BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250011-EI

Petition for rate increase by
Florida Power & Light Company.
_________________________________/

VOLUME 6
PAGES 1194 - 1432

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Thursday, October 9, 2025

TIME: Commenced: 9:00 a.m.
Concluded: 8:10 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

I N D E X

EXHIBITS

NUMBER:		ID	ADMITTED
568-569	As identified in the CEL		1339
768	As identified in the CEL		1339
807	As identified in the CEL		1339
818	As identified in the CEL		1339
694	As identified in the CEL		1340
893	As identified in the CEL		1340
1503	As identified in the CEL		1340
72-77	As identified in the CEL		1340
295-296	As identified in the CEL		1340
78-83	As identified in the CEL		1430
297-300	As identified in the CEL		1430
881	As identified in the CEL		1431
886	As identified in the CEL		1431
895	As identified in the CEL		1431
1046	As identified in the CEL		1431
1129	As identified in the CEL		1431
1142	As identified in the CEL		1431
1204	As identified in the CEL		1431

P R O C E E D I N G S

(Transcript follows in sequence from Volume 5.)

CHAIRMAN LA ROSA: All right. Well, good morning, everybody. It's 9:00 a.m. I think we can probably get rolling.

Any preliminary matters or anything happen overnight?

MR. STILLER: None that staff is aware of.

CHAIRMAN LA ROSA: Okay.

MR. BURNETT: Mr. Chairman, I do have a couple, if I may?

CHAIRMAN LA ROSA: Sure.

MR. BURNETT: So I have consulted with counsel, and we are going to move Witness DuBose right after Mr. Oliver. She's having some allergy issues and needs to get back home, so we are going to move her up in the stack.

And then I wanted to let everyone know that I have polled all the signatories and represent for all of them, including FPL, that we will have no cross-examination for any of the non-signatory witnesses in this phase of the case. So unless staff or the Commission had questions for those witnesses, they can be moved in to the record, stipulated and not have to travel.

CHAIRMAN LA ROSA: Okay.

MR. BURNETT: On the settlement phase, we are continuing to work on trying to get a similar no cross, but we have got one party we are still working with, but I can -- I will report on that if that resolves that way.

CHAIRMAN LA ROSA: Excellent. Great. Thank you.

MR. BURNETT: Yes, sir.

CHAIRMAN LA ROSA: I appreciate the update as we are obviously still trying to, you know, put things together. Things are moving around, so perfect.

MR. BURNETT: Yes, sir. Thank you.

MS. WESSLING: And just one question, I think there were some emails that were sent around yesterday regarding one of our settlement phase witnesses, Jim Wilson. We were requesting potentially an October 15th date certain for him just so that he can make -- know when to make travel arrangements for. Correct me if I am wrong, anyone, but I don't think there was any objection to that, if the Commission is willing to allow us to convey that to him and just have him plan on being here on the 15th.

CHAIRMAN LA ROSA: On Wednesday, the 15th. Any objection to that? And I am going to go to that staff, because I don't see that witness on our list in our kind of preliminary schedule.

MR. STILLER: The preliminary schedule you have is just for Phase I. We are talking about a Phase II witness, I believe.

MS. WESSLING: Yes.

CHAIRMAN LA ROSA: Okay. So what are your thoughts?

MR. STILLER: So the 15th should work, I believe, for a date certain. I mean, I don't, from staff perspective, that's not a problem.

For scheduling purposes, I don't know where that puts us. It may make a witness come out of order, would be the only potential procedural issue. But if there is no or limited cross, that should not be a substantial issue.

CHAIRMAN LA ROSA: Okay.

MS. WESSLING: So is it okay if we let him know to make arrangements, then, for the 15th?

CHAIRMAN LA ROSA: Let me ask the parties, is there any objection to that?

MR. BURNETT: No objection from FPL, sir. And

I will try by lunch to see if we can get the same stipulation for the settlement, which may help OPC just avoid having to bring him altogether, if that was the will of staff and the Commission.

CHAIRMAN LA ROSA: Is that fair?

MS. WESSLING: Well, just so it's clear, we intend to have all of our witnesses for Phase I and Phase II appear in person and testify so that they can present their summaries and make sure the Commission and the public can hear from our witnesses. So they -- I appreciate the attempts to, you know, or the accommodation, but we don't need the accommodation. We intend to have our witnesses for Phase I and Phase II here in person.

CHAIRMAN LA ROSA: Okay.

MS. WESSLING: Thank you.

CHAIRMAN LA ROSA: All right. But you still didn't answer.

MS. WESSLING: I am sorry, what was that?

CHAIRMAN LA ROSA: You still need an answer?

MS. WESSLING: Yes, if we need to wait and get --

CHAIRMAN LA ROSA: Can it wait until lunch? Is that okay?

MS. WESSLING: That's perfectly fine. Yes.

CHAIRMAN LA ROSA: Let's wait until lunch, and sounds like we have got a attentive agreement, although, not, it doesn't seem like it, but it sounds like there is. We are all heading in the right direction.

MS. WESSLING: Okay. We will hold off on letting him know that that's confirmed.

CHAIRMAN LA ROSA: And it looks good. It looks promising.

MS. WESSLING: Okay. Great. Thank you.

CHAIRMAN LA ROSA: We will confirm that at the lunch hour. Awesome, anything else?

All right. So just kind of scheduling for today, similar, just as I ended yesterday, we will have a break here between now and lunch. We will try to target the 12 o'clock hour for lunch. We will come back and assess what we have got left for the remainder of the day. Certainly, we will take breaks accordingly. If we have to go late tonight we will, as mentioned. I just wanted to make sure I gave that warning a second time, again, just trying to balance what we have got on the schedule at least for Phase I, obviously, there is still some moving parts it sounds like.

We can go ahead and get started and let's hand it over to FPL, you can call your witness, which seems to be already in the witness box.

MR. COX: Good morning, Chairman La Rosa and Commissioners.

Chairman La Rosa, FPL calls its next witness, Tim Oliver.

Mr. Oliver, could you state your name for the record, please?

CHAIRMAN LA ROSA: I need to swear in the witness.

Mr. Oliver, do you mind standing raising your right hand?

Whereupon,

TIM OLIVER

was called as a witness, having been first duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

THE WITNESS: I do.

CHAIRMAN LA ROSA: Excellent. Great, thank you.

MR. COX: Thank you, Chairman.

EXAMINATION

BY MR. COX:

Q We will start again.

Mr. Oliver, could you state your name for the

record, please?

A Sure. Tim Oliver.

Q Mr. Oliver, what is your business address?

A My business address is 700 Universe Boulevard, Juno Beach, Florida, 33408.

Q By whom are you employed and in what capacity?

A I am employed by the Florida Power & Light Company, and I am the Vice-President of Development.

Q On whose behalf are you testifying in this proceeding for your direct testimony?

A Florida Power & Light Company.

Q Mr. Oliver, did you cause to be filed on February 28th, 2025, 42 pages of direct testimony in this proceeding?

A Yes.

Q Do you have any changes or corrections to your direct testimony?

A No.

Q If I were to ask you the same questions today as contained in your prefiled direct testimony as filed on February 28th of this year, would your answers be the same?

A Yes.

MR. COX: Chairman La Rosa, FPL requests that Mr. Oliver's February 28th, 2025, prefiled direct testimony be inserted in the record as though read?

CHAIRMAN LA ROSA: So moved.

MR. COX: Thank you.

(Whereupon, prefiled direct testimony of Tim Oliver was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF TIM OLIVER

Filed: February 28, 2025

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tim Oliver. My business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the Vice President of Development.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for leading new project and program development in various technologies for the Company, including solar, battery storage, natural gas, transmission, shore power, electric vehicles ("EVs"), and clean hydrogen. I have been in this role since April 2022. Some major efforts during my tenure have focused on development of new power generation projects that lower costs, increase reliability, and enhance fuel diversity to better serve our customers.

Q. Please describe your educational background and professional experience.

A. Prior to my current role, I was Vice President of Renewable Origination and Prospecting for NextEra Energy Resources, LLC, where I led the team responsible for initiating utility-scale wind, solar, and battery storage projects and customer origination efforts across the U.S., with more than 15 years of experience in renewable energy development. Prior to that role, I served as Vice President of Corporate Real Estate at FPL, where I was responsible for the acquisition of the Company's first 10 GW of solar sites in its development pipeline.

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I hold a Bachelor of Arts in Business Administration from James Madison University and a Master of Business Administration from the University of North Carolina. I am also a certified public accountant. I began my career working for KPMG's Washington DC office.

Q. Are you sponsoring or co-sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- Exhibit TO-1 List of MFRs Sponsored or Co-sponsored by Tim Oliver
- Exhibit TO-2 2026 and 2027 Solar Project Details
- Exhibit TO-3 Layout of Major Equipment Components for Solar Energy Centers
- Exhibit TO-4 2026 and 2027 Battery Storage Project Details
- Exhibit TO-5 Layout of Major Equipment Components for Battery Storage
- Exhibit TO-6 Property Held for Future Use

I am co-sponsoring the following exhibit:

- Exhibit SRB-7 Solar and Battery Base Rate Adjustment Mechanism, filed with the direct testimony of FPL witness Bores.

Q. Are you sponsoring or co-sponsoring any Minimum Filing Requirements in this case?

A. Yes. Exhibit TO-1 lists the minimum filing requirements ("MFR") that I am sponsoring and co-sponsoring.

Q. What is the purpose of your testimony?

A. My testimony addresses new solar generation and battery storage projects that will be put into service between 2026 and 2027, building on the success of FPL's solar and battery experience to date. For 2028 and 2029 solar projects, I describe the proposed cost recovery mechanism, a Solar and Battery Base Rate Adjustment ("SoBRA"), that is a part of the Company's proposed multi-year rate plan. I also address Property Held for Future Use ("PHFU") in connection with FPL's generation planning and development. My testimony also addresses FPL's efforts in natural gas and nuclear development. Finally, my testimony addresses investments in pilot programs previously approved by the Florida Public Service Commission ("Commission"), as well as a new long duration battery pilot project within FPL's service area.

Q. Please summarize your testimony.

A. Since its last rate case in 2021, FPL has continued to develop cost-effective solar generation. As of January 31, 2025, FPL operates 108 photovoltaic ("PV") solar power plants representing approximately 7,932 megawatts alternating current ("MW_{AC}") of utility-scale solar capacity. FPL has also been a leader in battery storage applications, with 469 MW of utility-scale, grid-connected battery storage in operation and another 522 MW of new battery storage expected to be completed by November 2025.

FPL proposes to add 2,086 MW_{AC} of cost-effective solar generation and 2,239 MW of utility-scale battery storage from 2026 through the end of 2027 to support continued reliable operation of the electric system. As FPL witness Whitley describes, the combined solar and battery storage additions allow FPL to reliably meet the needs of an increasing customer base and higher loads and to deliver power when customers need it.

FPL's pilot programs provide important learnings. Through its EV pilot programs, the Company has learned about EV adoption, charging, and usage of EVs by FPL's customers. Finally, and consistent with FPL's track record as a leader in innovative technologies that benefit customers, FPL is seeking approval of a long duration battery pilot project. This pilot aims to test the use of advanced storage technologies and to evaluate their performance and reliability. This project will support FPL's commitment to innovation and U.S. manufacturing, provide an understanding of cost versus benefits and how to diversify the Company's supply chain while utilizing non-lithium materials that can be sourced domestically.

II. CURRENT STATE

Q. In general, what is the current state of solar power generation and battery storage in Florida?

A. Solar power generation remains a highly viable, cost-effective, and favorable energy resource option in Florida. This is due to relatively low equipment and construction costs, availability of equipment, and the fact that solar energy does not require fuel. Furthermore, the Inflation Reduction Act of 2022 ("IRA") introduced a solar production tax credit, enhancing cost-effectiveness by reducing revenue requirements and ultimately customer bills. As of January 31, 2025, FPL has successfully constructed 7,932 MW_{AC} of solar power, including 2,980 MW_{AC} under the SoBRA mechanism approved by the Commission in Order Nos. PSC-16-0560-AS-EI and PSC-2021-0446-S-EI. FPL's solar program has reduced customer exposure to volatile fuel pricing, resulting in greater customer bill stability through significant avoided fuel costs. Additionally, FPL paid $114 million in property taxes, created 12,600 construction jobs, and avoided 14 million tons of carbon dioxide emissions from 2021 to 2024.

Battery storage technology has also continued to advance, achieving increased efficiency at lower costs, with projections indicating further cost declines over the long term. The IRA provided an investment tax credit ("ITC"), which supports continued investment in battery storage in Florida for the benefit of customers by reducing revenue requirements and ultimately customer bills. Utility-scale battery storage has become an economically competitive and reliable firm capacity option for FPL's system. FPL currently has 469 MW of utility-scale, grid-connected battery storage. Moreover, FPL is currently constructing 522 MW of new battery storage at seven solar energy centers, expected to be completed by November 2025.

Utility-scale battery storage systems provide year-round capacity, ensuring a reliable electricity supply by utilizing stored energy and delivering it when needed. These solutions enhance system reliability, flexibility, and cost-effectiveness by addressing evening peak demand, supporting cold winter mornings, and providing grid stability. Pairing solar and battery storage investments allows for the most cost-effective integration with the existing power generation fleet.

Q. Please describe FPL's experience designing and constructing solar generation and battery storage facilities.

A. FPL has extensive experience in designing and building both utility-scale solar generation and battery storage facilities, placing it among the leaders in the U.S.

From 2009 through January 2025, FPL has completed construction of 108 utility-scale solar centers totaling approximately 7,932 MW_{AC}. The existing FPL utility-scale solar energy centers range in size from 10 MW_{AC} to 74.5 MW_{AC}, demonstrating FPL's capability to design and build significant solar infrastructure across Florida.

Regarding battery storage facilities, FPL's 2016 Rate Settlement authorized 50 MW of battery pilot projects, expanding the range of storage configurations FPL could test and leading to the deployment of larger projects. FPL's experience started in the 2016-2017 timeframe with small-scale storage pilot projects. The primary objectives of these projects were to demonstrate the operational capabilities of batteries and learn how to integrate them into FPL's system. Initial storage use cases focused on grid applications like peak shaving, frequency response, and backup power, providing FPL with opportunities to determine how to integrate, dispatch, and control storage systems.

In 2021, FPL placed 469 MW of battery storage into commercial operation adjacent to three operational solar energy centers in its service area. The largest facility is the 409 MW, 2.2-hour duration battery located adjacent to FPL's existing Manatee Solar Energy Center in Manatee County. The remaining 60 MW is comprised of two projects,

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each featuring 30 MW, 2.5-hour duration facilities, located adjacent to the Echo River and Sunshine Gateway Solar Energy Centers in Suwannee and Columbia Counties, respectively.

Currently, FPL is constructing an additional 522 MW of 3-hour duration battery storage facilities at seven separate locations in Northwest Florida. These utility-scale battery storage facilities will enhance system reliability in Northwest Florida and provide additional firm capacity to meet growing demand.

FPL's comprehensive experience in designing and constructing both solar and battery storage projects underlines its commitment to providing cost-effective and reliable energy solutions to its customers. Exhibit TO-3 provides a diagram depicting the basic layout of major equipment components for solar energy centers, and Exhibit TO-5 provides a diagram depicting the basic layout of major equipment components for battery storage projects.

The designs and construction of these sites have also proven to be resilient. FPL's solar energy centers have demonstrated their durability in the face of severe weather. As an example, 66 of FPL's 89 existing solar sites, operating at that time, were exposed to storm conditions during Hurricanes Helene and Milton in 2024, but less than 0.07% of solar panels required replacement.

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Q. How does FPL's approach to the development of solar and battery storage projects ensure they are cost-effective and reliable for customers?

A. FPL has a strong track record of developing both solar projects and battery storage facilities that provide our customers with cost-effective, fuel-free generation, as well as reliable firm capacity options.

For solar projects, FPL has completed 108 solar projects in 32 different counties across Florida. The development process begins with early site identification and due diligence, leveraging FPL's expertise alongside assistance from local planners and other land experts to determine site suitability for future solar construction. This proactive approach, which includes addressing concerns and working with local stakeholders in advance, helps streamline the permitting and construction process. FPL also collaborates closely with national, state, and local organizations from the early stages of design and development through the operational life of the plant to ensure the compatibility of prospective solar sites with the surrounding area.

Similarly, for battery storage facilities, FPL has developed 13 operational battery storage facilities ranging in size from 0.35 MW to 409 MW, with an additional 522 MW currently being built at seven new solar energy centers. The battery storage development process also begins with early site identification and due diligence to support system needs. FPL leverages the expertise of its internal team, local planners, and expert consultants to assess site suitability for deploying batteries while considering local stakeholder interests. By proactively engaging with stakeholders and

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identifying opportunities for improvement early in the process, FPL can streamline the permitting and construction process, leading to effective project execution.

