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August 4, 2023

VIA: ELECTRONIC FILING

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

Re: Tampa Electric Company's Petition for Approval of Shared Solar Tariff Change
FPSC Docket No. 20230072-EI

Dear Mr. Teitzman:

Attached for filing are Tampa Electric Company's answers to Staff's First Data Request (Nos. 1-11), propounded and served by electronic mail on July 24, 2023.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bml
Attachment

cc: Shaw Stiller
Paula Brown
Jordan Williams
TECO Regulatory Department

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES PAGE(S): 1
FILED: AUGUST 21, 2023**

1. At Paragraph 9 of the Petition for Approval of Shared Solar Tariff Change (Petition), TECO states that participants, under the utility's proposed Revised Tariff Sheet No. 3.300, may "replace all or a portion of their monthly energy consumption" with energy from solar generating assets.
 - a. Is it correct that a residential customer that elected to replace 100 percent of their monthly energy consumption would pay the charge identified in the tariff [\$0.049 per kilowatt-hour (kWh) for all billed kWh], but would not pay a Fuel Cost Recovery Clause charge? Please explain your response.
 - b. For other rate classes (specifically, the GSD, GSLDPR, AND GSLDSU rate classes), is it correct that such customers choosing maximum program participation would be required to pay a Fuel Cost Recovery Clause charge for usage exceeding their monthly average for the previous 12- month period at the time of subscription? Please explain your response.
 - c. Please specify whether revenues collected under the SSR-1 tariff via the proposed monthly fee (\$0.049 per kWh for all billed kWh) would be credited to the utility's base rate revenues each month rather than Fuel Cost Recovery Clause revenues. Please explain your response.
- A.
 - a. Yes. A residential customer participating in the Sun Select Program at a 100% subscription level pays every charge that a non-participating residential customer pays, with one exception. The exception is the non-participating customer pays the tariffed fuel charge per kWh while the 100% subscribed participating customer would pay a proposed Sun Select charge of \$0.049 per kWh.
 - b. Yes. Currently, Tampa Electric is not proposing to change its block purchase subscription limitations for GSD, GSLDPR, and GSLDSU rate classes.
 - c. The revenue collected under the SSR-1 tariff is accounted for as base rate revenue and is credited against expenses. The Sun Select program revenue was treated in that way during the company's 2021 rate case (submitted in Docket No. 20210034-EI) as required by Commission Order No. PSC-2019-0215-TRF-EI, issued June 3, 2019, in Docket No. 20180204-EI. The order states, at page 5, "Upon approval of the proposed Shared Solar Program and Tariffs, the 17.5 MW SSR-1 portion of Lake Hancock will be included in the revenue requirements of future rate proceedings, as an addition to base rates. The revenues collected under the tariff will be revenue credited to the revenue requirement as an offset."

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 2
BATES PAGE(S): 2 - 3
FILED: AUGUST 21, 2023**

2. Paragraph 13 of the Petition refers to Exhibit A, a bar chart displaying “Sun Select De-Enrollment Reasons.”
 - a. Over what time period was the data collected in order to produce the percentages shown in Exhibit A?
 - b. Please provide the calculations for the percentages shown on Exhibit A in Excel, with formulas available.

- A.
 - a. The de-enrollment reason chart included data collected since the inception of the Sun Select Program, from May 2019 through April 2023.
 - b. Please see Tampa Electric’s electronic attachment in MS Excel format containing the provided Excel spreadsheet titled “(BS 03) Docket 20230072-EI First Data Request Answer #2a”. The file has been updated through June 2023.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 3
BATES PAGE(S): 4
FILED: AUGUST 21, 2023**

3. Please refer to Petition Paragraph 15.
- a. Please compare the proposed monthly rate (\$0.049 per kWh for all billed kWh) to TECO's projected Fuel Cost Recovery Clause charges for 2024, and future years beyond 2024, as available for all impacted rate classes.
 - b. Please provide TECO's projected annual average fuel costs per kWh for 2023 through the last year currently projected.
 - c. TECO's current fuel factors for all rate classes, at standard, peak, and off-peak, are higher than the proposed SSR-1 rate of \$0.049 per kWh. Does TECO's proposed SSR-1 tariff rate provide an incentive for all TECO customers to switch to the SSR-1 tariff rates? Please explain.

