTogether Plan.

9. Please refer to FPL's response to Staff's First Data Request, Nos. 75 and 83.
  - a. Please provide the calculation used to generate the \$479 million avoided generation savings.
  - b. What would the non-participant savings be for the scenario in which participants pay the full program costs?
  - c. Please explain the discrepancy between the avoided generation savings value provided in DR 83 of \$479 million, and the sum of avoided generation capital, fixed O&M, transmission interconnection, and capital replacement costs of \$453 million in DR 75, Mid Fuel – Mid CO2 case.
  - d. What would be the amount of the SolarTogether Charge based on \$453 million in avoided generation savings?
10. Please refer to FPL's response to Staff's First Data Request, No. 78, Attachment No. 1, Tab Mid Fuel – Mid CO2. Please explain the reason for the variation between the \$1.79 million quoted in the Petition and the \$1,849M CPVRR included for Program Costs and Solar Revenue Requirement. As part of your response, please determine the amount of the \$1,849M CPVRR that would be covered by the FPL SolarTogether Charges.
11. Please refer to the Company's testimony of witness Sim, pages 8 through 40, filed in Docket 20190015, regarding eight drivers of system costs that impact the value of DSM. Please explain whether any of these factors impact the need for or cost-effectiveness of solar generation. If yes, please explain each driver's impact on the expansion of solar generation between the Company's 2018 TYSP and the 2019 TYSP.

### **Non-Participant Impacts**

12. Please refer to FPL's response to Staff's First Data Request, No. 79.
  - a. Please provide the payback period (using cumulative net present value) for each scenario for non-participants.
  - b. Please provide the payback period (using cumulative net present value) for each scenario for participants.
13. Please refer to FPL's response to Staff's First Data Request, No. 59(b). Given that all costs and expenses associate with the SolarTogether project sites will be collected from the general body of ratepayers, why would the general body of ratepayers not be eligible for all benefits?

14. Please refer to FPL's response to Staff's First Data Request, Nos. 79 and 84.
  - a. Please explain why FPL decided to select fixed credits for participants, given that owners of net metering or rooftop systems are subject to variable savings.
  - b. Please explain the selection of the 7 year payback period for participants.
15. Please refer to FPL's response to Staff's First Data Request, No. 79 and 84. Please verify that non-participants only experience positive remaining net system savings on a cumulative net present value basis in the Mid-Fuel & Mid-CO2 scenario in year 30 (2049). If that is not correct, please provide the proper value and explain how it was derived.
16. Please refer to FPL's response to Staff's First Data Request, Nos. 78 and 79.
  - a. For each scenario, please provide an estimate of annual customer bills for a residential customer using 1,000 kWh/mo (in nominal and real values) excluding the proposed SolarTogether Charges and Credits.
  - b. For each scenario, please provide an estimate of annual customer bills for a residential customer using 1,000 kWh/mo (in nominal and real values) including the proposed SolarTogether Charges and Credits.
17. Please refer to FPL's response to Staff's First Data Request, Nos. 79.
  - a. Please verify that in the Mid Fuel – Mid CO2 scenario that non-participating customers would realize a net benefit of \$28 million. If that is not correct, please provide the proper value and explain how it was derived.
  - b. Please verify that in the Mid Fuel – Low CO2 scenario that non-participating customers would realize a net cost of \$64 million. If that is not correct, please provide the proper value and explain how it was derived.
18. Please refer to Staff's First Request, Nos. 59 and 87. In No. 87, FPL states that if the solar facilities were damaged in anyway, that "any costs not covered by insurance would be recovered from the general body of ratepayers." In No. 59, FPL states that the program "is designed to recover 96.4 percent of the program revenue requirements from the participants." If participants are funding the majority of the projects, please explain why they should not be responsible for the majority of costs for any repairs in the future.

### **Non-Participant Cost Share**

19. Please refer to FPL's response to Staff's First Data Request, No. 25. Provide the calculation for how the non-participant savings were determined to be \$76.6 million and non-participant revenue requirement contributions were \$48.9 million. As part of this response, explain whether this includes the entire cost of the SolarTogether Projects, including administrative costs, transmission interconnection, fixed O&M, and land. If the

values provided in response to staff's DR 25 does not include these factors, please provide a revised calculation inclusive of all SolarTogether project costs.

20. Please refer to FPL's response to Staff's First Data Request, No. 58 and No. 79. Please provide the percentage of savings for non-participants compared to their contribution for each scenario.
21. Please refer to FPL's response to OPC's First Set of Interrogatories, No. 5, and the Company's petition paragraph 19. In paragraph 19 of the petition, the Company states the cost of generation and program administration is \$1.79 billion, but in response to OPC's Interrogatory No. 5, participants contribute only \$1.32 billion and non-participants contribute \$0.05 billion. Please explain the differential between these filings, how FPL intends to recover the differential, and what the percentage of participant contribution is from the \$1.79 billion stated in the Company's petition.