Both solar and battery storage projects benefit from early-stage development, thorough site evaluation and stakeholder involvement, ensuring cost-effectiveness, regulatory compliance, and minimized impacts, ultimately enhancing the value and reliability of energy services for FPL's customers.

Q. Please describe how FPL's integrated approach to monitoring and optimizing solar and battery storage performance benefits customers.

A. FPL has developed and continually enhances advanced monitoring technology and performance analysis tools for its solar energy centers, battery storage fleet, and fossil generation fleet. These tools optimize plant operations, drive process efficiencies, and facilitate the deployment of technical skills as demand for services grows, as discussed in the testimony of FPL witness Broad.

For example, FPL's Renewable Operations Control Center ("ROCC"), established in 2016, serves as the centralized remote operations center for all renewable generation and storage facilities. The ROCC efficiently manages daily work activities and ensures effective deployment of best operating practices at all of FPL's renewable energy centers. The FPL team has leveraged these capabilities along with its extensive experience to develop robust operating plans that deliver high levels of reliability and availability at some of the lowest costs in the industry.

FPL has also implemented real-time operational monitoring technologies at the Fleet Control Center ("FCC") for the fossil fleet, which detect issues before failure, allowing for timely and cost-effective corrective actions to maintain high reliability. The FCC enables remote operation of over 20,000 MW of fossil installed assets.

III. 2026 AND 2027 SOLAR AND BATTERY ADDITIONS

Q. Please describe the solar and battery storage projects that FPL plans to install through its four-year rate plan.

A. In 2026, the Company plans to install 894 MW_{AC} of solar energy, consisting of 12 new solar energy centers, and 1,419.5 MW of battery storage, at 13 battery storage sites. In 2027, FPL plans to install an additional 1,192 MW_{AC} of solar energy, consisting of 16 additional solar centers, and an additional 819.5 MW of battery storage, at 11 battery storage sites. The batteries installed in 2026 and 2027 will be 4-hour duration batteries.

Details on each of the solar energy centers planned for 2026 and 2027 are included in Exhibit TO-2. These planned combinations of solar energy and battery storage reflect FPL's commitment to enhancing grid reliability and providing cost-effective energy solutions to its customers. FPL witness Whitley provides details on the cost effectiveness and system benefits of these planned additions. The revenue requirement associated with the planned solar generation additions in 2026 and 2027 are discussed by FPL witness Laney.

Q. What are the proposed commercial operation dates for the 2026 and 2027 solar energy centers and battery storage projects?

A. The commercial operation dates for the solar energy centers are detailed in Exhibit TO-2 to my testimony. For 2026, the solar energy centers are divided into two tranches, with eight sites planned to reach commercial operation in January 2026 and four sites in April 2026. The 2026 battery storage projects are organized into three separate tranches with in-service dates staggered over the calendar year. Seven sites totaling 521.5 MW are scheduled to reach commercial operation in July 2026, one site totaling 400 MW in October 2026, and five additional sites totaling 498 MW in November 2026. These tranches include 11 hybrid and two standalone battery storage projects. Hybrid batteries are located adjacent to solar centers, interconnected with both the solar site and the grid, while standalone batteries have their own grid interconnection.

For 2027, the solar energy centers will follow a quarterly schedule, with four sites planned to reach commercial operation in each quarter: January, April, July, and October 2027. The 2027 battery storage projects will also follow a staggered approach. In-service dates include six sites totaling 447 MW planned to reach commercial operation by April 2027 and an additional five sites totaling 372.5 MW by July 2027. All 2027 battery storage sites are hybrid sites. Details for the proposed battery storage sites are detailed in Exhibit TO-4.

These proposed projects reflect FPL's strategic approach to scaling up its solar energy and storage capacity efficiently over the next few years.

Q. What is FPL's estimated cost for the 2026 and 2027 solar energy centers and battery storage projects?

A. FPL estimates that the total cost for the 2026 solar energy centers (12 sites) will be \$1,435 million, at an average cost of \$1,605/kW_{AC}. For the 2027 solar energy centers (16 sites), the projected cost is \$1,836 million, at an average price of \$1,540/kW_{AC}.

For the 2026 battery storage projects, the estimated total cost is \$2,049 million, at an average price of \$1,443/kW. The 2027 battery storage sites are projected to cost \$1,188 million, at an average price of \$1,449/kW. As discussed by FPL witness Laney, the 2026 and 2027 battery storage projects are anticipated to generate \$587 million and \$364 million in ITCs, respectively.

As detailed in FPL witness Whitley's testimony, the combination of FPL's planned 2026 and 2027 solar and battery storage additions result in \$1,942 million cumulative present value revenue requirements ("CPVRR") savings for FPL's customers, as compared to an alternative plan that excludes the additions. This analysis demonstrates that the facilities provide substantial savings for FPL's customers while addressing FPL's identified reliability needs.

Q. Please describe the solar generation and battery storage technology that FPL plans to use for the 2026 and 2027 projects.

A. For the 2026 and 2027 solar projects, FPL plans to develop 12 and 16 solar energy centers, respectively, each with a nameplate capacity of 74.5 MW_{AC}. These centers will utilize crystalline silicon PV panels with single-axis tracking systems, which follow the sun's movement from east to west, maximizing energy production.

The panels will be grouped and connected to inverters that convert direct current ("DC") electricity into alternating current ("AC") electricity. The inverters, paired with medium voltage transformers, form Power Conversion Units ("PCUs"). Each center will have between 19 and 23 PCUs, with the AC voltage increased by transformers to match transmission interconnection voltage. FPL uses baseline designs for cost and performance projections, continually optimizing site configurations and component selection for the highest output, reliability, and customer benefit. Exhibit TO-3 provides a block diagram of major equipment components.

For the battery storage projects, FPL will deploy 11 hybrid and two standalone facilities in 2026, totaling 1,419.5 MW. In 2027, FPL plans to add 11 hybrid sites totaling 819.5 MW.

The 2026 and 2027 battery projects will use lithium-ion batteries, recognized for their efficiency and scalability. Battery containers will house lithium-ion cells assembled into modules and racks, interconnected to achieve the necessary voltage and current. These containers will be grouped and connected to inverters that convert DC to AC electricity, with transformers increasing the voltage to match transmission requirements. FPL uses baseline designs for cost and performance projections, continuously optimizing for cost efficiency, reliability, and customer benefit. Design adjustments will only be made if they offer greater benefits for customers. Exhibit TO-5 depicts a diagram of major equipment components for battery storage.

Q. Are the cost estimates for equipment, engineering, and construction for the proposed solar generation and battery storage projects reasonable?

A. Yes.

Q. What is the basis for your conclusion regarding the 2026 and 2027 solar and battery storage projects cost?

A. The selected solar and battery storage sites for the 2026 and 2027 build out are well into development and permitting and have undergone extensive diligence. Thus, the Company has confidence that it will be able to construct them on budget. Further, the cost for surveying, engineering, equipment, materials, and construction services necessary to complete the 2026 solar energy centers have been established through a competitive bidding process and the method for establishing costs for the 2027 solar energy centers will be identical.

The 22 hybrid sites to be built over the 2026-2027 time period will be located adjacent to existing FPL solar energy centers, and the two standalone projects will be sited on FPL property that previously hosted fossil generation. Further, the cost for surveying, engineering, equipment, materials, and construction services necessary to complete the 2026 battery storage sites have been or will be established through a competitive bidding process. The 2027 battery projects will follow the same process, ensuring that 100% of the project costs for procurement are subject to competitive solicitation.

This comprehensive, diligent approach ensures optimized cost efficiency, reliability, and high customer benefit for both solar and battery storage projects.

Q. Please describe the competitive solicitations associated with the 2026 and 2027 solar energy centers and battery storage projects.

A. For both the 2026 solar energy centers and battery storage projects, FPL has followed a thorough, competitive procurement process to ensure the selection of cost-competitive, high-quality suppliers and contractors. For the 2027 solar energy centers and battery storage projects, FPL will follow a similar process for competitive procurement.

For the 2026 solar energy centers, FPL solicited proposals from industry-leading suppliers for the procurement of PV panels, PCUs, step-up transformers, and the engineering, procurement, and construction ("EPC") services required to complete the projects. Proposals for PV panels were solicited from 20 large suppliers through multiple requests for proposals ("RFPs"), with eight suppliers submitting conforming bids. The four selected suppliers offered the lowest costs, high efficiencies, and demonstrated high product quality and strong financial performance security. FPL also evaluated risks associated with supply chains and contract terms.

Proposals from six PCU suppliers were solicited, with all proposals meeting the RFP requirements. The supply contract was awarded to a single supplier. Similarly, six manufacturers of step-up power transformers were solicited, and two suppliers were selected to procure the transformers. EPC service proposals were solicited from 14 industry-recognized contractors, with two contractors submitting bids. FPL finalized contracts with those submitting the best proposals, which included the supply of the balance of equipment and materials. Proposals for the construction of the substation and interconnection facilities will be solicited and evaluated similarly. FPL will follow the same competitive procurement process for the 2027 solar energy centers.

The 2026 battery storage projects followed a similar procurement process. Proposals were solicited from industry-leading suppliers for battery containers and PCUs, as well as the other supplies, equipment procurement, and construction services required for the projects. Five suppliers were solicited for battery containers, with three submitting bids that satisfied the RFP requirements. The selected supplier offered the lowest costs, high efficiency, high product quality, and strong financial performance security. Risks associated with supply chains and contract terms were also evaluated.

Seven PCU suppliers were solicited, and FPL awarded the supply contract to two of the most cost-competitive and technically preferred suppliers. Procurement and construction service proposals will be solicited from a minimum of three industry-recognized contractors to ensure cost competitive bidding. The best bidder will be selected based on the requirements of the proposal. FPL will use a similar competitive procurement process for the 2027 battery storage projects.

This rigorous competitive procurement process ensures that the 2026 and 2027 solar energy centers and battery storage projects are completed with the highest quality standards to deliver maximum customer benefit.

Q. Are there other benefits associated with the 2026 and 2027 solar energy centers and battery storage projects?

A. Yes, there are several benefits associated with these projects. For the solar energy centers, approximately 200 individuals will be employed at each center at the height of construction. This will create about 2,400 jobs for the 2026 projects and approximately 3,200 jobs for the 2027 projects. The contractors building the solar energy centers are required to use reasonable efforts to employ local labor and resources, providing a secondary benefit to the communities that host these projects by supporting the local economy and businesses. Additionally, communities will benefit from increased property tax revenues following the completion of the solar energy centers. Prior FPL solar projects resulted in $114 million in property taxes paid from 2021 to 2024. Solar energy also helps FPL diversify how it generates electricity and not rely on any single source, making the Company's system more efficient, more resilient and increasingly shielded from fuel price volatility.

The construction of these utility-scale battery sites will also generate economic benefits for local communities through the creation of construction jobs and tax revenue. FPL expects each hybrid battery site to require approximately 25-40 workers during construction. Each hybrid battery site is expected to generate approximately

$300 thousand in additional property taxes each year as compared to a standalone solar site.

Q. Are the costs of interconnection facilities and network integration for each of the proposed solar energy centers and battery storage projects included in the total cost estimate?

A. Yes. The estimated capital construction cost for each project includes the projected cost for its unique interconnection configuration. For the solar energy centers and standalone battery storage projects, the interconnection facilities cost includes two components: direct assignment facilities and system upgrades for network integration. These components are identified during the interconnection study process and are factored into the total cost estimate for each project. This ensures that both the interconnection facilities and necessary network integration costs are accounted for in the overall financial planning. The hybrid battery storage sites will utilize existing transmission infrastructure from the adjacent solar energy centers to deliver stored energy to the grid. In either case, all transmission interconnection costs are included in the overall project costs.

IV. SOBRA MECHANISM

Q. Does FPL project an increasing total reliability need between 2028 and 2030?

A. Yes. FPL witness Whitley's resource plans have identified an increasing total reliability need for additional firm capacity between 2028 and 2030 based on current planning assumptions. FPL witness Whitley's assessment also identified a combination of solar and battery storage as the most cost-effective resources to meet these demands.

Specifically, the plan points to adding 1,490 MW_{AC} of new solar energy with 596 MW of battery storage in 2028 and adding 1,788 MW_{AC} of solar energy with 596 MW of battery storage in 2029.

In this proceeding, however, FPL is not requesting cost recovery associated with 2028 and 2029 resource additions. Instead, as discussed by FPL witness Bores and detailed in Exhibit SRB-7, FPL requests approval of a SoBRA mechanism. Like similar mechanisms previously approved by the Commission in Order Nos. PSC-16-0560-AS-EI and PSC-2021-0446-S-EI, the proposed SoBRA will address the criteria and process by which FPL may request and obtain cost recovery for solar generation and battery storage facilities constructed in 2028 and 2029.

Q. How does the Company propose that the SoBRA mechanism for the years 2028 and 2029 will operate?

A. The proposed SoBRA consists of two principal cost components: (1) cost recovery for the solar generation and battery storage facilities that will enter service in 2028 and 2029 and (2) the impacts of ITCs associated with battery storage facilities. The proposed SoBRA mechanism will authorize FPL to recover costs associated with solar and battery projects constructed in 2028 and 2029 if FPL satisfies specified conditions.

As it has done in multiple dockets, FPL will file its SoBRA request for cost recovery at the time of its final true-up filing in the Fuel and Purchased Power Cost Recovery Clause docket the year before the new solar and battery storage projects are anticipated to enter service. In that proceeding, the Commission will determine whether FPL has

C14-1995

demonstrated an economic need or a resource need for the projects, based on the criteria in Exhibit SRB-7. The Commission also will determine whether FPL appropriately calculated the revenue requirements, and the resulting rate adjustment associated with the 2028 and 2029 installations. Base rates then would be adjusted consistent with the Commission's approval of that amount upon commercial operation of the respective projects. Exhibit SRB-7 provides additional details regarding the SoBRA.

Q. Does FPL propose limits on the solar and battery capacity that can be recovered through the 2028 and 2029 SoBRA?

A. Yes. For solar and battery projects that demonstrate an economic need, FPL proposes that SoBRA recovery will be limited to construction of 1,490 MW_{AC} and 1,788 MW_{AC} of solar in 2028 and 2029, respectively, and 596 MW of battery storage projects in a single year, provided that surplus capacity not constructed in 2028 can be carried over to 2029 if FPL demonstrates an economic need in both years.

Q. Does FPL plan to follow a competitive procurement process for the 2028 and 2029 solar and battery projects?

A. Yes. FPL will continue to pursue the comprehensive procurement process that has worked well for all the preceding solar and battery projects, which have resulted in competitive costs and served customers well for many years.

V. NATURAL GAS AND NUCLEAR DEVELOPMENT

Q. Outside of solar generation development and the inclusion of battery storage, is FPL looking at other forms of power generation to supplement its generation mix?

A. Yes.

Q. Does FPL evaluate future new gas generation as part of its plan?

A. Yes. As described by FPL witness Whitley, FPL's resource planning process assesses all potential generation options and ultimately selects the most cost-effective, reliable, and timely system generation additions to ensure sufficient capacity and energy are available to serve all FPL customers. The result of that analysis identified the proposed additions of solar and battery storage systems that I discussed earlier in my testimony. In addition, FPL continues to monitor other generation options. For example, gas-fired generation options currently have a longer lead time to develop as compared to solar and battery storage. Current challenges to building natural gas generation are two-fold: the lack of available gas transportation capacity and supply chain issues. Gas pipeline expansions are complex and require upfront investment, currently taking approximately three to four years to complete. In addition, new gas-fired generation faces supply chain issues for necessary equipment and materials to construct these facilities, extending their total lead times to five to six years to achieve commercial operation. While natural gas generation development remains part of FPL's energy strategy, prioritizing solar and battery storage investments allows the Company to cost-effectively and efficiently meet FPL's immediate energy needs and support a reliable energy grid to serve customers.

FPL continues to study the feasibility of new gas units in the event of potential higher load growth or other external factors that could result in natural gas becoming an economic generation resource in the future. FPL's proposed 2025 Ten Year Site Plan

C14-1997

("TYSP"), to be filed April 1, 2025, includes evaluation of potential new gas-fired units that could be constructed in the 2032 timeframe.

Q. Is FPL taking other efforts to increase gas supply to help mitigate some of the near-term challenges with new natural gas generation that you discussed?

A. Yes, in addition to our traditional efforts to ensure adequate gas supply for our existing and future units, FPL is also taking an innovative approach to utilize waste landfill gas for use in its combustion turbine and combined cycle fleet. Specifically, when Gulf Power was merged with FPL in 2021, it also acquired the Perdido Landfill Gas contract, existing between Gulf Power and Escambia County. Currently, FPL takes landfill gas in its unfiltered form and burns it in gas turbine generating engines to produce power.