- A.
- a. Fuel cost recovery charges for 2024 have not yet been prepared but are expected to be lower than the current charges for 2023 due to a decline in fuel prices, compared to the projected prices at the time the 2023 charges were set. Even when deferred prior period fuel cost true-up amounts are included in the 2024 fuel charges, the \$0.049 per kWh proposed SSR-1 rate is expected to be higher than the 2024 fuel charges.¹
 - b. Fuel cost recovery charges for 2024 have not yet been prepared. The following table shows 2023 fuel cost, in dollars and in dollars per kWh, excluding the final true-up of prior period fuel costs.

2023 Fuel Cost (act/est)	2023 Projected kWh (act/est filing)	Avg Fuel cost per \$/kWh
\$ 614,608,124	20,322,923,000	\$ 0.03024

- c. While current fuel charges for all rate classes are slightly higher than the proposed SSR-1 rate due to inclusion of a prior period fuel cost true-up, this level of fuel expense charge will not be seen for every year during the life of the program. Fuel prices fluctuate. In fact, the 2024 fuel charges are expected to be lower than the proposed SSR-1 tariff rate of \$0.049 per kWh due to lower market prices for fuel compared to the projected fuel prices when the 2023 fuel charges were set.

¹ The 2024 fuel charges will be finalized and available for review in early September.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 5 - 7
FILED: AUGUST 21, 2023**

4. At Paragraph 15 of the Petition, TECO discusses the proposed increase in the participation cap from 17.5 MWs to 30 MWs.
 - a. For the most recent period available, provide a demand and energy breakdown by customer class (residential, small business, commercial/industrial) under the current 17.5 MW participation cap.
 - b. Pending the Commission's approval of the utility's proposal, has the utility marketed or "pre-enrolled" any customers, or does it plan to do so? Please explain and quantify.
 - c. If the utility's proposal is approved and the participation cap becomes 30 MWs, does the utility plan to impose enrollment limits by customer class (residential, small business, commercial/industrial)? Please discuss why or why not and the details of any such limits.
 - d. If TECO's proposal is approved and the participation cap becomes 30MWs, when (month and year) does the utility project the participation cap will be reached?
 - e. If the utility's proposal is approved and the participation cap becomes 30 MWs, what future actions are planned for when the participation cap is reached (i.e., wait lists, future petitions for expanding the limit, etc.)?
 - f. Order No. PSC-2019-0215-TRF-EI states, in part, "The facility has a total capacity of approximately 49.5 MW, of which 32.0 MW has been approved for cost recovery by us in the Company's second tranche of SoBRA. The remaining 17.5 MW SSR-1 portion of Lake Hancock was built as additional generation above what the Company was constructing for its second tranche of SoBRA." Please explain why TECO believes it is appropriate to increase the participation cap from 17.5 to 30 MW given that any MWs above 17.5 are already being paid for by the general body of ratepayers through the SoBRA mechanism.
 - g. Under the proposed SSR-1 tariff, how would TECO account for the cost recovery of its solar power facilities, including the Lake Hancock facility, in its books, assuming that TECO would be recovering non-specific plant through two mechanisms (base rates and the SSR-1 rider)?
 - h. If the utility's proposal is approved and the participation cap rises by 12.5 MWs (from the current level of 17.5 MWs to the proposed level of 30 MWs), what is the projected impact on current 2023 and projected 2024 fuel charges due to the migration of customers to the proposed expansion of the SST-1 tariff, assuming some portion of TECO's fuel costs are fixed?

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 5 - 7
FILED: AUGUST 21, 2023**