### **Customers & Metering**

22. Please refer to FPL's response to Staff's First Data Request, No. 55, Attachment No. 1. For each customer in the table, please provide the time and date FPL received their subscription reservation.
23. Please refer to FPL's response to OPC's First Set of Interrogatories, No. 3.
  - a. Will the subscription credit be based on the performance of the ST Project(s) the customer is assigned to or the performance of all the ST Projects together?
  - b. Will residential customers have to wait until all the pre-registered C&I reservations have been filled before they can participate?
24. Please refer to FPL's response to Staff's First Data Requests, Nos. 48(b) and 55. Net metering customers are restricted to a two (2) megawatt installation. Would SolarTogether subscriptions be limited to the same 2 megawatts limitation that a net metering customer is restricted to? If not, explain why not. As part of your response, also identify preregistration customers, if any, that would exceed the 2 megawatt net metering limitation.
25. Please refer to FPL's response to Staff's First Data Request, No. 55.
  - a. Please provide a copy of the original response in Excel format.
  - b. Please specify whether customers will be allowed to combine their energy usage across multiple sites for purposes of the SolarTogether program.
  - c. Please provide the number of meters for each of the customers listed, and note whether they would exceed the 2 MW Net Metering limitation.

- d. Please verify if the top ten largest customers listed in this response represent 50.5 percent of the program installed capacity. If so, please verify whether these ten customers would receive 40 percent of the benefits in the base case scenario.
  - e. Please verify if the top four largest customers subscription amounts would exceed the Power Plant Siting Act if constructed contiguously.
26. Please refer to FPL's response to Staff's First Data Request, Nos. 55 and 60. Please explain the discrepancy between the 2,535 kWh value in DR No. 55 and the 2,278 kWh value in DR 60.
27. Please refer to FPL's response to Staff's First Data Request, Nos. 54 and 55.
- a. Please verify that all commercial, governmental, and industrial customers have subscribed for a Reserved Subscription (measured in kW) that does not exceed the quotient of a customer's Previous 12 month Energy Usage (measured in kWh) divided by 2,535 (units of kWh/kW). As part of your response, please provide a completed version of the table below in Microsoft Excel format with formulas intact.

Customer	Reserved Subscription (kW)	Previous 12 mo. Energy Usage (kWh)	Calculated Reserved Subscription Maximum (kW)	Notes
	(a)	(b)	(b) / (a)	

- b. If any customers have subscribed for excess capacity, please explain why. As part of your response, please identify those customers and explain what modifications, if any, are necessary to the amount of pre-registered capacity and what happens to the additional freed capacity, if any.
28. Please refer to FPL's response to Staff's First Data Request, Nos. 55 and 66. Given that the four customers reserved approximately 37 percent of the program capacity, what would represent an unreasonable share of the Program Capacity?
29. Please refer to FPL's response to Staff's First Data Request, No. 82. If the formulas are not established in the tariff, are they subject to change without prior approval of the Commission? If so, would the Company be required to notify the Commission before implementing a change to the formulas?

30. Please refer to FPL's response to Staff's First Data Request, No. 54, Attachment No. 1, Page 9 of 13.
  - a. Please explain what the value "2,535 kWh/kW" represents.
  - b. Please explain how the above value was determined and what assumptions or inputs, if any, were used in the determination.
  - c. What solar generation capacity factor(s) was used to determine the above value, if any?
31. Please refer to FPL's response to Staff's First Data Request, No. 54, Attachment No. 5, pages 1-3, and Exhibit A to FPL's petition, Original Sheet No. 8.934. Using the FPL SolarTogether Participant Rates seen in Original Sheet No. 8.934, please update and provide the "Example Customer" illustrative example table and charts.
32. Please refer to FPL's response to Staff's First Data Request, No. 65. Explain if approval of FPL's petition would give FPL the right to allocate 100 percent of SolarTogether capacity to large Commercial/Industrial customers without prior Commission review. If so, can FPL explain why it should decide how to allocate capacity to customers without Commission review and approval for modifications?
33. Please refer to FPL's response to Staff's First Data Request, No. 48.
  - a. Is it true that net metering customers must either purchase or lease solar arrays, whereas the SolarTogether participants have neither of these up-front financial requirements. If not, please explain why not.
  - b. Is it true that net metering customer's net benefits are dependent on fuel prices whereas SolarTogether participant's benefits/payback are fixed, excluding based on production. If not, please explain why not.
  - c. Please explain if the SolarTogether program could satisfy the legislative mandate to create a net metering program.
34. Please refer to FPL's response to Staff's First Data Request, No. 51.
  - a. Please provide the status of the enrollment website for residential customers. As part of the response, explain whether the payback estimator will be part of the enrollment website.
  - b. Please provide an estimate of when these tools will be available.
  - c. Please explain how FPL will notify residential customers of the process for enrolling.