The landfill gas is currently being consumed by two aging gas turbine generating engines located adjacent to the county's landfill. These units will reach the end of their useful lives and will be retired by 2029. Therefore, FPL has analyzed the landfill gas currently being burned in these aging assets and evaluated options that could improve the landfill gas to pipeline-quality natural gas that can be used in FPL's natural gas generating fleet. FPL has determined that investing in new biogas upgrading technology to convert landfill gas into pipeline-quality natural gas, which can subsequently be burned in existing combustion turbines at the Gulf Clean Energy Center units, will provide a CPVRR benefit of $41 million to FPL's customers and enhance FPL's gas supply. This project is expected to be operational in 2028.

Q. Is FPL evaluating adding new nuclear to its generation fleet?

A. Yes. As indicated earlier, FPL continues to monitor opportunities for any future nuclear additions. FPL is one of the few U.S. utilities with a completed Combined Construction and Operating License required to construct and operate a nuclear power plant, for two large Westinghouse AP-1000 units at the Turkey Point site for Units 6 and 7. FPL is also continuing to monitor advanced nuclear power options such as small modular reactors ("SMRs"). FPL is planning to begin the initial stages of Early Site Permitting in 2026-2027 timeframe, available under Nuclear Regulatory Commission ("NRC") rules, for a potential SMR at a site that is adjacent to an existing nuclear power plant. This strategic move is aimed at minimizing risks, allowing emerging technologies to mature, and ensuring that robust regulatory frameworks are well-developed prior to deployment, while remaining cognizant of the current high costs of nuclear and SMR development and taking a stepwise approach. FPL is closely monitoring current initiatives at both the Department of Energy and the NRC. By taking these steps early on, FPL aims to be well-positioned to benefit from potential state and federal incentives for future nuclear deployment.

Also, FPL, as part of the Florida Electric Power Coordinating Group on power generation, recently provided an update to the Commission in September 2024 on the status of advanced nuclear power technologies. Importantly, FPL will continue to safely operate its current nuclear generation both at the Turkey Point and St. Lucie generation sites.

VI. PROPERTY HELD FOR FUTURE USE

Q. Can you please describe what property the Company is holding to develop solar and other generation projects in the future?

A. Yes. Exhibit TO-6 shows property that the Company owns in fee as of December 31, 2024, to support future solar and other generation project development, which totals $988.5 million.

Q. Did the Company reasonably and prudently acquire these sites for future generation facility development?

A. Yes. Exhibit TO-6 provides details on each site held for future use. Some properties listed on Exhibit TO-6 are currently being utilized for FPL solar energy centers with in-service dates in 2025. Others will be used for construction of the 2026 and 2027 solar and battery storage projects, while additional properties will be evaluated for use with the 2028 and 2029 solar and battery storage projects that I discussed earlier in my testimony. The remaining properties can also be utilized for potential solar, battery storage, and natural gas generation projects.

Q. Please describe the process FPL undertakes when acquiring property for solar projects.

A. FPL identifies areas that could be suitable for solar energy projects and considers and monitors market conditions and their cost impacts to ensure new projects maximize value for our customers. FPL screens candidate parcels by using criteria including each property's proximity to a transmission system interconnection point, as well as availability of transmission capacity, and FPL assesses whether the property provides sufficient acreage to accommodate the expected permitting requirements and the construction of the solar energy centers. FPL evaluates the features of each property as a whole for various factors, such as the presence of wetlands and flood plains, environmental constraints, and cultural restrictions, and FPL develops designs that optimize the land use for each parcel. As such, in addition to evaluating the suitability of the land, FPL's decision to acquire the land also undergoes a thorough market and financial review. FPL also reviews its land portfolio to ensure that the site development timelines align with expected in-service dates for the solar projects.

Q. Please explain the land acquisition process for solar sites and how the acreage and value of property available for solar fluctuates during each year.

A. FPL's preferred approach is to enter into purchase option agreements with landowners, minimizing upfront costs and allowing flexibility to better align land purchases with the development timeline of generation sites. However, if landowners are unwilling to agree to an option, FPL evaluates the site benefits before deciding whether to purchase the land outright.

Throughout this process, FPL exercises financial discipline to ensure the Company is making prudent decisions for its customers. The Company will carefully assess the market and comparable parcels on a cost-per-acre basis to secure a reasonable price, ensuring value and cost-effectiveness for customers.

FPL has taken this approach to support cost-effective site development and construction. Each year, FPL acquires properties after completing due diligence and the contractual option period, adding their value to the PHFU balance. Simultaneously, as FPL develops and constructs solar sites, properties are removed from PHFU upon commercial operation and placed in service reducing the PHFU balance.

Q. Does the property that FPL is holding align with the Company's future resource needs?

A. Yes. FPL's current land portfolio is adequate to support the 72 additional solar sites planned through 2029 and support a combination of solar, battery storage, and natural gas sites through 2034, consistent with FPL's TYSP planning horizon. Given anticipated load growth, FPL expects to continue to add significant amounts of new generation and is opportunistically acquiring land to meet future resource needs. In Florida, the challenges associated with land development and competing land-use pressures, combined with a data-driven analytical approach, make it prudent for FPL to secure land now to cost-effectively address future resource planning requirements. The combined effects of state conservation efforts (*e.g.*, Florida Forever), ongoing residential and commercial development, and investments by other entities will continue to make identifying and securing suitable land for future generation sites increasingly challenging and costly.

Additionally, land designated for long-term agricultural uses (*e.g.*, sugar cane, dairy, crops, and citrus), which often occupies thousands of acres, may be retained by institutional landowners or families indefinitely, thereby reducing the overall availability of suitable land in Florida.

Considering these factors, it is prudent to identify, acquire, and secure the necessary land and permits for future generation sites. FPL's past and future successes in solar and battery storage development hinge on the timely execution of a land acquisition program that takes into account the macroeconomic conditions and development constraints outlined above.

Q. What attributes does FPL seek when acquiring property to support solar development?

A. Suitable land has very specific locational and environmental attributes, including factors such as: (1) non-residential, preferably vacant land; (2) proximity to existing FPL transmission lines; (3) presence of minimal wetlands, species, and other environmental impacts; (4) large tracts with one owner (if possible); and (5) geographic dispersal throughout FPL's service area. FPL purchases land that includes wetlands, conservation and access easements, and property setbacks. The site design and layout are developed around these restrictions. FPL also evaluates each solar site for its unique environmental attributes and develops a tailored stewardship plan to support or enhance them.

Q. How does FPL manage properties it owns that are not immediately used for the construction of new solar generation?

A. As FPL's land holdings have increased, FPL has recognized the need to take active steps to ensure the proper care and stewardship of these properties. FPL seeks to license or lease property to local farmers and others for a variety of uses. This allows the continued productive use of the land for agricultural activities prior to any FPL development or construction activities. Today, FPL has over 50 land license

C14-2003

agreements with local commercial and agricultural entities, including working with ranchers and farmers across our service area, allowing for multiple uses such as cattle, citrus, and nursery projects. FPL continuously explores additional ways to work with the communities where the Company develops solar projects to expand this list of land uses with a focus on responsible land use, ecological enhancements, and ongoing efforts to co-exist with local agricultural communities. On property that is not leased or licensed, FPL performs inspection and maintenance to ensure that the properties are in good condition prior to the start of any type of development activities.

When FPL is able to lease properties, the revenue generated from leasing these properties helps offset operational costs and compliance expenses associated with maintaining large tracts of land. The savings accrued from these smart financial strategies are then passed on to customers.

Q. Does FPL's land ownership provide any other conservational value?

A. Yes. The Company commits to environmental stewardship by evaluating solar sites and implementing tailored plans. To date, these efforts have preserved over 7,500 acres of wetlands, planted 35,000 pounds of native wildflower seeds, and installed over 600,000 native live plants at operational solar sites. Additionally, when feasible, wildlife-friendly fencing is installed to allow continuous wildlife use. During the operational life of a solar project, land remains fallow, restoring the soil's natural nutrient balance and helping maintain agricultural designation. FPL's solar energy centers reduce potential pollution, avoiding the use of insecticides, fungicides, and fertilizers, thereby preserving groundwater and adjacent wetlands. These initiatives

C14-2004

demonstrate FPL's commitment to the enhancement of local ecosystems through thoughtful land management and innovative practices.

VII. PILOT PROJECT PROGRAM

Q. What proposed pilot projects are you sponsoring for which the Company is seeking approval?

A. I am sponsoring a new pilot program for a long duration battery storage project within the FPL service area. My testimony demonstrates that the investment is reasonable and will provide benefits for FPL's customers.

Q. Please describe the proposed pilot project for a new long duration battery storage pilot.

A. FPL is at the forefront of integrating advanced technologies to diversify and enhance energy solutions for customers. The long duration battery storage pilot represents FPL's commitment to innovation and the future of energy storage.

Beginning in 2016, FPL deployed approximately 4 MW of smaller distribution-connected battery pilots to learn how to integrate lithium-ion battery technology into its system. Early deployment of utility-scale battery storage provided valuable experience in designing and building battery storage facilities, positioning FPL as a leader in the U.S. energy storage market.

Long duration battery storage can dispatch stored energy over extended periods, increasing capacity, lowering dispatch costs, and enhancing grid reliability and

C14-2005

resilience. As utility-scale solar and storage adoption grows, integrating diverse capacity and energy solutions is becoming increasingly important. Technological advancements have improved manufacturing techniques, and economies of scale will likely reduce costs significantly over the next decade. By adopting long duration energy storage systems early, FPL aims to gather insights for cost-effective large-scale deployment to benefit its customers.

The long duration energy storage pilot will test alternative storage technologies beyond lithium-ion batteries. FPL is exploring solutions such as sodium ion, nickel hydride, and iron flow batteries, focusing on components that are widely available and manufactured in the U.S. This pilot seeks to expand and diversify FPL's supply chain, reducing costs while increasing grid reliability and resilience.

The pilot project will deploy two long-duration battery storage systems, each capable of dispatching up to 10 MW of power and storing a total of 100 megawatt-hours of energy. Expected learnings from this pilot include (1) validating the performance and grid reliability of long-duration energy systems, (2) evaluating alternative storage technologies as complements to conventional lithium-ion batteries, (3) developing criteria for vendors regarding safety and delivery schedules, (4) optimizing charging operations to leverage low-cost solar energy during periods of reduced load, and (5) optimizing discharging operations to complement conventional batteries during extended periods of high load.

Q. When would this long duration battery storage pilot be placed into service and what is the estimated project cost?

A. If approved in this case, FPL estimates that the pilot project can be put in service in 2027 at an estimated cost of approximately $78 million. The capital cost of the project is partially offset by ITC credits, thereby significantly reducing the net impact to customers.

Q. Is this long duration battery storage pilot a reasonable and prudent investment that will benefit FPL customers?

A. Yes. FPL is committed to designing innovative solutions that ensure reliable and cost-effective energy delivery to our customers. This pilot program will allow FPL to gain valuable experience with advanced battery storage technologies, enabling the Company to continue to diversify its energy mix, enhance the grid, and create additional value for customers through future large-scale deployments.

By sourcing materials domestically, FPL is committed to supporting U.S. manufacturing and diversifying our supply chain. This approach not only supports domestic industry, but also contributes to cost-effectiveness and reliability to serve customers.

Overall, this pilot represents a prudent and forward-looking investment that promises to yield valuable insights and guide FPL's future energy strategies, ultimately benefiting customers through improved energy solutions.

C14-2007

VIII. PREVIOUSLY APPROVED PILOT PROJECT PROGRAMS AND TARIFFS

Q. Can you provide an overview of the EV charging pilot tariffs approved by the Commission?

A. Yes. In June 2020, FPL submitted a petition to approve three voluntary EV public charging pilot tariffs, which became effective in January 2021 for a five-year period. The first tariff, Utility-Owned Public Charging (rate schedule UEV or "UEV Tariff"), sets a rate for fast-charging stations owned by the utility. The second and third tariffs, Electric Vehicle Charging Infrastructure Riders, include the General Service Demand ("GSD-1EV") and General Service Large Demand ("GSLD-1EV") tariffs, are aimed at enabling third-party investment in public charging stations. These tariffs are designed to mitigate the demand costs billed to the charging stations and to stimulate infrastructure investment in the early days of electric vehicle adoption, with the demand charges increasing as utilization of the charging station increases. The tariffs were approved for a period of five years pursuant to Order No. PSC-2020-0512-TRF-EI ("Order 0512") issued on December 21, 2020.

FPL's UEV Tariff allows FPL to collect fees from drivers charging electric vehicles at FPL-owned public fast charging stations. Fast charging stations provide electricity at high voltage (the UEV Tariff requires power to be delivered at 50 kilowatts or greater), which results in a charging time of approximately 30 minutes depending on a variety of factors, including the vehicle's initial state-of-charge. Under the UEV Tariff, participating customers pay $0.30 per kWh plus applicable taxes and fees. Because local utility taxes and fees vary by location, the effective after-tax rate in 2024 under the UEV Tariff ranged from $0.33 per kWh to $0.39 per kWh, averaging $0.37 per kWh. Fees collected from drivers, who are not necessarily FPL customers and include visitors to FPL's service area, put downward pressure on rates for the general body of customers. Details are outlined in FPL's 2024 Public Electric Vehicle (EV) Optional Pilot Tariffs Report and EVolution Pilot Program Summary ("FPL 2024 EV Annual Report") filed on January 30, 2025, in Docket No. 20200170-EI (Document 00576-2025).

The GSD-1EV and GSLD-1EV demand limiter voluntary tariffs are an innovative approach designed to support both existing and new EV charging stations. This initiative supports EV adoption by FPL's customers, stimulates economic development and supports the installation of third-party EV chargers. By providing a lower initial electric rate, customers who install public EV chargers can significantly reduce their electricity bills during the critical early stages of their operations. As of December 31, 2024, there are 42 customers enrolled in the GSD-1EV and GSDL-1EV tariffs. Since the introduction of these tariffs in 2021, 34 out of the total 76 customers (45%) who initially signed up have successfully transitioned to regular rates, demonstrating success as utilization grows.

Q. What is the current Public EV charging pilot program?

A. FPL's Public EV charging program is one of several pilot programs approved by the Commission as part of the 2021 Settlement Agreement and consists of Level 2 (requires 240 volt AC connection with power delivered between 6 and 19 kilowatts, which results in 4-6 hours to full charge) and DC Fast Charging Level 3 (requires power to be delivered at 50 kilowatts or greater, which results in a charging time of approximately 30 minutes) infrastructure. As of December 31, 2024, the Company has installed over 321 fast charging ports and 910 Level 2 charging ports in workplaces, tourist destinations, and other public spaces throughout the territory and on Florida's main highways, Interstate 95 and Florida Turnpike, with additional focus on underserved areas, less traveled east-west routes across the state, and hurricane evacuation routes. During hurricane events in 2024, network-wide utilization increased 27% during evacuation, demonstrating the reliability and resilience of FPL's infrastructure in critical times. Over the four-year period from 2022 to 2025, this program forecasts an investment of approximately $100 million and expects to install 585 fast charging ports in total by 2025. Based on current utilization trends, FPL expects that over their life, the cost of the chargers will be fully offset by revenue.

Q. What is the Company proposing for the UEV charging program and the GSD-1EV and GSLD-1EV demand limiter tariffs?

A. The Company is requesting to make the UEV Tariff permanent and increase the market-based charging fee from $0.30 to $0.35 per kWh. The Company asserts that the proposed $0.35 per kWh (~$0.43 per kWh effective rate) is market-based and comparable to the EV pricing options offered by non-utility providers. This pricing aims to balance affordability for consumers with the financial viability of charging infrastructure investments. FPL designed the market-based pricing to allow for recoverability of all costs and expenses over the life of the assets.

The Company is also seeking approval to make permanent the GSD-1EV and GSLD-1EV demand limiter optional pilot tariffs as permanent tariffs. The tariffs would be available to qualifying customers that operate public fast charging stations and serve to appropriately set demand charges based on utilization. Details for UEV and GSD-1EV and GSLD-1EV rates are outlined in the FPL 2024 EV Annual Report.

Q. What is the current EV residential pilot program?

A. Also part of the 2021 Settlement Agreement EVolution Pilot expansion, FPL's Residential EV Charging Services Rider Pilot (the "EV Home Program") offers a voluntary tariff ("RS-1EV") for residential customers, providing them with EV charging services at a fixed monthly rate. This includes the installation of a Level 2 EV charger that is owned, operated, and maintained by FPL and includes unlimited off-peak charging. Customers have the flexibility to charge their EVs during on-peak periods if needed, at the effective on-peak rate determined by the time-of-use ("TOU") rate schedule. FPL offers both full installation and equipment-only installation options to meet diverse customer needs. By partnering with customers to encourage off-peak charging, residential EV charging does not significantly contribute to peak demand. FPL's experience with this pilot has demonstrated a willingness by its customers to delay charging until the overnight, weekend, and holiday hours, a convenience FPL made easier with our FPL EVolution app that automatically programs charging hours to fit off-peak profiles. With this pilot shifting energy consumption from peak hours to off-peak hours, the Company has seen a clear pattern: customers are willing to participate in managed charging programs that charge their electric vehicles later in the day, effectively decreasing peak demand. See FPL 2024 EV Annual Report.