- A.**
- a. Subscriptions by customer class through the end of June 2023 are as follows:
Residential: 4.96 MW, 11,524,305 kWh
Commercial and Industrial: 6.73 MW, 14,855,328 kWh
Small Commercial: 0.11 MW, 308,985 kWh
 - b. Tampa Electric has not “pre-enrolled” customers in anticipation of the price reduction. However, Tampa Electric does plan to discuss the price reduction with customers who previously expressed interest in the program. Any enrollments will occur after the proposed SSR-1 tariff change is approved.
 - c. The utility does not plan to impose enrollment limits on the 30 MW program capacity. As of June 30, 2023, the program enrollment is 11.8 MW. Of that capacity, 4.96 MW is for residential customers, 0.11 MW is for small commercial, and 6.73 MW is for large commercial and industrial customers. There are 980 residential customers, 13 small commercial, and 11 large commercial or industrial customers enrolled. Tampa Electric did not request to add customer class limits at this time because we are exploring interest in the program.
 - d. Tampa Electric expects customer interest in the program to increase due to the lower participation price. Given current fuel rates, Tampa Electric expects a significant increase in subscriptions and that if the program is approved in early Fall, it may reach capacity by December 2023. However, subscription rates may vary over time as fuel prices and customers’ fuel charges vary.
 - e. The capability for a wait list exists for the current program, and there is no change to the wait list due to this proposal. Once the SSR-1 tariff participation reaches its cap, the wait list is populated. Tampa Electric plans to evaluate future petitions for expanding the program capacity limit when the program is fully subscribed.
 - f. With the approval of Tampa Electric’s 2021 Settlement Agreement by Commission Order No. PSC-2021-0423-S-EI, issued in Docket No. 20210034-EI on November 10, 2021, and in accordance with the order approving the SSR-1 tariff, Order No. PSC-2019-0215-TRF-EI, issued June 3, 2019, in Docket No. 20180204-EI, Tampa Electric is recovering the cost associated with its solar assets in base rates, including the 17.5 MW portion of Lake Hancock referred to in Data Request No. 4.f. The revenue collected from the Sun Select Program is included in base revenues for surveillance reporting and is a credit to the revenue requirement when developing base rates. This base rate credit is evident in Tampa Electric’s most recent set of rate case documents, submitted in Docket No. 20210034-EI, Minimum Filing

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 4
BATES PAGE(S): 5 - 7
FILED: AUGUST 21, 2023**

Requirement Schedule E-13c.

Tampa Electric believes an increase in the participation cap, with a more competitive price point, will allow the company to learn more about customers' interests in community solar and customers' desire to reach decarbonization goals. It also provides additional customers with the opportunity to mitigate bill changes due to fuel price fluctuations.

- g. Tampa Electric recovers the costs associated with its solar assets through base rates, treated as base revenue. The Sun Select Program costs are recovered through the SSR-1 rate, also treated as base revenue. The SSR-1 revenues are included in the company's base revenues for surveillance reporting and credited to the revenue requirement when developing base rates. This is evident in Docket No. 20210034-EI, Minimum Filing Requirement Schedule E-13c.
- h. Fuel cost recovery charges for 2024 have not yet been prepared, so the company completed this analysis based on current charges.

Even if full subscription of the 30 MW program is achieved and sustained, there is not a difference in the fuel charges due to the increased program capacity. Due to the relatively small change in kWh, the dollar per kWh fuel charges are the same for the two cases.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 5
BATES PAGE(S): 8
FILED: AUGUST 21, 2023**

5. TECO states in Paragraph 16 of the Petition that it believes a more competitive price point, additional solar assets, and TECO's promotion of green energy options will lead to additional participation in the Sun Select Program. If it is correct that TECO has been adding solar facilities for several years and plans to continue to do so (per the Utility's 2023 Ten Year Site Plan, Schedule 8.1) based on such assets being economic relative to other generation choices, what benefit(s) are there to increasing SSR-1 program participation to TECO and its customers beyond the recovery of the 17.5 MW portion of the Lake Hancock solar facility which is not otherwise being recovered in base rates?

A. With the approval of Tampa Electric's 2021 Settlement Agreement by Commission Order No. PSC-2021-0423-S-EI, issued in Docket No. 20210034-EI on November 10, 2021, and in accordance with the order approving the SSR-1 tariff, Order No. PSC-2019-0215-TRF-EI, issued June 3, 2019, in Docket No. 20180204-EI, Tampa Electric is recovering the cost associated with its solar assets in base rates, including the 17.5 MW portion of Lake Hancock. The revenue from the program provided a credit to the revenue requirement in the 2021 rate case and will do so in future rate cases.

Increasing the SSR-1 program participation allows Tampa Electric to learn more about customers' interest in community solar programs and customers' desire to reach decarbonization goals. Increasing program participation also allows customers greater opportunity to level their bill or mitigate changes associated with fuel price fluctuations.