- d. Please explain what actions FPL has taken to prevent potential issues similar to those experienced when in prior rebate offerings. As part of this response, state whether FPL can guarantee that the website will not have these problems during the SolarTogether registration opening period.
35. Please refer to FPL's response to Staff's First Data Request, No. 54.
- a. Explain how FPL will determine which customers as to which will begin billing for the SolarTogether Charges/Credits first, and how they will be notified.
  - b. Explain whether the preregistered Commercial/Industrial customers will be billed for the SolarTogether Charges/Credits prior to the program being offered residential customers.

### **Renewable Energy Certificates (RECs)**

36. Please refer to FPL's response to Staff's First Data Request, Nos. 69 and 70.
- a. Please provide the estimated annual cost of registering and retiring RECs associated with the SolarTogether program. As part of this response, please provide a table for each year of the period 2019 through 2051.
  - b. Does FPL project the potential creation of a Renewable Portfolio Standard or similar requirement for RECs within the timeframe of the SolarTogether program? If such an RPS is developed, would FPL allocate RECs from SolarTogether towards meeting its requirements?
  - c. Would FPL consider offering the SolarTogether program without providing RECs to participants? If not, why not?

### **Support Language**

37. Please refer to FPL's response to Staff's First Data Request, No. 90.
- a. Please list the types of "actions" a participant could take that demonstrate to FPL disapproval of the Program that could lead to termination.
  - b. Please explain how FPL will monitor participants' actions.
  - c. Please explain if customers seeking to enroll in the Program will be made aware that not supporting continuity of the Program could lead to termination in the Program. If yes, please explain how customers will be notified.
  - d. Please provide the amount of administrative costs associated with this monitoring and review and if FPL would intend to seek cost recovery, and if so, how.



### **Settlement**

38. Please explain whether the increased charges in the Fuel Clause to recover the SolarTogether Credits will be voluntary to non-participants. If not, explain how it is consistent with the rate case settlement approved by Order PSC-16-0560-AS-EI.
39. Please explain whether the signatories to the rate case settlement approved by Order PSC-16-0560-AS-EI agree that the proposed SolarTogether tariff is permissible pursuant to the settlement agreement, given that it imposes a fixed charge to non-participants through the fuel clause.

### **Prudency Discussion**

40. If FPL were to build 1,490 MW of combustion turbine capacity, please explain if it would have to wait until the units were in-service to request a prudence review and/or cost recovery. If not, please explain why not.
  - a. Please compare and contrast the risk to the participants, non-participants, and FPL under the proposed SolarTogether tariff offering versus if the solar facilities were built and then allocated to all customers under traditional ratemaking processes.
41. If the proposed SolarTogether tariff is approved, please explain what FPL would consider approved in terms of the prudency of its generation investments at the SolarTogether project sites. As part of this discussion, please explain what impact this would have on the ability to review the prudency of the SolarTogether projects in a future rate case proceeding. As part of your response, please discuss whether an audit would be necessary and how costs in excess of those estimated in this docket would be treated.

### **Impact on Nonparticipants**

42. Please describe and distinguish the risks and benefits under the ST Program between participants and non-participants.

43. Please explain why participants are guaranteed, subject to production rates of the proposed solar projects, fixed benefits with a payback of approximately seven years, while non-participants will bear risk associated with capital, fuel, and O&M prices.
  - a. Please compare and contrast this practice with fuel hedging. As part of your response, please explain whether fuel hedging guarantees benefits to participants.
  - b. Please explain why this is not unduly discriminatory treatment of customers within the same customer classes.
44. Please verify whether large commercial, governmental, and industrial customers were solicited and allowed to pre-subscribe to the program and that small commercial and residential customers will have to wait until program is rolled out and then register on a first come, first serve basis. If so, please explain why this is not undue discrimination. If not, please explain how FPL is treating rate classes equally in this tariff offering, especially to the extent all customers have an equally timely opportunity to participate.

### **Net Metering**

45. Please refer to FPL's response to Staff's First Data Request, No. 49. Please provide the annual number of net metered customers, by customer class and in total, from 2002 to 2018.
46. Please refer to FPL's response to Staff's First Data Request, No. 49. Please provide the annual installed net metering capacity (MWAC), by customer class and in total, from 2002 to 2018.
47. Please refer to FPL's response to Staff's First Data Request, Nos. 41-44. How does FPL project and include net metering impacts in its forecasts of load and customers?
48. What is FPL's projection of annual net metered customers, demand, and energy, by rate class and in total, for all years available?