As of December 2024, the Company has installed 9,007 EV home chargers and expects to install an additional approximately 5,000 by the end of 2025. The pilot phase of the EV Home Program has provided valuable insights into various aspects of electric vehicle adoption. It allowed the Company to better understand customer adoption rates, the existing rate structure, equipment performance, and user charging patterns. Additionally, the pilot revealed the importance of procuring the most efficient and cost-effective chargers available. FPL customers expect that EV charging will be offered in the same reliable, efficient manner that the Company delivers energy to their homes. This pilot has allowed FPL to deliver on that expectation, benefiting the grid and customers.

Based on insights gained from analyzing customer behavior and usage during the initial EV Home pilot, FPL discovered that customers charged more than estimated when the pilot rate was designed. This is detailed in FPL's 2024 EV Annual Report.

Q. What is the Company proposing for the EV Home Program?

A. The Company is seeking approval to leverage the learnings of the pilot by aligning pricing with customer usage patterns, meeting current customer demands, promoting efficient energy use, and providing exceptional EV residential charging solutions. The Company is proposing a new EV Home Program pricing structure that aligns costs with customer usage patterns to ensure compliance with legal requirements that require the program is not subsidized by the general body of customers. This approach allows FPL to provide a voluntary charging service for residential EV customers, providing learnings about charging behaviors and load control potential, while maintaining

CPVRR neutrality. FPL's goal is to offer energy solutions that benefit both the customers and the overall grid, preparing the Company for future EV adoption and growth.

As noted above, one of the key findings was that residential customers charged their EVs more frequently than anticipated, which increased the program's costs. To better align program costs with revenues, FPL is requesting approval of an update to the current EV Home Program RS-1EV pricing and approval for a new program and associated pricing structure ("RS-2EV Program"). For the current RS-1EV Program, FPL is proposing a multi-year transition of existing customers to the new proposed RS-2EV Program with a gradual annual price increase over four years ($7 increase to the monthly charge in 2026, followed by a $5 increase to the monthly charge in each year from 2027 to 2029, totaling $22). This phased approach is designed to soften the immediate impact on participating customer bills. The annual increases for the current program will commence on January 1, 2026, with a planned termination of the pilot on December 31, 2029, at which time all RS-1EV Program customers will be required to transition to the RS-2EV Program if they desire to remain an FPL residential EV charging customer. Prior to December 31, 2029, RS-1EV Program customers may voluntarily elect to transition to the RS-2EV Program at any time following its approval by the Commission or cancel the RS-1EV service subject to the tariff's requirements.

Starting in 2026, the new RS-2EV program price model will feature a fixed program cost coupled with energy charges based on TOU rates, with grid control and a price based on the learnings from the EV Home pilot. The new RS-2EV Program pricing was established via a formula-based rate to allow for customer pricing designed to recover all costs and expenses over the life of the assets and be CPVRR neutral to the general body of customers over the applicable service contract term. The new program continues to offer grid benefits by offering off-peak pricing to incentivize customers to charge during off-peak hours. Additionally, EV chargers may be utilized as part of future load control efforts. Also, this program offers further insights into grid impacts for future EV charging and EV adoption and growth, allowing the Company to better prepare for potential increases in load.

Q. What is the current Commercial EV charging program?

A. Approved as part of the 2021 Settlement Agreement, the Commercial EV Charging Services Pilot is a voluntary tariff designed for commercial customers who intend to electrify fleet vehicles and require EV charging services. This pilot involves the installation of FPL-owned, operated, and maintained EV supply equipment on customer premises. This commercial EV charging tariff structure ("CEVCS-1") ensures that customers pay a fixed monthly charge, calculated to recover all costs and expenses over the asset's lifespan and carries no cost impact to FPL's general body of customers over the term of the service agreement.

Q. What is the Company proposing for the Commercial EV charging program?

A. The Company is seeking approval to make this rate permanent and expand the tariff offering beyond the "fleet," broadening access for commercial users.

C14-2014

Q. Please explain the investments made for education and technology and software.

A. Since 2022, FPL has provided education to customers about EVs. The Company's EV resources website (www.FPL.com/EV) offers information for common customer questions, including a total cost of ownership calculator. The Company also hosts "ride-and-drive" events to further educate customers about EVs through a hands-on experience. The Company actively supports STEM education through the Electrathon America program, assisting 10 public high schools in the 2023 through the 2024 academic year with plans to support 15 more in the 2024 through the 2025 academic year. By participating in events across FPL's service area, the Company has engaged over 1.3 million event participants. In addition, the FPL EVolution app was developed to help navigate drivers to public charging stations and allow residential EV Home customers to control their Level 2 charger.

Q. What investments for EV programs is the Company seeking approval for?

A. The Company is requesting approval of $5 million annually to invest in technology and software and $1 million annually for continued education. By investing in EV education, along with improved technology and software, the Company will provide Floridians with knowledge and keep FPL at the forefront of helping its customers understand technological advancements. Additionally, by focusing on load management strategies and the most cost-effective integration of EV charging with the grid, the Company will offer customer benefits and support grid stability. These strategic investments demonstrate FPL's commitment to its customers and the integration of electric vehicles into its existing infrastructure.

C14-2015

Q. Are there any other pilot programs the Company is requesting to make permanent?

A. Yes. The Company is requesting approval to continue and make permanent its voluntary Solar Power Facilities Pilot program, subsequently named FPL SolarVantage.

Q. Please discuss the voluntary Solar Power Facilities Pilot program.

A. FPL's 2021 Rate Settlement offered a four-year new, voluntary Solar Power Facilities Pilot program. The program is offered to commercial and industrial customers who elect to have FPL install and maintain a solar facility on their site for a monthly tariff charge. Participating customers can select from a variety of options including ground mounted solar, rooftop solar applications, solar canopies, solar trees, and solar benches. As designed, customers pay a fixed monthly charge, calculated to recover all project costs and expenses over the asset's lifespan and carries no cost impact to FPL's general body of customers. As of December 31, 2024, one commercial/industrial customer has signed up.

Q. What is the Company proposing for the Solar Power Facilities Pilot program?

A. The Company is seeking approval to make this program permanent and continue to offer on-site solar solutions for commercial and industrial customers who elect to participate. In addition, the Company proposes minor modifications to the existing tariff and service agreement to improve the program's operation and efficiency to meet customer needs.

Q. Does this conclude your direct testimony?

A. Yes.

C14-2016

BY MR. COX:

Q Mr. Oliver, do you have Exhibits TO-1 through TO-6 attached to your prefiled testimony?

A Yes.

Q Mr. Oliver, did you also cosponsor SRB-7 attached to the prefiled direct testimony of witness Scott Bores?

A Yes.

MR. COX: Chairman La Rosa, I would note that that cosponsored exhibit is marked on the Comprehensive Exhibit List as Exhibit No. 131, and it will be moved into the record at the time Mr. Bores takes the stand for his direct testimony.

CHAIRMAN LA ROSA: Okay.

BY MR. COX:

Q Mr. Oliver, did you cause to be filed an errata correcting errors on your Exhibit TO-4 on July this of this year?

A Yes.

Q Do you have any other changes or corrections to your exhibits?

A No, I do not.

MR. COX: Chairman La Rosa, I note that Mr. Oliver's exhibits as corrected have been marked as exhibits for the hearing and are identified on staff's Comprehensive Exhibit List as Exhibits 72 through 77.

CHAIRMAN LA ROSA: Okay.

BY MR. COX:

Q Turning to your rebuttal testimony. Mr. Oliver, did you cause to be filed on July 9th, 2025, 26 pages of rebuttal testimony in this proceeding?

A Yes.

Q Any changes or corrections to your rebuttal testimony?

A No.

Q If I were to ask you the same questions today as contained in your prefiled rebuttal testimony as filed on July 9th of this year, would your answers be the same?

A Yes.

MR. COX: Chairman La Rosa, FPL requests that Mr. Oliver's February 28th -- excuse me, July 9th, 2025, prefiled rebuttal testimony be inserted in the record as though read.

CHAIRMAN LA ROSA: So moved.

MR. COX: Thank you.

(Whereupon, prefiled rebuttal testimony of Tim Oliver was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

REBUTTAL TESTIMONY OF TIM OLIVER

Filed: July 9, 2025

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tim Oliver. My business address is Florida Power & Light Company ("FPL" or "the Company"), 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. Have you previously submitted direct testimony in this proceeding?

A. Yes.

Q. Are you sponsoring or co-sponsoring any rebuttal exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- Exhibit TO-7 – Property Held for Future Use
- Exhibit TO-8 – UEV Public Fast Charging Revenues

I am co-sponsoring the following exhibit:

- LF-11 – FPL's Notice of Identified Adjustments filed May 23, 2025, and Witness Sponsorship, filed with the rebuttal testimony of FPL witness Fuentes.

Q. What is the purpose of your rebuttal testimony?

A. In my rebuttal testimony, I address contentions made by Office of Public Counsel ("OPC") witness Schultz regarding property held for future use ("PHFU"). I also address issues related to the Company's EV tariffs as raised by Electrify America witness Shah, Walmart witness Chriss, EVgo witnesses Beach and Beaton, and Americans For Affordable Clean Energy ("AACE") Fuel Retailers, *et al.* witness Fialkov. Finally, I address arguments made by Florida Rising, League of United Latin American Citizens of Florida, and Environmental Confederation of Southwest Florida ("FEL") witness Rábago regarding the Solar Power Facilities pilot program, subsequently named FPL SolarVantage.

Q. Please summarize your rebuttal testimony.

A. OPC witness Schultz: (a) raises concerns that properties are being held for future use without an identified need, a forecasted use date, and which are not included in FPL's 2025 Ten Year Site Plan (TYSP); (b) argues that the Company's acquisition process is speculative in nature, resulting in stockpiling of land; and (c) recommends disallowance of portions of PHFU based on the above. My rebuttal testimony reiterates the land acquisition process and its linkage to the Company's long-range generation planning and provides additional detail for generation projects that have a "to be determined (TBD)" or "various" in-service date with current estimated commercial operation dates for these projects.

I also respond to arguments from several intervenor witnesses opposing or seeking to modify FPL's proposed EV programs and tariffs by demonstrating that the proposed rates are just and reasonable. The general body of FPL customers will not pay to support the recovery of FPL's EV charging investment by the end of the useful life of these assets, which are dedicated to EV charging services. As a result, there is no subsidy by the general body of customers for these specific EV charging services, which include FPL's proposed rate for its utility-owned public charging facilities ("UEV" tariff) and FPL's residential and commercial EV charging tariffs. I also address FPL's demand limiter tariff designed to incentivize third party investment in EV charging infrastructure and explain why the EVgo proposed "make-ready" program is not recommended to incentivize such investment, as well as why the Commission should support FPL's continuing efforts to invest in EV technology and education because it will benefit the entire customer base. Finally, my rebuttal testimony also responds to FEL witness Rábago's testimony that the Solar Power Facilities pilot program is not in the public interest and should be shut down.

II. PROPERTY HELD FOR FUTURE USE

Q. What are the main issues from OPC witness Schultz's testimony that you are addressing regarding PHFU?

A. OPC witness Schultz recommends four areas for exclusions (or disallowance) for PHFU that I will address:

- Properties held for more than 10 years but now projected to be in-service within the next decade,
- Properties not identified in FPL's 2025 TYSP,
- Properties listed with "TBD" or "various" in-service dates, and
- Properties intended for acquisition post-December 31, 2024.

Q. Do you agree with OPC witness Schultz's recommended regulatory treatment regarding PHFU?

A. No. OPC witness Schultz's recommended regulatory treatment for PHFU is inconsistent with long-standing Commission policy and prudent long-range planning requirements of electric utilities. In fact, the Commission has expressly rejected OPC witness Schultz's recommendation to exclude from PHFU property owned by the utility for more than 10 years or property whose projected in-service date is greater than 10 years in the future. The Commission found that his proposed 10-year limit arbitrarily disallows cost recovery for a utility's power plant, transmission, and distribution sites that it plans to use to meet future growth beyond 10 years. The Commission emphasized, as is still true today, that it is increasingly difficult to find, purchase, and permit suitable sites for generation. See *In Re: Application for a rate increase by Tampa Electric Company*, Order No. PSC-93-0165-FOF-EI at pp. 34-35 issued Mar. 29, 1993 in Docket No. 920324 ("Order 93-0165"). In the referenced order, the Commission reiterated its long-standing policy that utilities must act prudently when acquiring property for future use and noted that an important part of long-range planning for utilities is identification and acquisition of property held for future use. The Commission also reiterated its long-held policy in its past rate case decisions that it is important for utilities to retain properties for future use considering Florida's projected growth, utilities' burden to meet this projected growth, and the utilities' expense that would be incurred if the properties were sold and had to be replaced at a greater cost in the future. Likewise, witness Schultz's proposed exclusion of properties not listed in FPL's 2025 TYSP from PHFU is inconsistent with Commission policy in that it arbitrarily excludes property acquired to meet future growth beyond the 10-year period, which was recognized as appropriate for rate recovery by the Commission in Order 93-0165. I will address witness Schultz's recommended disallowances for properties not included in FPL's 2025 TYSP later in my testimony.

Witness Schultz's recommendation to limit FPL's PHFU to properties in FPL's current TYSP or acquired for use not more than 10 years in the future is not only inconsistent with the Commission's clear direction on PHFU, but it is also inconsistent with prudent long-range planning requirements of utilities. His arbitrary time limits on PHFU would impose a disincentive on utilities like FPL from strategically buying land using longer range planning horizons to ensure they can reliably and cost-effectively provide service to their customers. Reasonable uses for PHFU cannot be determined by arbitrary and rigid time limitations on the properties' ultimate uses. Utilities need a reasonable amount of flexibility in developing their long-term resource plans. Applying an arbitrary 10-year time limitation and requiring a definitive, specific plan for development within 10 years would impede effective resource planning and development, especially in a growing state such as Florida. The Company's plan for acquiring land and its current property holdings discussed previously in my direct testimony and in this rebuttal testimony are well aligned with FPL's long-term generation planning to meet FPL's resource needs in the future.

Q. Does FPL's approach to land acquisition align with the projections in its 2025 Ten Year Site Plan?

A. Yes. FPL's strategy for land acquisition is integrated with its long-range generation planning process outlined in the 2025 TYSP, but not limited by the current 10-year period in the TYSP. Exhibit TO-7 provides a listing of FPL's solar and battery PHFU, including all sites owned or under option for purchase as discussed in my rebuttal testimony and the testimony of witness Schultz, including all PHFU properties that he recommends for exclusion. These holdings are adequate to support 18,625 MW of new solar additions and align with the forecasted generation need of 17,433 MW identified in the 2025 TYSP. The difference between these two numbers appropriately accounts for the numerous, unknown contingencies (such as unexpected challenges with the development or interconnection of a property) that could arise during the planning horizon and affect the viability of a property. This long-range planning methodology is consistent with FPL's historical approach for land acquisition for future generation needs.

Q. How does FPL ensure that it meets its long-term generation build targets reasonably and is not in a speculative acquisition mode for "what might be" as alleged by witness Schultz?

A. Contrary to witness Schultz's assertion, FPL's land acquisitions are strategic and meet FPL's future land needs based on reasonably planned and anticipated generation needed to serve FPL customers and backed by thorough cost and market analyses. These acquisitions include a methodical and data-driven diligence process, beginning with comprehensive market screening that evaluates candidate parcels against specific criteria including proximity to transmission interconnection points, availability of transmission capacity, and sufficient acreage to accommodate expected permitting requirements and solar energy center construction. FPL also evaluates the features of each property as a whole for various factors, such as the presence of wetlands and flood plains, environmental constraints, and cultural restrictions, then develops designs that optimize land use for each parcel. Throughout this process, FPL exercises financial discipline by carefully assessing the market and comparable parcels on a cost-per-acre basis to secure reasonable prices, ensuring value and cost-effectiveness for customers.

Witness Schultz is incorrect that certain properties have not undergone appropriate or comprehensive due diligence. He referenced the El Maximo Ranch Holdings property, which, in fact, went through a very thorough diligence process before FPL acquired this property. Regardless of whether a property is owned in fee or remains "under contract" and not yet owned by FPL, each property is subject to a rigorous due diligence process, including assessment of all property characteristics and constraints, detailed mapping, and estimation of total solar capacity based on buildable acreage analysis, as discussed in my direct testimony. With regard to witness Schultz's comment claiming FPL's land acquisitions are being made "in anticipation of what might be," these acquisitions, as discussed previously, are aligned with projected growth and regulatory timelines included in our TYSP and beyond, as needed to reliably and cost effectively serve our customers with future generation additions. FPL's current land portfolio supports the 72 additional solar sites planned through 2029 and enables solar, battery storage, and natural gas development through 2034, consistent with TYSP and long-term planning horizons. In Florida's constrained land market, waiting until an immediate need arises would result in significantly higher costs and a potential inability to secure suitable sites, ultimately harming customers through higher rates and reliability risks.