Increasing program participation in the SSR-1 program to 30 MW has zero net effect on base rates, fuel, or other charges to non-participants.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 6
BATES PAGE(S): 9- 12
FILED: AUGUST 21, 2023**

6. At Petition Paragraph 17, the utility states “Tampa Electric made several changes to the pricing model to arrive at the requested rate of \$0.049 per kWh,” including the use of a Marginal Cost of Service approach to calculating the rate.
- a. Please provide all calculations described in the Petition at Paragraph 21 in Excel with formulas available.
 - b. Please provide all calculations described in the Petition at Paragraph 22 in Excel with formulas available.
 - c. Please provide all calculations described in the Petition at Paragraph 23 in Excel with formulas available.
 - d. Please describe how this proposed program benefits the following customers or customer groups:
 - i. Participating customers.
 - ii. Non-participating customers.
 - iii. Low income customers.
 - e. Pending approval, what is the bill impact (proposed bill versus bill under current rates) for a residential customer using 1,000 kWh of electricity a month that enrolled in this proposed program at the 25, 50, and 100 percent enrollment levels?
- A.
- a. Please see “Table 2 Program Costs” in Tampa Electric’s electronic attachment in MS Excel format containing the provided Excel spreadsheet titled “(BS 11) Docket 20230072-EI First Data Request Answer #6, #9, & #10).”
 - b. Please see “Table 3 Plant Portfolio Costs” in Tampa Electric’s electronic attachment in MS Excel format containing the provided Excel spreadsheet titled “(BS 11) Docket 20230072-EI First Data Request Answer #6, #9, & #10).”
 - c. Please see “Table 4 Portfolio Cost Ranking” in Tampa Electric’s electronic attachment in MS Excel format containing the provided Excel spreadsheet titled “(BS 11) Docket 20230072-EI First Data Request Answer #6, #9, & #10.”
 - d.
 - i. For participating customers, this program provides a pricing option to facilitate their efforts to decarbonize their operations or homes by using renewable power. The new rate is also designed to be cost reflective

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 6
BATES PAGE(S): 9- 12
FILED: AUGUST 21, 2023**

to ensure participants are paying their fair share of the costs to serve them from Tampa Electric's renewable plants as well as the incremental value of the REC, representing an equitable offering to these customers as well.

- ii. Non-participating customers are benefiting from this program because the program is fully funded by participants, with no shifting of costs of the program administration or the costs to serve to the participations. Also, the non-participants are benefiting from the monetization of the REC providing additional revenue to cover the fixed costs of the renewable fleet.
 - iii. As with non-participating customers, low-income customers are benefiting from the monetization of the REC providing additional revenue to cover the fixed costs of the renewable fleet while also not experiencing any cost shifting as the program is self-funded by participants.
- e. Please see Tampa Electric's electronic attachment in MS Excel format containing the provided Excel spreadsheet titled "(BS 12) Docket 20230072-EI First Data Request Answer #6e."

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 7
BATES PAGE(S): 13 - 15
FILED: AUGUST 21, 2023**

7. In Paragraph 18 of the Petition, TECO states “The company’s first proposed change to the pricing model is to base the price on Tampa Electric’s entire solar generation portfolio.”
- a. Please identify each (or any) solar generating asset or portion thereof, that is not currently being recovered in base rates, such as the 17.5 MW portion of Lake Hancock. For each identified asset, please explain what portion has been recovered through other recovery mechanisms in both MWs and in dollars of investment, and the MW and dollars of investment that remain to be recovered.
 - b. The Lake Hancock solar facility is described as the highest cost SoBRA unit under construction at the time of the TECO’s original SSR-1 petition. For each solar facility in TECO’s fleet, please provide the size in MWs, costs as referenced in this paragraph (in rank order of costs), and unrecovered total costs. Please define costs as referenced in this paragraph.
 - c. If the Lake Hancock solar facility is still “highest cost”, or even just high cost, relative to other TECO solar facilities, would the proposed SSR-1 rate (which is based on a marginal costing methodology formulated across all solar assets) understate the capacity costs of the Lake Hancock solar facility to be recovered under the proposed rate? Please explain.
- A. a. Tampa Electric’s solar generating assets are being recovered through base rates. Tampa Electric’s 2021 Settlement Agreement was approved by Commission Order No. PSC-2021-0423-S-EI, issued in Docket No. 20210034-EI on November 10, 2021. With that approval and in accordance with the order approving the SSR-1 tariff, Order No. PSC-2019-0215-TRF-EI, issued June 3, 2019, in Docket No. 20180204-EI, the 17.5 MW portion of Lake Hancock is now being recovered through base rates.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 7
BATES PAGE(S): 13 - 15
FILED: AUGUST 21, 2023**

- b. The table below shows the assumed capital costs per kW AC and MW capacity.