### **Load Forecasting**

49. Please provide all studies and reports FPL has created or has otherwise relied upon in preparing its forecast of customers and load that discusses or measures the migration of FPL customers and load to non-FPL-owned solar generating facilities due to net metering.
50. Please refer to FPL's response to Staff's First Data Request, Nos. 41-44. Is FPL's SolarTogether Program expected to allow the Company to retain customers or load during the 30 year forecast horizon that may otherwise migrate to non-FPL-owned solar generating facilities due to availability of net metering? Please explain.
51. Please explain to what extent customer and load retention is an objective of FPL in proposing its SolarTogether Program.

### Proposed Modifications

52. Please refer to FPL's response to Staff's First Data Request, Nos. 28 and 79. Given that non-participants would receive no benefits without CO2 costs projected to be avoided in 2026, has FPL considered reducing the amount of the credit if CO2 costs do not occur as projected? If not, please explain why.
53. Please refer to FPL's response to Staff's First Data Requests, No. 48(a). Has FPL considered similar requirements as the SolarNow program, such as no remaining cost for facilities being borne by non-participants and the generation benefits provided to the system as a whole, for the SolarTogether program? If not, please explain why.
54. Please refer to FPL's response to Staff's First Data Request, No. 59(a). FPL states it designed the program to allow 20 percent of the benefits to non-participants to protect from potential forecasting error. Has FPL considered providing a guarantee to non-participants for the remaining net system savings of \$27.7 million? If not, please explain why.
55. Please refer to FPL's response to Staff's First Data Request, No. 90. Has FPL considered removing the customer eligibility requirement to support continuity of the program? If not, please explain why.
56. Has FPL considered booking administrative costs solely to participants or below the line? If not, please explain why.
57. Has FPL considered removing the SolarTogether Credits and reducing SolarTogether Charges to reflect the cost of RECs? If not, please explain why.
58. Please refer to Florida Power & Light's (FPL or Company) Responses to Staff's First Data Request, No. 40.
  - a. In the paragraph headlined "Net Energy for Load ('NEL')," FPL wrote "[s]econd, there is a smaller impact of Codes & Standards in the 2019 TYSP [Ten-Year Site Plan] compared with the 2018 TYSP." Further down on the same page, under the headline "Summer Peak and Winter Peak," FPL wrote "[s]econd, there is a larger impact of Codes & Standards in the 2019 TYSP model compared with the 2018 TYSP model." Please further discuss the underlying factors or interplay which lead both these statements to be true.
  - b. Please generally discuss some key differences (e.g. advantages/disadvantages) with daily modeling, as opposed to monthly modeling of NEL.
59. Please refer to FPL's Responses to Staff's First Data Request, No. 46. Please expound on this response. As in, please detail how the Company "trended" its forecasts and why it chose to trend its forecasts from 2041-2051.

60. Please provide the percent error in FPL's delivered natural gas price forecasts 3 to 5 years out using data which supported FPL's 2011 through 2015 Ten-Year Site Plans, per the following tables. Please provide an explanation for any forecast error rate in excess of 20 percent.

**Accuracy of Natural Gas Price Forecasts**

Year	Natural Gas Price Annual Forecast Error Rate (%)		
	Years Prior		
	5	4	3
2016			
2017			
2018			
Average			

**Natural Gas Price Forecasts**

Year	Natural Gas Price Annual Forecast (\$/MMbtu)		
	Years Prior		
	5	4	3
2016			
2017			
2018			
Average			

**Natural Gas Price**

Year	Natural Gas Price Annual Actuals (\$/MMbtu)		
	Years Prior		
	5	4	3
2016			
2017			
2018			
Average			

61. Please provide the percent error in FPL's delivered coal price forecasts 3 to 5 years out using data which supported FPL's 2011 through 2015 Ten-Year Site Plans, per the following tables. Please provide an explanation for any forecast error rate in excess of 15 percent.

**Accuracy of Coal Price Forecasts**

Year	Coal Price Annual Forecast Error Rate (%)		
	Years Prior		
	5	4	3
2016			
2017			
2018			
Average			

**Coal Price Forecasts**

Year	Coal Price Annual Forecast (\$/MMbtu)		
	Years Prior		
	5	4	3
2016			
2017			
2018			
Average			

**Coal Price**

Year	Coal Price Annual Actuals (\$/MMbtu)		
	Years Prior		
	5	4	3
2016			
2017			
2018			
Average			

Please file all responses electronically no later than July 10, 2019 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) 413-6584 if you have any questions.

Sincerely,

*/s/ Walt Trierweiler*

Walt Trierweiler  
Senior Attorney

WLT/nah

cc: Office of Commission Clerk  
Ken Hoffman - FPL