Q. Has FPL acquired more land than it reasonably needs to meet its future resource needs?

A. No. FPL's current land portfolio is adequate to support the 72 additional solar sites planned through 2029 and can accommodate approximately 12,300 MW of additional solar capacity through mid-2035 – providing approximately 5.5 years of solar growth beyond the time period discussed as part of this current rate-case proceeding. Given Florida's challenging land development environment with ongoing residential, commercial, and other competing land uses, securing suitable properties now protects customers from future price inflation and availability constraints. Florida's real estate market has experienced dramatic increases in property values, making strategic land acquisition essential for customer protection. The state's rapid population growth, limited available land suitable for utility-scale solar development, and competitive pressures from residential and commercial developers have created upward pressure on land prices. By securing properties at current market rates through our disciplined acquisition process, FPL protects customers from the substantial cost increases that would result from attempting to acquire similar properties in the future when land values have appreciated further. The combined effects of ongoing development and investments by other entities will continue to make identifying and securing suitable land for future generation sites increasingly challenging and costly.

Q. How does FPL ensure that it is not paying more than it should when it acquires such land for generation sites?

A. Our disciplined approach includes thorough due diligence, cost-per-acre analyses against comparable parcels, and contractual option periods that allow us to assess site benefits before purchase, ensuring value and cost-effectiveness for customers. This comparative analysis is essential given Florida's dynamic real estate market and helps ensure that customers receive the best value for each land acquisition. FPL's approach of comparing similar properties in the market before purchase provides an additional layer of protection against overpayment and demonstrates the prudent acquisition practices that benefit customers through cost-effective land procurement.

Q. Do you agree with witness Schultz that fluctuations in resource plan generation mix in the TYSP from year to year, such as the differences in the amount of solar and batteries in the 2024 and 2025 TYSPs, suggest FPL should limit property acquisition for future generation resource needs?

A. No. Witness Schultz improperly focuses on a single year's changes in the TYSP to support further limitation on a utility's PHFU. Witness Schultz's reliance on the decrease in the solar planning assumptions from 2024 to 2025 overlooks other years that show substantial increases, as illustrated by the doubling of forecasted solar capacity from the 2022 to 2023 TYSP – from 9,387 MW to 19,996 MW. FPL's thoughtful and long-term strategy for PHFU reduces customer risk for cost and availability of property needed for generation to serve its customers in the future, ensuring responsible and proactive resource planning. According to witness Schultz, FPL should make drastic, year-to-year portfolio changes in response to factors outside of FPL's control, such as potential elimination of tax credits. While FPL reasonably considers such external factors in its resource planning and related land acquisition, as it should, FPL's more deliberate, long-term planning aims to protect customers from potential negative impacts of these types of external factors that are outside of FPL's control.

Potential changes to government policies underscore exactly why a strategic land acquisition approach benefits customers. Rather than reacting to short-term policy shifts that could drive up land costs or limit availability, FPL's proactive land acquisition strategy provides flexibility to adapt our generation mix while maintaining cost-effective options for customers regardless of changing federal incentives.

Q. Witness Schultz is concerned about FPL PHFU properties listed in your Exhibit TO-6 and related discovery responses that have a "TBD" or "various" commercial operation date, claiming they are all too uncertain for inclusion in PHFU. How do you respond?

A. In my direct testimony, I discussed that certain properties listed in Exhibit TO-6 have commercial operation dates marked as "TBD." FPL subsequently provided the Company's current outlook on developing these "TBD" parcels in its response to OPC's Eighth Set of Interrogatories, No. 229.

OPC witness Schultz has also recommended excluding properties with commercial operating dates listed as "various." Contrary to witness Schultz's claim, FPL does have a reasonably certain plan for future use for all of these properties that witness Schultz recommends for exclusion from PHFU. To provide further clarity, I am attaching Exhibit TO-7 to this rebuttal testimony, detailing commercial operation dates for all projects identified in TO-6 and identified by witness Schultz with his recommendations for exclusion. This includes all properties which had listed commercial operation dates as "TBD" or "various." Additionally, Exhibit TO-7 includes properties under option as of December 2024 and subsequently purchased in 2025, as well as all other optioned properties scheduled for acquisition at the end of their option term. Said simply, Exhibit TO-7 provides a listing of all FPL solar portfolio properties in PHFU, both owned in fee and under option that FPL has included in this rate case request for cost recovery. These properties are intended for projects built pursuant to FPL's generation additions described and included in the Company's 2026 and 2027 Projected Test Years, under FPL's Solar and Battery Base Rate Adjustment ("SoBRA") mechanism in 2028 and 2029, or for further solar additions outlined in FPL's TYSP through 2034. Exhibit TO-7 confirms the strategic utility use of these sites for serving FPL's customers.

Q. If FPL had planned future uses for all of these properties, why did it not identify the commercial operation dates in its rate case filing and subsequent discovery responses in this proceeding?

A. Simply put, in its original rate case filing, FPL provided a high level of detail on expected in-service dates for the solar sites planned for 2026 and 2029 – the time period under discussion in this rate case filing. FPL's by-site solar and battery plan for this time period is well developed and while not immune from subsequent adjustment, adjustments are far less likely through 2029 than for 2030 and beyond. In the original rate case filing, FPL applied "TBD" and "various" descriptors for commercial operation dates for solar and battery projects beyond 2027 to recognize the higher possibility of adjustments to these future in-service dates based on external factors (economic, technological, development related, or otherwise), recognizing that some flexibility is always needed for a utility's resource plan and the timing of projects. In subsequent discovery responses, FPL used the term "various" to denote that a single property would be used for multiple solar installations that would enter service on various dates. Use of that terminology did not signify that FPL's planned use of that property was uncertain.

FPL's planning process continuously reviews and updates the timing for the development of solar and battery sites based on ongoing resource needs as well as all development related constraints or opportunities – for example, a site may be delayed due to permitting, interconnection, environmental constraints, or a number of other factors. When FPL has reason to believe it will encounter a delay, that particular site's in-service date will be adjusted and a different site will be moved forward into that place. For sites in 2030 and beyond, while there is a clear plan for each site's expected in-service date, those plans are less certain the farther into the future the planning horizon extends - this is the primary reason FPL provided less initial detail for sites in 2030 and beyond. FPL has adequate sites to support its 10-year generation plan, but we also recognize that the plan will shift to respond to various contingencies. FPL clearly identified these sites for future use for solar and battery projects and followed its long-term resource plan and due diligence process for acquiring land for this plan.

Q. OPC witness Schultz also expresses concerns about an amount identified in FPL's forecast for "Future Solar Land" that was projected to close in December 2024. How do you respond?

A. In response to OPC's Eighth Set of Interrogatories, No. 230, FPL identified approximately $5 million associated with "Future Solar Land" included in PHFU, which was intended to be used to acquire land rights by the end of December 2024. While these funds were not expended in 2024, the amount remains in FPL's budget for the purpose of acquiring easements or rights-of-way that, in FPL's experience, are necessary from time-to-time in order to complete development and construction of the infrastructure associated with solar generation. For example, to support the construction of the 2024 SoBRA portfolio, FPL estimated costs of $3.1 million to acquire easements and rights-of-way associated with the twelve solar installations constructed in that SoBRA portfolio. The sites requiring easements and rights-of-way would not have entered commercial operation for the benefit of customers without acquisition of these land rights.

Q. Witness Schultz also claims that 11 of the solar properties with commercial operation dates listed as "various," including the El Maximo Holdings property, are not listed in FPL's 2025 TYSP as a "Preferred Site" or a "Potential Site," which appears to be another reason that he recommends excluding these properties from PHFU. Do you agree with his conclusion and recommendation?

A. No. The Commission's long-standing policy regarding PHFU allows rate recovery of prudently acquired plant sites that are to be used to meet future growth beyond the TYSP horizon. Therefore, whether or not a property is included in a utility's TYSP is not a legitimate reason to exclude a property from PHFU. Regardless of whether a property is owned in fee or remains "under contract" and not yet owned by FPL, FPL completes a comprehensive due diligence process for each property as discussed in my direct testimony and earlier in my rebuttal testimony, which allows FPL to conclude that these assets are, in fact, suitable for future solar use. This is true for all PHFU solar properties not yet identified as a Preferred Site or a Potential site in FPL's current TYSP.

Q. What are Preferred Sites and Potential Sites in FPL's TYSP?

A. Preferred Sites are locations where additional reviews have occurred and permitting action has been initiated or committed. Potential Sites have attributes favorable for siting of generation and are under consideration for future generation, where FPL has yet to start local permitting or outreach but is likely to do so within 12-24 months. In practice, FPL designates a site as Preferred if the Company has formally filed permit applications with an authority having jurisdiction, started public outreach, or intends to do so within 60 days of the TYSP filing in that year. While we believe the majority of sites in FPL's PHFU portfolio are or should be considered Potential Sites, the Company provided data for only 13 sites in the 2025 TYSP as a practical measure, given the longer timeframes before initiating development and permitting for the remaining sites in the PHFU portfolio. Exhibit TO-7 identifies all the 2025 TYSP Preferred and Potential Sites, as well as other future solar properties not yet identified in the TYSP as a Preferred Site or Potential Site.

Q. Do you agree with OPC witness Schultz's recommendation that the properties identified as the Hendry Clean Energy Center and the Martin Solar Energy Center should be disallowed because they are not listed in the TYSP as a Preferred Site or a Potential Site?

A. No. As I stated previously, identification of a property in the current TYSP as a Priority Site or a Potential Site is not determinative of whether the property should be included in PHFU. Witness Schultz's recommendation for disallowance of the Hendry Clean Energy Center and Martin Solar Energy Center properties is short-sighted given the benefits related to both sites. He recommends disallowance (exclusion from PHFU) for both the Hendry Clean Energy Center and the Martin Solar Energy Center sites because they are not listed in the current 2025 TYSP as a Preferred or Potential site. Both sites are clearly valuable PHFU sites for FPL and its customers. The Hendry

Clean Energy Center site continues to be of value to the Company since the property has an approved zoning / land use permit for construction of a natural gas facility and is located adjacent to an existing 500 kV transmission line, which is critical for interconnection. The Martin Solar Energy Center site offers optionality for the overall generation mix in that the site is adjacent to the operating Martin Clean Energy Center and will be able to utilize existing transmission and interconnection infrastructure associated with that generation site, thereby reducing overall costs to the customer. In addition, the site's location near natural gas pipeline infrastructure offers more options for the Company as it reviews the generation mix in the future.

III. LEASE REVENUES FROM PHFU

Q. Do you agree with OPC witness Schultz's adjustment to FPL's forecasted lease revenues from PHFU?

A. No. Witness Schultz proposes an adjustment to FPL's forecasted lease revenue from PHFU (revenue from leases of FPL properties to third parties) based on his erroneous conclusion that lease revenues automatically follow increases in PHFU. He incorrectly states that FPL's forecasted lease (license) revenue is decreasing, where in fact FPL's response to Staff's Fifth Set of Interrogatories, No. 114, Attachment 1, shows that the forecasted lease revenue is held constant for the period from 2025 through 2029. That lease revenue is constant due to the revolving nature of the PHFU land balance – as new properties are added, the Company intends to identify and enter into new lease transactions. Conversely, as properties transition from PHFU to development and ultimately to construction, existing leases will be terminated in time to allow for both the lessee and the Company to prepare the land for construction. When construction is complete, FPL will again assess the property and lease any remaining land that is of interest to third parties. This cycle of terminations, renewals, and additions necessitates a stable forecasted lease revenue. Importantly, lease revenues not only help offset operations and maintenance expenses but also ensure compliance with environmental laws and maintain property conditions. We remain committed to maximizing our leasing opportunities to reduce revenue requirements and benefit our customers.

IV. EV TARIFFS

Q. How do you respond to assertions by both Electrify America and EVgo that the UEV tariff is not market-based and should be increased to $0.50 per kWh and specifically, their assertion that the current and proposed pricing undercuts fair market competition?

A. As outlined on page 36 of my direct testimony, FPL asserts that the proposed $0.35 per kWh (~$0.43 per kWh effective rate, when all taxes and fees are considered) is market-based and comparable to the EV pricing options offered by non-utility providers in FPL's service area. Market research for pricing for EV fast charging in Florida is outlined on pages 6 and 7 of FPL's 2024 Public Electric Vehicle (EV) Optional Pilot Tariffs Report and EVolution Pilot Program Summary ("Annual Report") filed on January 30, 2025, in Docket No. 20200170-EI (Document 00576-2025) for details and support for this assertion. Specifically, pricing for Electrify America, Tesla, and EVgo are detailed and range from $0.20 per kWh on the low side to $0.60 per kWh on the high side with a normalized range of $0.24 per kWh to $0.50 per kWh. Fluctuations in pricing by these third parties occur depending on location and time of charging. Based on this information, FPL sets a standard fee to accommodate all its EV fast charging.

Q. Does FPL's proposed UEV rate result in subsidies by the general body of customers by the end of the useful life of FPL's public EV charging assets?

A. No. EV drivers that utilize the public charging stations pay for all costs associated with providing the charging, as is reflected in Exhibit TO-8. This exhibit is a forecast based on usage trends we expect over the life of the program, with the useful life of the assets being 15 years and the last installation of charging stations occurring in 2025. The forecast shows that the program will reach a stage where revenues exceed expenses by 2030. Further, Exhibit TO-8 shows this program is revenue positive over the life of the program which continues through 2040, *i.e.*, program revenues exceed costs for the life of the assets.

Q. How do you respond to the Fuel Retailers and AACE questioning impacts of federal subsidies, tax incentives, and grants being eliminated and their assertion that the UEV program has never been revenue positive, as evidenced by FPL's own annual reports on this program to the Commission?

A. FPL's EV UEV program is not dependent on any federal subsidies, tax incentives, or grants to ensure this program is revenue positive. We have no plans to seek federal subsidies, tax incentives, or grants for public charging that is subject to UEV tariffs, so no impact is expected. As shown on TO-8, FPL's public EV charging network revenues are expected to exceed the program costs by 2030.

As the second largest state for EV adoption, Florida's EV market is strong as it stands today. We anticipate EV adoption to continue growing with or without consumer tax credits. Increasingly, EVs are becoming more economically viable as automotive manufacturers focus on providing lower cost vehicles to meet demand. Our forecast revenue growth for EV charging is driven by this and other factors: monthly utilization rates continue to increase as EV adoption accelerates statewide, additional charging sites will come online throughout the remainder of 2025 expanding our network capacity, and the proposed rate increase from $0.30 to $0.35 per kWh – if approved by the Commission – will further enhance program economics.

Q. How do you respond to Electrify America, EVgo and Walmart's recommended changes to the demand limiter (GSD-1EV and GSLD-1EV) tariffs?

A. The proposals from these intervenors all seek further reductions in demand charges for their EV charging stations by various means, such as increasing the billed demand hours from 75 to 150 or transitioning to a two-part rate structure. These changes would increase the risk of cross-subsidization from the general body of FPL customers, burdening all utility customers – including non-EV owners and drivers – to support third-party operational costs.

As stated in my direct testimony, the demand limiter tariffs have been very successful with their current structure and have provided benefits to encourage and enable the development of EV charging infrastructure by third parties. When the demand limiter rates were initially proposed, their purpose was to function as a catalyst for third parties to install and operate charging equipment to support Florida's growing EV adoption trends before utilization was sufficient for the stations to be profitable. And that is exactly what has occurred.

All the intervenors who addressed the demand limiter support continuing it and moving it from a pilot to a permanent offering. Today, Florida is the second largest EV market in the country, and public charging infrastructure is being deployed to meet growing demand. We remain committed to supporting deployment of charging infrastructure and mitigating costs for our customers making those investments, which is why we proposed making these tariffs permanent in their current form, even as the market is rapidly maturing.

FPL's current demand limiter program has proven successful at appropriately incentivizing new customers to install new EV charging stations while allowing them to transition to full demand charges as their utilization grows. This approach limits the impact on the general body of customers while ultimately bringing increased revenues that offset initial costs and benefit all customers.

Q. Does FPL agree with EVgo's recommendations for implementation of a "make-ready" program to incentivize installation of fast chargers?

A. No. A "make-ready" program as proposed by EVgo is a program whereby a utility's general body of customers pays for some portion of the cost of utility infrastructure needed for a third party to install EV charging stations. However, if the EV charging station is not successful with its operation and utilization, there is a risk for utilities and customers. That is why FPL opposes these types of make-ready programs providing credits to third-party infrastructure developers.

To mitigate this risk for make-ready programs, the utility must provide stringent oversight to prevent stranded assets. Further, in planning for assets that may never be energized, it is easy to conclude that EVgo's proposed program could also create unnecessary and expensive grid upgrades, costs that would be subsidized by the general body of customers. As a result, FPL has consistently, since 2020, supported its demand limiter program to incentivize third party investment in EV charging infrastructure, and our program has been successful in doing so, hence our request to make it a permanent offering in this rate case proceeding.

