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Commissioners: Andrew Giles Fay, Chairman Art Graham Gary F. Clark Mike La Rosa Gabriella Passidomo



DIVISION OF ENGINEERING TOM BALLINGER DIRECTOR (850) 413-6910

## **Public Service Commission**

December 15, 2023

Mr. J. Jeffry Wahlen Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jwahlen@ausley.com

## STAFF'S FIRST DATA REQUEST VIA EMAIL

**Re: Docket No. 20230129-EI - Petition for approval of revised purchased power agreement** with Pasco County, by Tampa Electric Company.

Dear Mr. Wahlen:

By this letter, the Commission staff requests that Tampa Electric Company (TECO or Company) provide responses to the following questions:

- 1. Please refer to the Company's petition, paragraphs 11 15. Detail the differences between the 2022 purchased power agreement (PPA) and the proposed revised PPA. As a part of this response, detail how this revised PPA specifically addresses the Commission's concerns about the 2022 PPA.
- 2. Please refer to the Company's petition, paragraph 22(c) for the questions below.
  - a. Provide a copy of the analysis used to determine the \$7.3 million customer saving value. As part of this response, please provide supporting documents and describe what sensitivities, if any, the Company conducted for the saving value
  - b. Provide the Company's annual seasonal Reserve Margins and unit additions, retirements, and uprates/derates over the period of the contract for scenarios with and without the PPA.
  - c. Please verify if the avoided unit at the time that contract negotiation began is the same avoided unit identified by the Company in Commission Order No. PSC-2023-0132-PAA-EI. If not, please identify the unit, its in-service date, and provide operational and financial data similar to the Ten-Year Site Plan's Schedule 9.
- 3. Please refer to the Company's petition, paragraph 24. Explain if TECO intends to sell the renewable energy credits (RECs) generated from this PPA. If so, explain if the profit generated from selling RECs is included in the Company's current economic analysis. If

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not, detail what TECO intends to do with the RECs generated by the PPA. As part of this response, provide the estimated value of RECs that could be associated with the project.

- 4. Please refer to Section 5 of the PPA, regarding interconnection and transmission service. Please provide the estimated cost of a transmission study, and explain whether it was included in the Company's cost analysis.
  - a. If TECO elects to pay for transmission upgrades, would the Commission be able to review the decision to incur those costs before cost recovery, or would TECO consider the Commission's approval of the proposed PPA as approval of any and all transmission upgrade costs?
  - b. Discuss how this section of the PPA complies with Rule 25-17.0889, Florida Administrative Code (F.A.C.). Specifically, explain how the PPA is consistent with the requirements that a Qualifying Facility (QF) seek these services.
  - c. Discuss how this section of the PPA complies with Rule 25-17.0883, F.A.C. Specifically, explain how the PPA is consistent with the requirements that a QF seek these services.
- 5. Please refer to Exhibit I of the proposed PPA, titled Payment and Rates. Provide the annual and cumulative revenue requirements (in nominal and net present value) over the life of the revised Purchase Power Agreement for each resource plan ("Base Case" without the PPA and "PPA Case" with the PPA), and the difference between the two plans for each of the scenarios listed below. As a part of this response, please complete the table below and provide it in electronic (Excel) format for each scenario.
  - a. Low Fuel Scenario
  - b. Mid Fuel Scenario
  - c. High Fuel Scenario

[Scena	[Scenario Name] – ([Nominal/NPV] \$ millions)														
Year	Pasco PPA		Company's System												
	PPA Payments	Transmission Study / Upgrades	Generation	Transmission	Fuel	Fuel Transportation	Start up & VOM	O&M	Emissions (Non-carbon)	Total	System Total (w/out Carbon & RECs)	Emissions (Carbon)	REC Proceeds	System Total (With Carbon & RECs)	
2025															
Total															

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- 6. Please refer to Exhibit II of the proposed PPA, Termination Payment Table. Given the requirement by Rule 25-17.0832(3)(c), Florida Administrative Code, that early payments for capacity be secured, provide an annual comparison of the Termination Security to the equivalent capacity payments in excess of the standard offer's avoided unit normal capacity payments. As part of this analysis, provide the methodology used to determine the equivalent capacity payment amounts.
  - a. If the Termination Security is less than the equivalent capacity payments in excess of the standard offer's avoided unit, please explain why.

Please file all responses no later than **Thursday, January 4, 2024**, via the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20230129-EI). Please contact me by phone at (850) 413-6686 or by email OWooten@psc.state.fl.us, if you have any questions.

Sincerely,

s/Orlando Wooten

Orlando Wooten Engineering Specialist III Bureau of Reliability and Resource Planning Division of Engineering

OW:da

cc: Office of Commission Clerk (Docket No. 20230129-EI) Malcolm N. Means (mmeans@ausley.com) Virginia Ponder (vponder@ausley.com) Paula K. Brown (regdept@tecoenergy.com)