Rank (Lowest to Highest)	Plant	MW AC	Cost/kW AC
1	Big Bend III	23.5	\$1,095
2	Wheeler	75	\$1,205
3	Palm River	70	\$1,234
4	Magnolia	74.5	\$1,262
5	Laurel Oaks	66.5	\$1,274
6	Payne Creek	70.3	\$1,316
7	Riverside	65	\$1,336
8	Big Bend II	31.5	\$1,375
9	Dover	25	\$1,376
10	Alafia	50	\$1,382
11	Grange Hall	61.1	\$1,396
12	Little Manatee River	74.5	\$1,413
13	Balm	74.4	\$1,441
14	Lithia	74.5	\$1,443
15	Peace Creek	55.4	\$1,445
16	Jamison	74.5	\$1,450
17	Wimauma	74.8	\$1,450
18	Bonnie Mine	37.5	\$1,454
19	Lake Hancock	31.8	\$1,459
20	Durance	45.7	\$1,469
21	Mountain View	54.6	\$1,493
Total		1210.1	

Tampa Electric does not assign recovered revenue to specific assets. However, the following table provides information to determine the projects' remaining net book value.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 7
BATES PAGE(S): 13 - 15
FILED: AUGUST 21, 2023**

Rank (Lowest to Highest)	Plant	Month/Year In Service	Asset Cost	Monthly Depr. Rate
1	Big Bend III	11/2022	\$25,721,080	0.24%
2	Wheeler	12/2023	\$81,827,722	0.24%
3	Palm River	08/2023	\$78,152,975	0.24%
4	Magnolia	12/2021	\$88,609,836	0.24%
5	Laurel Oaks	12/2022	\$80,438,760	0.24%
6	Payne Creek	09/2018	\$91,090,046	0.24%
7	Riverside	12/2022	\$77,261,375	0.24%
8	Big Bend II	01/2022	\$43,316,587	0.24%
9	Dover	12/2023	\$30,852,298	0.24%
10	Alafia	12/2023	\$64,012,935	0.24%
11	Grange Hall	01/2019	\$76,921,284	0.24%
12	Little Manatee River	02/2020	\$105,247,935	0.24%
13	Balm	09/2018	\$90,006,144	0.24%
14	Lithia	01/2019	\$93,816,734	0.24%
15	Peace Creek	03/2019	\$68,396,948	0.24%
16	Jamison	04/2022	\$98,135,751	0.24%
17	Wimauma	04/2020	\$95,446,020	0.24%
18	Bonnie Mine	01/2019	\$50,320,045	0.24%
19	Lake Hancock	04/2019	\$40,552,003	0.24%
20	Durance	01/2021	\$61,466,060	0.24%
21	Mountain View	04/2022	\$73,888,493	0.24%

- c. No. Lake Hancock and Tampa Electric's other solar assets are recovered through base rates. The revenue received through the Sun Select Program acts as a credit to base revenues when developing base rates. Since the Sun Select rate is created as a cost-supported optional rate, all costs for the program will be recovered through existing base rates or the optional subscription charge. No costs will be borne by non-participants.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 8
BATES PAGE(S): 16
FILED: AUGUST 21, 2023**

8. Referring to Paragraph 19 of the Petition, what would be the approximate impact to the SSR-1 rate if the Commission approved TECO's proposal to use a 35-year life for depreciation purposes in calculating the new rate? Please explain.

A. Tampa Electric's 2021 Settlement Agreement was approved by Commission Order No. PSC-2021-0423-S-EI, issued in Docket No. 20210034-EI on November 10, 2021. The agreement requires solar facilities to be depreciated on a 35-year-life schedule. Prior to that, the depreciable life was 30 years. It is appropriate to base the solar life on the current depreciable life of the assets, or 35 years.