Q. Do you agree with EVgo that FPL's Commercial EV Charging Services ("CEVCS") should be replaced with a make-ready program?

A. No. This is an apples to oranges comparison. Make-ready is about incentivizing deployment of third-party EV charging station installations through credits for electric infrastructure needed for deployment of the EV charging stations, which FPL is already successfully doing through its demand limiter program and plans to continue. The CEVCS program is about FPL providing an EV charging solution for its commercial customers with their growing demand at workplaces, businesses, and multi-tenant environments.

While initial participation in the CEVCS program was limited by the pilot's availability for fleet customers only, FPL now has two active customers and many more interested parties exploring commercial charging solutions with us. We have learned through the pilot that a broader commercial customer base is available if we eliminate the fleet restriction. We will now be able to meet the significant and increasing demand for commercial EV charging services beyond fleet as we make this offering permanent. This includes workplace charging, multi-tenant charging, and a wide range of other commercial charging uses.

Q. Do the proposed CEVCS tariffs result in subsidies by the general body of customers over the life of these EV charging assets?

A. No. Service fees associated with commercial charging cover all design, construction, equipment, and installation costs for this EV program over the life of the EV charging assets. The EV Commercial tariff is a voluntary, optional offering with FPL providing full turnkey construction and maintenance services for commercial EV charging. The participating customers pay 100% of the capital and O&M expense required to build and maintain the EV charging assets at their site via an on-bill payment over a 10-year program term. As such, the program has no impact to the general body of customers over the life of these EV charging assets.

Q. Fuel Retailers contend that FPL's residential and commercial EV charging programs should not be offered if they are subsidized by other FPL customers. Do the proposed EV residential tariffs ("EV Home") result in subsidies by the general body of customers?

A. No. The new pricing structure proposed in this proceeding ensures that residential EV charging customers pay fully for equipment, installation, and energy over the life of the EV charging assets. Based on the customer demand and valuable operational insights gained from our current EV Home Program, the Company is proposing an enhanced pricing structure that reflects actual customer usage patterns, which exceeded initial projections as residential customers charged their EVs more frequently than anticipated. The proposed comprehensive EV Home Program pricing structure aligns costs with demonstrated customer usage patterns, ensuring the program remains cost-neutral to the general customer base over the life of the assets, while meeting the growing demand for residential EV charging services.

Q. Why should the Commission approve FPL's request to fund EV education and technology and software?

A. As Florida is the second largest state for EV adoption, there is a critical need to educate residents on safe, efficient charging practices to make adoption a more informed decision. Electric vehicle technology is still emerging, with many customers lacking information about the benefits of electrification. Most consumers understand "miles per gallon," but far fewer understand "miles per kWh." This is an important calculation to understand when considering buying an electric vehicle. Our customers often reach out to us, as their trusted energy expert, to provide accurate information on electricity use and EV charging.

Given this space is still emerging, it is also important for us to understand the implications of new technology on the grid and behind customers' meters. Our technology and software program, while not an EV charging service offering, will focus on activities that allow us to better understand impacts to the grid because of EV charging. Some of these activities may include unlocking the power of vehicle telematics, enhancing the FPL EVolution app with more control features, and exploring the benefits of enhanced security and reliability to the network, while also ensuring we best understand the impacts of these loads on the grid.

V. SOLAR POWER FACILITIES TARIFF

Q. What is the Company's response to FEL witness Rábago's recommendation to terminate FPL's Solar Power Facilities program and require FPL to sell the existing facilities for the one subscribed customer to a business in the competitive market?

A. The Company disagrees with witness Rábago's recommendation to terminate the Solar Power Facilities program and sell the existing customer facilities to a business in the competitive market. FPL's Solar Power Facilities program is a voluntary, optional solar offering with FPL providing full turnkey construction, operation, and maintenance services for solar projects located at customer sites. The participating customers pay 100% of the capital and O&M expense required to build and maintain the solar assets at their site via an on-bill payment over a 10-year program term. As such, the program has no impact to the general body of customers over the life of these solar assets.

Q. Does the program currently have only a single customer subscribing?

A. No. As of the end of June 2025, the program has three contracted customer projects and is currently in advanced discussions with additional commercial and industrial customers.

Q. Does this conclude your rebuttal testimony?

A. Yes.

BY MR. COX:

Q Mr. Oliver, did you have Exhibits TO-7 and TO-8 attached to your prefiled rebuttal testimony?

A Yes.

Q And, Mr. Oliver, did you cosponsor Exhibit LF-11, attached to the prefiled rebuttal testimony of FPL witness Liz Fuentes?

A Yes.

MR. COX: And, Chair La Rosa, I would note that that Exhibit LF-11 is identified as Exhibit No. 307 on the staff Comprehensive Exhibit List, and it will moved into the record at the time Ms. Fuentes takes the stand for her rebuttal testimony.

CHAIRMAN LA ROSA: Okay.

BY MR. COX:

Q Mr. Oliver, do you have any changes or corrections to your rebuttal exhibits?

A No, I do not.

MR. COX: Chairman La Rosa, I note that Mr. Oliver's exhibits as corrected for his rebuttal testimony have been marked for this hearing and are identified on staff's Comprehensive Exhibit List as Exhibits 295 and 296.

CHAIRMAN LA ROSA: Okay.

BY MR. COX:

Q Mr. Oliver, would you please summarize the topics addressed in your direct and rebuttal testimonies?

A Sure.

Good morning, Chairman, Commissioners.

My direct and rebuttal testimonies address FPL's 2026 through 2029 solar and battery additions, as well as the SoBRA mechanism, our natural gas and nuclear generation development efforts, our property held for future use for generation, the long duration battery pilot, the solar facilities program and our electric vehicle charging programs.

I am here to address any questions that you might have.

Q Thank you, Mr. Oliver.

MR. COX: Chairman La Rosa, the witness is tendered for cross-examination.

CHAIRMAN LA ROSA: Great. Thank you.

OPC, you are recognized for questioning.

MS. WESSLING: Thank you, Mr. Chair.

EXAMINATION

BY MS. WESSLING:

Q And good morning, Mr. Oliver.

A Good morning, Ali.

Q All right. So as you just discussed, you are

currently the Vice-President of Development for Florida Power & Light, correct?

A Correct.

Q And prior to that, among many other roles, you were also the Vice-President of Corporate Real Estate for FPL for about three-and-a-half years?

A That is correct.

Q So you have been involved with the acquisition of land for solar facilities with FPL since pretty much FPL started doing that, right?

A That's correct.

Q Okay. And we are going to cover a couple of different topics this morning, but first I just want to get an understanding of what goes into FPL's acquisition of land for future renewable uses, if that's all right.

A So with regard to our land acquisition efforts associated with solar projects, we have a very detailed screening process that we undergo. First what we do is we analyze land along our transmission system. We also analyze land parcels as well as close proximity to the transmission system, also the ability for the grid to handle the new load at that area.

With regard to the land, we look for land that is free of any wetlands or species issues, that's dry and buildable. We tend to seek single landowners for efficiency in our transactions. We go through a thorough diligence process where we involve our corporate real estate team and review of title and survey of the property. Our environmental groups and consultants come in and do analyses around the geotechnical nature of the parcels. We scan for any species, wetland delineations. We do all of that to identify properties that would be good fits for future solar projects.

Then we will engage with the landowners, right. Our corporate real estate team does a scan of the market of the area for comparable pricing of recent transactions, and then we will start a competitive negotiation process to acquire the parcel at the best possible price for our customers.

Q Thank you. And you actually crossed off a lot of my questions with that one answer, so great job.

One thing FPL does not study when evaluating whether or not to purchase a particular piece of land for solar specifically is the potential firm capacity that that land could provide, correct?

A The firm capacity calculation related to that solar project, that does not go into our screening process of whether a site can be a good host for solar moving forward.

Q Thank you.

And when evaluating a piece of potential solar land, FPL has an engineering team that develops a preliminary layout of how much solar could be located on that particular parcel of land, correct?

A That's correct.

Q And when developing that preliminary layout, if the engineering team thought that the land was not suitable for development into a solar facility, they would point that out, right?

A Yes. A good example of that is a piece of property that has some wetlands on it, you know, we will avoid that section of the property and make sure it still can, you know, suit a 74.5 megawatt solar project.

Q Are you familiar with FPL's Kayak Solar Facility in north Florida?

A I am.

Q That's located near Holt, Florida?

A That's correct.

Q And there is also a creek nearby called Wilkinson Creek?

A Correct.

Q Did FPL conduct an engineering analysis for that land when it purchased it for future solar development to see if it would be suitable?

A So I am not familiar specifically with that engineering design and the acquisition of that property. However, as part of our process, that is a step it that we do for all of the properties we acquire.

Q And whether or not a berm between a solar facility and a creek is necessary would be an engineering determination, correct?

A Can you repeat that again? I didn't hear that first part.

Q Sure. Whether or not a berm between a solar facility and a creek is necessary would be an engineering determination, correct?

A That's correct. As part of the stormwater design for a facility, our engineering firms would design that feature.

Q And are you familiar with an incident that occurred recently at the Kayak Solar Facility and Wilkinson creek?

A I am.

Q I would like to mark CEL Exhibits 807 and 818, please. And that would be, if we could go to the first one, at F2-12005?

A Excuse me, Ali. Is there something I need to do on here? Oh, there is --

MR. SCHULTZ: I will.

BY MS. WESSLING:

Q And if there is ever a need to scroll, there is a mouse there for you.

A Okay.

Q During your recent rainfall runoff from the Kayak Solar Facility breached the berm between the facility and Wilkinson Creek, correct?

A That's correct.

Q And Senator Don Gaetz stated in this article that the nature of the failure at Wilkinson Creek calls into question the design and placement of solar farms, is that correct?

A I have not read the article.

Q If we could go to page F2-12334? If you could scroll down a little bit, please? Okay. The bottom line of the page that we are looking at?

MR. COX: Excuse me, Ms. Wessling, what number exhibit is that? I couldn't see.

MS. WESSLING: This is Exhibit 818.

MR. COX: 818. Thank you.

BY MS. WESSLING:

Q Do you see that statement in this article, Mr. Oliver, he it bottom?

A Which statement? Can you repeat again? The nature of this failure, that one?

Q Yes.

A Yes, I see it.

Q Okay. Do you agree that a failure such as this would call into question the design and placement of solar farms?

A So I disagree with that. I will state that, you know, we had an extreme weather event at near our -- or right on top of our Kayak Solar Farm earlier this year.

You know, we design -- and our solar facility was designed in accordance with state law and what's laid out with the Department of Environmental Protection, and so we built to those standards, and exceeded them in some cases, I believe.

And so what happened here was an extreme event that damaged the stormwater berm and caused some runoff into adjacent properties. And we are working to repair the facility and remediate any damage from this extreme weather event. But I will, you know, restate that we have built -- we continue to build all of our projects to state codes and standards.

Q And to FPL's credit, FPL has vowed to make things right at this particular location for any of the homes that were damaged, correct?

A That is correct.

Q Okay. And my question as it he relates to your testimony and being here today is has that berm failure caused FPL to change anything about the way FPL evaluates a potential piece of property for future solar use?

A So we are currently assessing the impact to the Kayak Solar Farm with all of our existing solar facilities, and solar facilities we would build into the future, and we are looking to improve our design standards to go even further above, where warranted, even further above the required standards by the state.

Q And so FPL is looking at potential lessons learned from this particular incident, and may use those lessons learned in the design of future solar facilities, is that fair?

A I that I that's a fair statement.

Q Okay. And if we could go to Case Center page F2-12006? This is in Exhibit 807. If you could scroll down just a little bit.

Okay. In the top line of this article, it states that FPL is set to spend millions of dollars to make what happened at this facility right. Do you see that?

A Oh, I see. I do see that statement in this article.

Q If you know, are the general body of ratepayers going to be paying for those repairs, or will that be covered below the line?

A I am not sure we know the extent of the repair costs yet. However, I will note that the Kayak Solar repair costs and remediations are not part of this proceeding.

Q All right. So moving on to talking about some of FPL's solar investments.

Each of the 72 utility-scale solar facilities that FPL plans to build from 2026 to 2029 have a nameplate generation capacity of 74.5 megawatts, is that right?

A That is correct.

Q Okay. And FPL has chosen to build these facilities with -- specifically at 74.5 megawatts nameplate capacity due to the Power Plant Siting Act, is that correct?

A We have chosen to build at 74.5 megawatts, yes, that is correct, to comply with the act. There are several reasons that we build in this manner. It's primarily speed to market. We are able to permit these at the local level rather than going through the state process and the need determination and the bid rule, something that can extend it out to almost two years to get permits for our projects. By working at the local level, we can engage local stakeholders to make sure we incorporate their suggestions into the designs of our facilities. And it also allows us to get the permits, you know, within 12 month, sometimes as quick as six to nine months.

And then also building in 74.5 megawatts and having that permitting certainty allows us to design -- standardize our designs in our procurement policy so that we can provide the most cost-effective solution for our customers. It allows our vendors, our supply chain to procure looking forward and contractors to set up their crews so that they know with certainty as they move throughout our state. And this all provides synergies and cost savings to our customers. And, you know, we have a pretty good track record of putting these projects into service on time and on budget.

Q One of the things you mentioned was that this provides cost savings to customers. My question for you is: You are not aware of any CPVRR analyses that FPL has conducted to determine if it would be more cost-effective to build fewer but larger facilities that were subject to the Power Plant Siting Act as compared to building these individual 74.5 megawatt facilities, correct?

A I am not aware of any specific CPVRR analysis. I know that when this program was started, the analysis was done across several business units, and was agreed on this was the most cost-effective manner to deploy solar.

By deploying it in these chunks -- if we were to build big bigger projects, the procurement, the development, the construction timeline could span years. By doing it in these manageable 74.5 megawatt configurations, we are able to procure and get the materials in and constructed and bring those projects on-line before there is changes.

I guess a good example is tax policy or trade policy, we are able to secure equipment ahead of time and execute and build and deliver these solar projects on time and on budget providing value for our customers.

Q FPL's solar facilities, on average, require approximately 600 acres each, correct?

A Yeah, around that. Six, 650 on average I think is where we are at.

Q Okay. And -- so if FPL plans to build 72 solar facilities over the next four years, and each site requires approximately 600 acres, FPL intends to use 43,200 acres of Florida land to locate these 72 solar facilities over the next four years, subject to check,

does that math sound right?

A If 600 times 72 is that number, then subject to check, that sounds like a reasonable number.

Q Okay. I have got a couple other numbers that, subject to check, I will just ask you to confirm subject to check.

A Sure.

Q In your rebuttal testimony, you state that not including the 72 solar sites that are the subject of this case, FPL already owns or has the option to own enough land to accommodate 12,300 megawatts of additional solar, is that right?

A I believe that was in my testimony, correct.

Q And we can go to Case Center page D12-574. I just want to make sure I am reading it correctly. And lines 21 through 23. If you want to read that, I can ask my question again and just make sure we are --

A Yeah.

Q Okay.

A Yeah, I agree. That was in my rebuttal testimony, I believe, right?

Q Yes.

Okay. So subject to check, if you divide 12,300 megawatts by 74.5 megawatts, you get approximately 165, does that sound about right?

A That sounds about right.

Q Okay. So that means FPL already has enough land to build another 165 solar sites not including the 72 solar sites that FPL plans to build during the next four years?

A We either own the property or we have option agreements to purchase the property in the future, that is correct. And this lines up with the ten-year site plan. You know, we acquire our property based on the needs that are determined by our resource planning group, and the resource planning group, in the expected solar generation that was laid out in the most recent ten-year site plan, our property that we either own or have under option, lines up almost right on top of our ten-year site plan.

Q And using the 600 acres per solar facility number, 165 solar sites would require approximately 99,000 acres of land, correct?

A Subject to check. And for the -- to speed things along, sure, we will accept that.

Q Thank you.

So if you add the 72 solar sites that FPL plans to build as part of this case and the 165 additional solar sites that FPL already has the land to accommodate, that equals 237 solar facilities, subject

to check?

A Can you say that again?

Q Sure.

A The 72 plus the 165?

Q Yes.

A Is?

Q 237.

A Sounds right.

Q All right. And if FPL builds all of these 237 facilities, that will require approximately 142,200 acres, subject to check?

A Subject to check.

Q And again, FPL already answer or has purchase options for all of that land?

A That is correct.

Q And FPL would pursue acquiring even more land if the right opportunity presented itself, correct?

A I think we have talked about this in our depositions, that we have pretty much slowed down and stopped our land acquisition process. We feel good about where we are. We line up with our ten-year site plan. However, moving forward, if the right piece of property came on the market and made sense for us to acquire that and potentially divest another piece of property, that would be something that we would look at and continue to look at. Whatever is in the best interest of our customers.

Q Not all solar facilities require the same number of panels, correct?

A That's right.

Q And there are essentially two types of panels, tracking and fixed?

A So in that configuration, the panel can be the same. There is two -- it's just whether that panel sits on a tracker or whether it's fixed tilt assembly. So it's the same actual module and panel.

Q Okay. Thank you for that clarification.

And it's FPL's decision to choose whether or not to use tracking modules or fixed modules, correct?

A Yes. Our analysis has indicated that it's much beneficial -- or it's more beneficial for our customers to get the incremental generation that a tracking solar facilities provides.

Q And facilities that use tracking modules require more land than modules that use fixed panels, correct?

A That's correct. And the reason that is, is to avoid shading, right. So we don't -- as these modules -- as the panels tilt during the day, we don't want the shading from one row to, you know, impact the solar generation of the row behind it, so we space them out a little bit further.

Q And FPL intends that the all of the 2026 through 2029 planned solar facilities will use tracking panels, correct?

A That's correct. It's the most cost-effective way to deploy solar for our customers.

Q All right. And now some questions about the battery investments.

Between 2026 and 2029, FPL intends to place 40 four-hour batteries into service, correct?

A Between 2026 and 2027?

Q 2029.

A 2029, okay.

Q I believe your exhibit --

A That sounds right.

Q -- TO-6 documents that.

A Uh-huh.

Q And with the exception of two of those batteries, they will all be 74.5 megawatt nameplate batteries, correct?

A That's correct. Most of the batteries we plan to deploy are what we call the hybrid batteries, these are the ones that we go place at the solar facilities that are either existing or we could build at the same time. And the reason we like to do this is it leverages the interconnection facilities and the transmission upgrades, if any, that are required for the solar sites. So really, it's the most -- it's a very efficient way to bring the storage capability on-line.

Q I think you said most of those batteries will be hybrid batteries, but it's 38 of the 40 are intended to be hybrid batteries, right?

A That's fair. Yes.

Q And hybrid meaning that they will be co-located at the same grid interconnection point as a solar facility, correct?

A That's right. We leverage the existing interconnection facilities and the step-up transformer so we don't have to buy that equipment for each of the new batteries.

Q And you would agree with me that all of the battery storage projects that FPL intends to build between 2026 and 2029 will have a much smaller footprint than a solar facility?

A Yes, the battery facilities do have smaller footprint than the solar.

Q Significantly smaller?

A Yes. I will note that we do not have to acquire additional land for the storage projects. We are able to put them on the same land that houses the solar facilities.

Q And you would also agree that batteries provide much more firm capacity than solar facilities, correct?

A I think Witness Whitley would be the best person to explain the capacity value of the solar and the batteries.

Q You state that pairing solar and battery -- in your testimony, you state that pairing solar and battery storage investments allows for the most cost-effective integration with the existing power generation fleet, correct?

A I --

Q Page seven.

A Are you sure that's in my testimony? Do you want to point me to that?

Q Sure. Page seven, lines 19 and 20. That's -- I apologize, I don't have the Case Center number, but it's two up from there. Lines 19 through 20. Oh, is that your rebuttal? Sorry. It's the direct testimony, page seven.

A Subject to check, I degree, it's a very cost-effective solution to provide storage for our customers. As I mentioned earlier, the shared facilities is a tremendous cost savings. It also is having the available land and permitting and perhaps building at the same time. There is a lot of synergies in bringing the storage on in that -- along with the solar projects in a hybrid facility.

Q At the time you filed your testimony on February 28th of this year, FPL already had 108 solar facilities across 32 counties in Florida, correct?

A When we filed in February, yes, we had 108 solar facilities in service.

Q So FPL already has 108 solar facilities where hybrid batteries could be placed?

A Yes. I will note that not all of the facilities -- we did a thorough screening of each project to determine which ones had enough land and configurations that could support batteries, and I can't remember the exact ratio, but not all 108 facilities could support batteries.

Q Most of them could, though, right?

A I would have to check. Let's -- you know, at least half of them can support batteries.

Q So half of 108, so 54 facilities could host --

A I am comfortable saying a majority of the facilities could host them.

Q Okay. And FPL is planning on placing some of

these hybrid batteries at facilities that FPL has not even built yet, correct?

A Yes. And in that instance, we probably would provide even more value to our customers through the synergies of having the same construction firm build the solar and the batteries at the same time.

Q You also in your testimony, on page 20, I believe, which is Case Center page C14-1994, that's where you begin discussing the SoBRA mechanism, correct?

A Sure.

Q We will wait until we get there. If you scroll down a little bit. There we go.

And SoBRA stands for solar base rate adjustment, correct?

A SoBRA, yes.

Q Yes, sorry. SoBRA, that's what SoBRA stands for.

All right. And FPL is asking for permission to file SoBRAs in 2028 and 2029, correct?

A That is correct.

Q If approved -- or if this request is approved and FPL does file SoBRAs in 2028 and 2029, and if those are ultimately approved, this will result in an increase of base rates in both 2028 and 2029, correct?

A If we file for solar and batteries as part of a solar and battery base rate adjustment, it will impact base rates.

Q In each year, correct?

A In each year.

Q And FPL's current estimate is that the 2028 SoBRA, if approved, would result in a $296 million base rate increase, correct?

A I believe that was the number we put forth.

Q And if FPL's -- FPL has estimated that for the 2029 SoBRA, if approved, that would result in an additional $266 million base rates increase, correct?

A I -- again, subject to check, that sounds right.

Q Okay. It takes approximately nine months for FPL to build a solar facility, correct?

A You mean --

Q Construction?

A In the field at the site, the final nine months to get the materials on-site and then to construct it, yes. But off-site construction and engineering work starts well before that.

Q And permitting and whatnot, but the actual on-site construction is approximately nine months, correct?

A That's a fair statement.

Q And none of the 2028 or 2029 solar or battery projects are yet in the build-out phase, correct?

A That is correct.

Q Are you familiar with the Commission's limited proceeding rule?

A I am not.

Q You would agree that it is at least possible that not all of the 2026 solar projects will be in service by the end of 2026, correct?

A Is it possible? Highly unlikely, but it's possible, I guess.

Q And same question for the 2027 solar projects?

A Our '27 -- our 2027 solar projects, we -- as of now, we anticipate they will be in service on time.

Q It's possible that they won't be, correct?

A I mean, it's conjecture. I guess anything is possible.

Q Thank you.

Same question for the 2026 and 2027 battery projects, it's at least possible that they will not be in service by the end of the year that they are expected to be in service?

A I can't imagine why, but I am sure it is possible.

Q Supply chain issues could impact whether or

not all of these projects come into service on time, correct?

A It could, but we have effectively managed through the supply chain issues. Our 26 projects are all under construction as we speak, and our '27 long lead items and critical materials have all been contracted, and we don't anticipate any supply chain issues with our '26 or '27 projects.

Q Even with the mitigation that you described, it's at least possible that supply chain issues could impact them, correct?

A I really struggle to see how they would impact '26 or '27.

Q Would you agree it's possible, though?

A Again, I struggle to see how it would happen, but I don't want to use any absolutes. I am sure something is possible.

Q Trade tariffs could also impact whether or not those projects come into service on time, correct?

A Again, we are not concerned about our '26 or '27 build from a solar or a storage perspective.

Q Is it at least possible that trade tariffs could impact whether or not those projects come into service on time?

A I think the tariffs themselves only impact cost primarily. I don't think they would impact their ability to come in on time. And we have already contracted for all the critical materials for those projects, and, in fact, are in trade policy in our decisions.

Q So you agree, then, that trade tariffs could impact the cost of those projects, though, correct?

A They could, but we have managed through that.

Q Even with that management, they could still impact it beyond the management efforts that FPL has already made, correct?

A There is some limited potential. It's very minimal at this point.

Q Thank you.

And for all we know, there could be other reasons that come up that could impact whether or not these projects go into service on time?

A I am not aware of it, you know, we have put up one -- you know, I think you mentioned earlier how many solar projects we have put in the ground, and our track record of doing that on budget and on time. Our '26 projects are actively under construction right now. We have all of our permits and our equipment ordered for our 27 projects. So we feel really good about both the cost and the schedule for all of our '26 and '27 solar and battery storage projects.

Q But FPL doesn't have a crystal ball, right? I mean, we don't know what we don't know. Things could still happen that could cause those projects to not come in on --

MR. COX: Objection, asked and answered. I think these questions have been asked over and over maybe 10 times.

MS. WESSLING: He is not answering them yes or no, so I am just trying to clarify and make sure I understand.

CHAIRMAN LA ROSA: The questions are similar, I would ask the witness could you just maybe answer the questions directly, the ones she's asking?

MR. COX: And, Chairman La Rosa, for the record, I think he has answered affirmatively, you know, there is some modicum of risk at least in times.

BY MS. WESSLING:

Q Sitting here today, you cannot guarantee to this commission that all of these projects will enter service on time, correct?

MR. COX: Renew the objection.

THE WITNESS: All of our projects are --

CHAIRMAN LA ROSA: Hold on one sec.

THE WITNESS: Yes.

CHAIRMAN LA ROSA: I am going to allow this question. This question is slightly different, but it's in the same tone of asking the same question with a very similar --

MS. WESSLING: Sure --

CHAIRMAN LA ROSA: -- I am go to go allow this question, but obviously I want to try to minimize repeating question over question.

MS. WESSLING: Sure. If he answers it, that will be my last we question about it.

CHAIRMAN LA ROSA: Great. Repeat the question, maybe.

BY MS. WESSLING:

Q Sitting here today, you cannot guarantee to this commission that all of these projects will enter service on time?

A So we cannot guarantee that all our projects will come -- I will point that everything is on schedule. We have a strong track record of delivering on time and on budget. And that is our expectation, that we will deliver that.

Q If the Commission sets rates in this case for 2026 and 2027, it will be collected regardless of whether or not the projects go in service on time,

correct?

A I am not sure. You would have to ask another witness that question.

Q If for any reason these projects do not go into service on time, customers will be paying for projects that they are not receiving a benefit for, correct?

MR. COX: Objection, I think this is clearly outside the scope of his testimony. He just indicated it would be better for another witness asking about rate recovery questions.

CHAIRMAN LA ROSA: Can you point to where in the testimony?

MS. WESSLING: This is a rate case. I mean, this is a very generic high level question.

CHAIRMAN LA ROSA: Can you repeat the question?

MS. WESSLING: Sure. If for any reason these projects don't go into service on time, customers will be paying for projects they are not receiving a benefit from, correct?

CHAIRMAN LA ROSA: If the witness can answer the question, he may answer it whether he knows it or not.

THE WITNESS: Yeah, again, that's a better question for Witness Laney, who can answer rate base questions and rates.

BY MS. WESSLING:

Q I would like to mark Exhibit 7768, please, which is Case Center page F2-9107.

You are familiar with this Florida Trend magazine article from January of 2025 that identifies FPL as the seventh largest private landowner in the state of Florida, correct?

A I believe this is the article you provided earlier this year --

Q Yes.

A -- is that right? I am familiar with it.

Q Have you read this article?

A Not recently.

Q At some point you have read it?

A When you provided it earlier, I did.

Q Okay. And it does not surprise you that FPL is the seventh largest private landowner in the state, correct?

A Not after reading this article.

Q And take as much time as you need, but do you agree that FPL is the only investor-owned utility on this list?

A Yes.

Q And you would agree that FPL is also the only regulated monopoly on this list?

A FPL is the only regulated utility on the list.

Q And FPL is the only entity on this list that is specifically authorized by a government agency to charge customers a rate of return on plant held for future use, correct?

A That's correct.

Q If you could look at TO -- well, we will keep this handy, I guess, but looking at -- well, actually, let's just scroll down to number six on the list, please. I don't know how to pronounce that, but Weyerhaeuser? Is that -- do you know how to pronounce that?

A Weyerhaeuser.

Q Okay.

A Good job.

Q All right. In looking at your Exhibit TO-7, if we could go to Case Center page D12-595. And this is your Exhibit TO-7, correct?

A Yes.

Q All right. If you could go to page five of five, please?

All right. And looking in the first block on this page, it looks like the fourth property down --

well, first let me ask. This -- these properties are properties that FPL acquired since December of 2024, correct?

A That's correct.

Q And one of those properties on line four says Weyerhaeuser additional property, do you see that?

A I do.

Q So since 2024, December of 2024, FPL has purchased land from the sixth largest private landowner in the state of Florida?

A Yes.

MR. COX: Objection, relevancy.

THE WITNESS: Yes, we acquired some property.

CHAIRMAN LA ROSA: Hold on. There is obviously an objection.

MS. WESSLING: It's in his testimony. It's relevant.

MR. COX: How is the fact that we purchased a property relevant to what we are asking for in the rate case?

MS. WESSLING: He's --

CHAIRMAN LA ROSA: Yeah, I am going to say overruled. Continue with the questioning.

MS. WESSLING: Thank you.

BY MS. WESSLING:

Q And, Mr. Oliver, you reviewed OPC expert Witness Schultz's testimony, correct?

A I did.

Q All right. In your rebuttal testimony, you expressly rejected OPC Witness Schultz's recommendation to exclude property owned by the utility for more than 10 years or property whose in-service date is greater than 10 years from plant held for future use, correct?

A Yeah. That is inconsistent with longstanding Commission policy about long-range planning for land for future generation assets.

Q And you refer to an order from 1993, a Commission order?

A I am not sure of the exact date. That sounds right.

Q Okay. Electric utilities were not required to file ten-year site plans with the Commission in 1993, correct?

A I am not sure when that requirement was put in place.

Q Okay. You responded to an OPC interrogatory that asked FPL to provide more detailed information about the property included on MFR B-15 for 2026 and 2027. Do you remember that?

A We provided a lot of information.

Q And I will mark it, CEL Exhibit 568 and 569. One is a PDF and one is the Excel version of the same information.

CHAIRMAN LA ROSA: Okay.

BY MS. WESSLING:

Q And if we could go to Case Center number F2-1064? And if you could scroll down for me? And this might be one to do that pan and zoom if we could. And if you could scroll all the way up to the top for me? Thank you. And maybe zoom in so that it's the full width of the page. Thank you. I know it's small print, so I am just trying to make sure everyone can read everything.

The interrogatory asked for, among other things, the date acquired and the planned in-service date for all of the properties in FPL's plant held for future use, correct?

A Yes.

Q All right. And looking at this list, the two columns to the right have that information, has the date acquired and the in-service date for all of FPL's plant held for future use property, correct?

A Yes, those are the column labels.

Q Okay. And I am only going to ask you questions about the renewable plant held for future use

because I know that's the subject of your testimony. So if we could scroll down to where it says renewable future use on the left-hand side. Keep strolling, it will be on another page, I think.

All right. So just looking at the first line to orient ourselves. So for the Big Brook Solar Energy Center, that was acquired on February 21st, and it's planned to go in service January of 2026, is that right?

A Yes.

Q Okay. And at the time that you provided this portion of this response, this is what the best information that you had to go on at the time, correct?

A When we provided this?

Q Yes.

A Yes.

Q All right. And subject to check, this response was provided on April 10th?

A Subject to check, sure.

Q Okay. And are you familiar with Mr. Schultz's Exhibits HWS-3, 4 and 5?

A I may need refreshing. I remember reviewing it all. I don't know which exhibits --

Q No, I wouldn't expect you to memorize them or anything.

If we could look at HWS-3 please, which is

Case Center page C23-3504?

Do you remember seeing this exhibit, or reviewing this earlier?

A Yes.

Q And if you scroll to the bottom, do you see where it says source company response to OPC 8-230?

A I do see that.

Q All right. And you would agree with me that at the time FPL provided the response to this interrogatory that's referenced there, that several of the renewable properties either had the word various or TBD listed in the in-service dates for the properties?

A Yes. In our original filing, in TO-6 where we listed all of our properties, we provided in-service dates for the projects in '26 and '27 lining up with what the rate case -- the two years of the rate case were.

Subsequently in discovery, we provided our planned in-service dates for our '28 and '29 projects, and then our entire portfolio. And that's evidenced in my rebuttal testimony, Exhibit TO-7, where we put the planned in-service dates for all of our assets.

Q And we could go to Case Center page C 23-3505? This is OPC expert Witness Schultz's Exhibit HWS-4?

And you have reviewed this exhibit before

previously -- or previously, Mr. Oliver, correct?

A Yes. Yes, I remember this.

Q And this exhibit is titled Summary of Plant Held for Future Use-Long Held, do you see that?

A Yes. I do see that.

Q And if we could scroll down to the bottom three lines. The three lines listed here are renewable plant held for future use properties, correct?

A That's how they are labeled, but I will note the last property is our Hendry Clean Energy Center, and this is a property that's planned for natural gas generation development. It actually has a permit for a natural gas plant that's located along our 500 kV transmission line in Hendry County.

Q Was it listed as a renewable future use property on -- in response to OPC Exhibit 230?

A I can't remember in our response, but I know certainly in our filed testimony, we labeled that one future gen, no the solar. So that should have been apparent. So I apologize if there is any confusion there.

Q All right. And on this exhibit that we are looking at, HWS-4, the Hendry Solar Energy Center and the Hendry Clean Energy Center, correct?