The original SSR-1 rate is \$0.063 per kWh, which was rounded from the levelized cost of energy value of \$0.06297 per kWh. Increasing the depreciated life by 5 years, to 35 years, while also extending all program costs and plant O&M for the same duration, decreases the costs to \$0.06261 per kWh which also rounds to \$0.063 per kWh. Therefore, there is no impact to the SSR-1 rate due to change in depreciable life.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 9
BATES PAGE(S): 17 - 19
FILED: AUGUST 21, 2023**

9. Petition Paragraph 20 refers to Exhibit B, a “Waterfall Chart” of information related to the development of the proposed rate of \$0.049 per kWh.
- a. Please describe how the Utility determined “which costs should be avoided by Sun Select participants.”
 - b. Please explain why the utility developed a marginal cost analysis for this case.
 - c. Please describe or provide a definition for each cost type and credit shown in Exhibit B (Portfolio, Program Costs, Shaping & Firming, etc.), and how such cost type and credit relate to the marginal costs identified in Paragraph 23.
 - d. Please provide, in Excel with formulas available, the calculations to demonstrate how each cost/credit adjustment shown on Exhibit B (Portfolio, Program Costs, Shaping & Firming, etc.) was calculated.
 - e. Please explain why portfolio costs and program costs are negative costs as depicted in this chart.
- A.
- a. The Sun Select rate is first based on the participant paying the actual costs to build and maintain the renewable power plants in the portfolio plus any program costs as well as any additional costs to serve these customers. These costs are included in the \$0.049 per kWh charge, and the fuel charge is waived. However, there are some costs embedded in current base rates that are duplicative of the costs included in the Sun Select rate. These costs are related to providing generation capacity to meet these customers’ needs and energy related costs, specifically, the marginal (or avoided) generation costs and marginal (or avoided) energy costs. These duplicative costs were credited to the Sun Select customer to create an equitable rate for all participants.
 - b. The “marginal cost” approach is synonymous with the “avoided cost” approach. The “avoided cost” approach is well established in Florida and in Tampa Electric customer programs. Specifically, energy efficiency programs are evaluated based on the net benefits that are provided to participants and non-participants. That is, a customer who, for example, participates in an energy efficiency program is helping Tampa Electric avoid marginal costs. The costs included in the development of the Sun Select rate are consistent with these marginal (or avoided) costs used in evaluating energy efficiency programs.

Further, in developing new plants, Tampa Electric also uses a “marginal cost”

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 9
BATES PAGE(S): 17 - 19
FILED: AUGUST 21, 2023**

or “avoided cost” approach when considering the energy and capacity benefits and cost effectiveness of a new asset. Because the proposed SSR-1 rate is calculated using the “marginal cost” (or avoided cost) approach, we ensure the Sun Select program is cost effective using the same standards as other cost effectiveness assessments. Also see the response to subpart a.

c. The values of each item in Exhibit B are described below:

- **Original Filing:** This is the cumulative cost per kWh from the original program assuming 30-year life, Lake Hancock plant specific costs, and program costs.
- **Portfolio:** is the change in value per kWh resulting from including all renewable assets in the portfolio that serves Sun Select and the corresponding assumptions around O&M, capital and plant life.
- **Program Costs:** represent the change in costs per kWh of the program costs. TEC has, through implementation experience of SSR-1, revised program costs estimates.
- **Shaping and Firming:** is a cost that was previously not included in the SSR-1 rate. This is the costs associated with serving the participant when the generation assets that supply the program are not available or insufficient. That is, when the renewable generator is not producing, but the participant is consuming electricity, Tampa Electric must still meet that need with marginal generation and energy.
- **Excess Generation:** is the benefit of having renewable energy available in excess to the consumption of participants and can thus be used to serve other customers. Specifically, since Sun Select participants are paying all the costs associated with the portfolio that supplies their energy needs, this excess generation is effectively paid for and offers non-participants a benefit.
- **Capacity Credit:** is applied to avoid having Sun Select customers pay for both the capital costs of the renewable energy portfolio and the capital cost of the existing non-renewable generation portfolio.

The non-renewable generation portfolio costs are embedded in the base rates, which the customer is still paying. Therefore, these costs are credited back to the participant customers in the Sun Select charge. The value of the credit is based on marginal generation capacity cost (avoided cost for generation capacity) that is consistent with benefits attributed to customer conservation programs.

- **Renewable Value:** is the representation of the value the Renewable Energy Credits (“REC”) that are being provided to or retired on behalf of participants.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 9
BATES PAGE(S): 17 - 19
FILED: AUGUST 21, 2023**

Tampa Electric is adding value to non-participants by asking the SSR-1 customers to pay for the incremental value of the renewable energy.

- **Current Petition:** this is the final proposed rate.
- d. Please see “Table 5 Assumptions” in Tampa Electric’s electronic attachment in MS Excel format containing the provided Excel spreadsheet titled “(BS 11) Docket 20230072-EI First Data Request Answer #6, #9, & #10).”
- e. The waterfall chart represents the change in value from the original SSR-1 rate due to the changes in assumptions.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 10
BATES PAGE(S): 20
FILED: AUGUST 21, 2023**

- 10.** Please refer to Paragraph 23 of the Petition.
- a. TECO states that the SSR-1 rate is the weighted average by rate class summation of various costs, credits, and fees. Please compare and contrast the costs/credits/fees used in TECO's marginal analysis with the cost support used in the original filing for the current SSR-1 rate.
 - b. Paragraph 23(k) addresses Renewable Generation Value. Please refer to proposed Tariff Sheet No. 3.305, Special Provision 5 for the following questions.
 - i. Please explain why TECO proposes to begin to retire Renewable Energy Credits (RECs) on behalf of the customer.
 - ii. Please explain the estimated annual cost associated with registering and retiring RECs on behalf of the customer, assuming the program is at full participation.
 - iii. Please explain how these costs are recovered.
- A.**
- a. Please see "Table 11 Waterfall" in Tampa Electric's electronic attachment in MS Excel format containing the provided Excel spreadsheet titled "(BS 11) Docket 20230072-EI First Data Request Answer #6, #9, & #10)."
 - b.
 - i. Tampa Electric already offers to provide the customer's subscribed REC under the SSR-1 rate at the customer's expense. The company already retires REC on behalf of the customer; this change in the tariff language clarifies the treatment of the REC. Tampa Electric is ensuring no double counting of REC occurs in Florida by either sending the REC to the customer or officially retiring it on their behalf.
 - ii. The costs are estimated as \$0.00001 per kWh, based on the levelized costs of REC management over the life of the program. These costs include a cost of \$0.0075 per MWh of REC to record and retire within a REC management service. Customers may request to have their REC deposited into a designated account at their own expense, as under the current SSR-1 tariff.
 - iii. The REC retirement costs are included in the program costs and thus recovered from participants through the SSR-1 rate.

**TAMPA ELECTRIC COMPANY
DOCKET NO. 20230072-EI
STAFF'S FIRST DATA REQUEST
REQUEST NO. 11
BATES PAGE(S): 21
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11. Petition Paragraph 24 (on Page 8) references TECO's commitment to offering customers "green energy options."
 - a. Please describe how, or if, any funding or incentives from the Inflation Reduction Act (IRA) or other government-sponsored stimulus legislation were incorporated in the proposed pricing model.
 - b. Please state whether the utility believes this proposed program does/does not qualify for IRA incentives or other available government incentives, and discuss the reasons for the utility's opinion(s).

- A.
 - a. The estimated costs of Sun Select were based on the submission of the actual or estimated solar project costs submitted by Tampa Electric to the Commission. These estimates included Investment Tax Credits ("ITC") for plants built through 2024. The IRA does allow for the application of Production Tax Credits ("PTC") instead of ITC and includes additional labor force requirements to claim the full ITC or PTC. The valuation used for the proposed SSR-1 is the more conservative estimate because if the PTC provides more benefit, the value of the SSR-1 rate would decline. To the extent that the IRA affects Tampa Electric's solar portfolio costs, Tampa Electric plans to flow those benefits to all customers by adjusting base rates, which are paid by all customers, and does not plan to adjust the SSR-1 rate.
 - b. The program may qualify for IRA incentives (PTC for certain solar projects) as it relies on Tampa Electric's entire portfolio. The proposal to supply the Sun Select participants from the entire portfolio simplifies the application of IRA benefits to all customers. See the response to subpart a.