A That is correct. Hendry Solar Energy Center is one of our 27 projects planned to go in service.

Q You are saying that the Hendry Clean Energy Center is the one that's permitted for future natural gas?

A That's right. That's the facility with a landuse permit for a fossil plant.

Q All right. So according to this chart, looking at line 38, the Hendry Solar Energy Center was acquired in June of 2011, and is expected to go into service in January of 2027, correct?

A That's correct. I will note those two properties were all part of one big parcel. We have since built -- I believe, Hendry Solar will be our fifth solar property on that site.

Q And if everything goes according to plan and this goes into service in January of 2027, customers will have been paying property taxes, insurance and a rate of return on this land for over 15 years, correct?

A That is correct.

Q And looking at line 39, the Martin Solar Energy Center. This land was acquired in December of 2009, and is expected to go into service in October of 2030, correct?

A Right. I will note that this -- this land previously held our -- another solar project, the solar thermal project that we have since decommissioned. And so right now the land went back into land held for future use and we will deploy it again for a future solar project. So this one has not been sitting idle.

Q And Hendry Clean Energy Center on line 40?

A Again, this is the land with the permit for the natural gas plant.

Q Right. It was acquired in June of 2011, and is expected to go into service in June of '32?

A That's correct.

Q And so if it does go into service, then it will have been in plant for future use for 21 years?

A Yeah. And I will note that we have been subdividing that property and putting some of that land into service along the way in the form of solar energy centers.

Q At least some of that land --

A Some of that land --

Q -- has been held for 21 years?

A -- is where we are going to put our fossil plant, that's correct, 2032.

Q Thank you.

And do you see the bottom line on this exhibit that says -- that has an average of the number of years that all of FPL's plant held for out use of the long

held properties, do you see that average year there?

A I do.

Q It averages 21.85 years?

A Yeah, I don't know if that's a weighted average or a straight average, but the number says 21.85.

Q Do you think it's fair that for an average of 21.85 years, FPL has charged customers for property taxes, insurance and a rate of return on these 40 properties that have not -- most have not generated one electron of benefit for customers?

A I will -- yes, this is -- this is consistent with prudent utility practices to acquire land for future utility uses. I know Witness Jarro spoke to the transmission and distribution land for future use, which makes up 37 of these 40 items, earlier this week. But we have consistently followed Commission guidance and standard regulatory practice and prudent -- to prudently acquire ahead of time the land we need for future generation, as well as transmission and distribution uses.

Q Just one moment.

Thank you, Mr. Oliver. That's all my questions.

CHAIRMAN LA ROSA: Great. Thank you.

FEL?

EXAMINATION

BY MS. McMANAMON:

Q Good morning, Mr. Oliver.

A Good morning.

Q First, I would just like to go to master number F23167, which is Exhibit 694. And can you confirm that these are the in-service dates for the 2025 battery projects?

A Yes.

Q Okay. And for the 2026 solar and battery projects, how -- I believe you said that you are already in construction for those, correct?

A That's correct.

Q And for the 2027 solar and battery projects, what is the status of construction on those?

A We have not started construction yet. We have procured the materials, the long lead items for that, secured those under contract, but we have not started the on-site physical work yet.

Q And what about for the 2028 and 2029, is that -- those have not also started construction yet?

A Yes, those have not started construction yet.

Q Would you plan to start construction prior to the SoBRA approval?

A So typically for our solar and battery projects, those will have -- it depends on their in-service date and when we file, right. So we will have started our off-site construction work for all of those projects, you know, based on the resource need or the cost-effectiveness test, whichever one we determine supports future solar or battery storage projects. Once we have completed that analysis and feel good about our SoBRA filing, then we will start construction.

Q Okay. Thank you.

And I know we already talked a descent bit about some of the property held for future use, and about some of the due diligence that you do prior to purchasing a property. Can we go to master number F1076?

So this would kind of summarize some of those things you are looking at, correct, before purchasing property?

A Yes. This refers to the analysis we do when we enter into the landowner negotiation stage.

Q Can we look in our big binder at FEL 356N?

A FEL -- do you know which one it's in?

Q It should be one that has tabs on it. It might be --

A I see 344C.

Q 356.

A Maybe it's in this book. No, this one doesn't have tabs. I get to --

Q I am sorry. It's CEL 356, not FEL.

A All right.

Q Thank you. 356N.

A Okay. All right. I found it.

Q I found it too. And Bates number 032197 is where I am going, at the bottom of the PowerPoint.

A Could you repeat that again, please?

Q 032197.

MR. COX: I am sorry, Ms. McManamon, I couldn't quite hear the exhibit number you were referring to.

MS. McMANAMON: The exhibit number is CEL 356N.

MR. COX: N. Thank you.

MS. McMANAMON: At the bottom of each PowerPoint square, the Bates number, there is two on each page. This is the one on the bottom. Let me know if you need me to repeat the Bates number again.

MR. COX: Ms. McManamon, could you please repeat that Bates again?

MS. McMANAMON: Yes, 032197.

MR. COX: Thank you.

MS. HELTON: Are these Bates numbers in numerical order in the exhibit? Because I am not seeing 197 in our package.

MS. McMANAMON: It is in numerical order, but there is two slides per page, so this is the one on top, yes. And let me know once you are there, everyone.

BY MS. McMANAMON:

Q So without revealing anything confidential on this page, generally, this is referring to a property held for future use, correct?

A That's correct.

Q And this is kind of describing the process of evaluating whether or not to move forward with the property, correct?

A That's right. It lists some potential risks and the mitigants.

Q So looking at the bottom left corner box, would -- that would be confidential, correct, to read that?

A Can you repeat that, please?

Q The bottom left corner box, would that be confidential?

A No, I think that's --

Q Okay. For that property, this says that solar development efforts are rendered untenable. This is a risk, solar development efforts are rendered untenable due to environmental issue, transmission cost or other combination of factors, correct?

A Yes. That's a standard risk that we apply to all properties that we are screening, that if there is environmental transmission or other issues, you know, we would not build on that land.

Q Okay. So is that a risk not specific to this property?

A Each property has their own environmental, transmission, other concerns. So I was just stating that it's not confidential, right, that we do that screening process for every piece of property we acquire.

Q Okay. So despite that risk, FPL still chose to move forward with this property?

A Yeah, we felt like they were manageable risks.

Q Okay. And now -- we will need this again, okay, pretty soon actually, but kind of moving on to a different topic.

Without revealing any confidential information, can you say if FPL has any agreements to sell any of its property held for future use to data

centers or groups representing data centers?

A So as I mentioned in our deposition in July, we have signed an agreement, an option agreement to sell a portion of one of our sites to a prospective data center company.

Q Thank you.

And next, if we could turn to FEL 447 in this binder?

A FEL?

Q FEL.

A 447C?

Q Yes.

A Okay.

Q And again, not revealing anything confidential, but would that -- would this be that agreement?

A Yes. So we had -- we had published our large load tariff, and we had identified zones for that tariff, and we were approached by multiple parties. And after running a process, we selected a potential counter-party that was in the best commercial interest of our customers.

Q And if we could turn to page three of this, which is Bates No. 058636. And I am looking kind of in the middle, the number at the heading is 4.3.2. I am

just wondering if there is anything you can say about this provision that would not reveal confidential information?

A No, I don't believe this would be confidential. Actually, this is one of the safeguards that we put into this agreement, is if this entity does not go forward with developing the site and signing our large load tariff, we do not close on the property, and we keep it in held for future use for future solar development.

Q Thank you.

And next if we could turn to FEL-344C. This is a bigger chunk. So there is four slides per page here, so I know it's a little hard to see the Bates number at the bottom, but I am looking at Bates No. 040886.

A Okay. Hold on.

Q Oh, all right. Your binder is bigger. It's all blown up for you.

A Mine is?

Q It's in the other binder. Sorry.

A Okay. Oh, okay. I see it.

Q Okay. So Bates No. 040886. I think that's just the first page.

A 040886, first page.

Q Okay. So the page I am going to is 041525.

A 041525?

Q Yes.

A Okay. I am there.

Q And are the words at the top confidential, in red right at the top of that slide?

A No. I am comfortable with that. Would you like me to summarize that?

Q Sure. Yeah. Just whatever you can say about this.

A You know, once we filed out rate case and our large load tariff and our LLCS-1, identified the zones within our system where we had interconnection capability, we started to receive a lot of interest on people wanting to acquire land, and so that's basically what the heading says.

Q You would agree, though, that that is not the intended use for properties in the property held for future use portfolio when you purchased that land?

A You know, we have a fiduciary duty to -- we buy the land for the intended use, but if there is a way to optimize some remaining or some parts of that land, which is what we are doing in this case. We have -- we license property. So we acquire the land and we license it before we go into construction. And afterwards, after the property is built, if there is a portion of land that we can lease out for other purposes, we will do that as well.

Q Thank you. One moment.

Okay. Moving on to another topic. I don't believe we are going to need this binder again.

MS. HELTON: Before we move on, Mr. Chairman, so she's identified Exhibit 447 FEL in the red binder. That is Exhibit 1503 on the CEL. The other one she identified had already been admitted into the record. I am just trying to keep track of all the CEL numbers so we can get that right at the end.

CHAIRMAN LA ROSA: Okay. Great.

MS. McMANAMON: Thank you.

BY MS. McMANAMON:

Q Okay. Moving on.

FPL is proposing investing in biogas upgrading technology to convert into landfill gas pipeline quality, correct, that's in -- you discuss in your testimony?

A That's correct. We have a project planned in Escambia County.

Q And if we could go to master number E58861, which is the demonstrative version. And this is the

CPVRR analysis for this biogas upgrading plant, correct?

A I am looking at a natural gas forecast on my screen.

Q Do you see the title of the document, Perdido CPVRR Analysis?

A I don't. Oh, at the top? Yes.

Q Okay. And this shows that there will be a CPVRR of 41 million for this project, correct?

A Can you point me to that, please?

Q I think we might need to go to input. Try the revenue requirement tab next to it. I also --

A I see it.

Q Okay. It's the assumptions tab. Sorry. At the very top, 41. At the top, 41 million. Do you see that?

A I do.

Q Okay. And then if we will go to the rev requirement tab, where this shows the RIN credits. I think it's right -- it's row 13, I think.

A Number 13, row 30?

Q Yeah. Yeah.

A I got you.

Q And then you scroll to the left, column L.

A Yes.

Q This shows that the RIN credits provide

122 million in the CPVRR analysis?

A Yes. Correct.

Q So if this -- to avoid switching back and forth to more tabs. In the RIN forecast tab, which shows that the RIN credit is dropping before increasing, is that familiar to you or should we pull it?

A Can you repeat that? Sorry. I didn't --

Q The RIN forecast tab shows the RIN credits dropping before increasing again in the forecast.

A I can just look real quick. Yes, I -- you are referring.

Q So if this forecast were to change and the value of the RIN credits do not go back up, that could impact the CPVRR analysis, correct?

A The RIN for -- the a the RINs will impact the CPVRR forecast.

Q Could it make the project CPVRR negative potentially?

A I think that, like Ms. Wessling's question earlier, anything is possible. Our forecasts indicate that that is not likely. This is a market that's been around for over 20 years, and the forecast indicates that it will not, and we are comfortable with that.

Just to remind everybody, this project is taking landfill gas that is currently being -- you know, it's a lower quality and dirtier fuel being burned in a few inefficient machines at the landfill in Escambia County. And what we proposing is to install fuel processing equipment that cleans that up to pipeline quality so that we can inject into the natural gas pipeline that feeds our more efficient power plants.

You know, we still rely on natural gas for a big majority of our power generation, and the ability to add to those gas -- add to gas supplies that power these facilities in a much more efficient manner is really at the crux of this project.

Q And if we could next go to master number E58285?

A Which one was this again?

Q On the screen?

A Oh, it's coming up on the screen.

Q Yes.

A Okay.

Q And just do you recognize this PowerPoint presentation?

A I do.

Q Okay. And then going to scrolling down a couple pages to E58291?

A I am there.

Q Based on this, is it fair to say that one of

the reasons for this project is for FPL to meet its real zero goals?

A I will say that nothing in the financial analysis is based on real zero. Again, this is a way to increase the fuel supplies for our natural gas fleet, and it's a more efficient use of the landfill gas that we have an obligation to take from Escambia County.

Q But putting aside the financial analysis, just based on this reasoning, is that a potential consideration?

A I will say, yeah, at a high level, renewable natural gas is consistent with a low carbon future.

Q So that would be one of the reasons why FPL is supporting this project?

A I mean, it's a qualitative factor. If this was not in the best interest of our customers, we would not move forward with it. One of the tenets in all of our investments, no matter what impact they have on the environment, is they have to be in the best interest and save money and provide value for our customers.

Q Is that a yes?

A Yes.

Q Thank you.

Okay. I think moving on -- moving on from that as well to discuss the solar power facilities

program. You discuss in your testimony that this program allows commercial and industrial customers to have FPL install and maintain solar on their site for a monthly charge, correct?

A That is correct.

Q And this monthly charge is intended to recover project costs from that customer?

A Yes. This monthly charge covers the capital as well as the ongoing maintenance cost of these facilities.

Q But there is no true-up mechanism to ensure CPVRR neutrality, correct, for this program?

A Right. The -- for each project we put together, we put forth a O&M forecast on what the expenses are. That is a very small cost compared to the capital that's invested in these facilities.

And as of now, we don't have a planned true-up mechanism. If there are any -- if we see some potential overruns, we could price that into subsequent deals, but as we have laid out the program to date, we feel like it will not have any impact on the general body.

Q And the program is designed for a ten-year period, correct, to recover costs?

A That's right. We collect costs over a ten-year period.

Q Could there be an impact to the general body of customers in the early years of the program?

A I can't -- it's designed to recover the costs fully over the life of the asset. And at the end of 10 years, we transfer that asset owner over to the customer.

Q So there can be an impact in the early years, is that a yes?

A I would have to look at the financials. I am really not sure. These are long-lived assets. I would have to look at the financials again on that.

Q And if we could go to master number E92429? And I am looking at the response to part C. Do you see where you say that this program has robust customer interest?

A I do.

Q In your initial testimony, you stated that there is only one customer enrolled in this program, correct?

A That's right.

Q And are -- how many are there now?

A So right now, we have had four contracts with three different customers.

Q When FPL decided to propose making this pilot program permanent, there was only one customer?

A In February, we only had one signed. That's correct.

Q Thank you.

In your rebuttal testimony, you address proposals for a make-ready program, stating that there is a risk for utilities if the EV charging station is not successful, and that it might require expensive grid upgrades and could be subsidized by the general body of customers, correct?

A Can you --

Q Yes.

A -- I am trying to get there.

Q Master number D12586. If you could scroll down a little. I think it goes on to the next page.

A All right. Yes.

Q Are there any other reasons besides what's in your rebuttal testimony why you are opposed to the make-ready programs?

A So we are on the record for a while since 2020, saying that the economic incentive that we support with regards to EV charging and third parties is our demand limiter programs. And those are the programs that provide an incentive to customers who invest. It reduces their demand charges until they hit a certain threshold of utilization.

What's key about that is you are not giving up cash up front to pay for distribution charges. What you are doing is giving them a discount as they are generating revenues for the general body, right. So the discount only applies to an entity that has a going concern and actually selling electrons and providing revenues that more than cover the discounts that we provide.

So our recommendation and our position on this is that we prefer our demand limiter programs. It reduces any risk of subsidies compared to our make-ready program.

Q And moving on to discuss the utility-owned public charging, the UEV rate, you are proposing a rate of 35 cents per kilowatt hour, correct?

A That's right. We are at 30 cents now, and that's after scanning the market, we have recommended increasing that to 35 cents. I will note that we also have to pay taxes on all those sales, so the price at the pump, if you will, is more like 43 cents under that proposal.

Q So FPL believes this rate to be market-based and competitive with the private market?

A Yeah. We did a market study earlier, at the beginning of the year when we filed our annual EV report, and the range that we found was anywhere from, I want to say, 20 cents to 60 cents, with a normalized range being around 25 to 50 cents. So we felt at 35, an effective rate of 43, that that was, you know, a nice midpoint within the market range for us to price our charging at.

Q And this is included in base rate increases, correct?

A Which is?

Q The UEV rate.

A The capital for the charging stations is included in base rates. Is that question?

Q Yes. Thank you.

A Yes.

Q So all FPL customers do not necessarily utilize these public charging stations, correct?

A Only FPL customers, and actually you don't have to be an FPL residential customer to use this if you travel through our system. You know, visitors and out-of-town folks can utilize these charging stations as well.

Q And you also discuss in your testimony the GSD-1EV and GSLD-1EV tariffs, correct?

A Yes. Those are the demand limiter tariffs I mentioned earlier as our preferred incentive for third-party charging operators.

Q And the GSLD-1EV is capped at 2,000 kilowatts, correct?

A That's correct.

Q Can you explain a little more what that means?

A That means we only provide the demand limiter incentive for installations that do not exceed 2,000 kilowatts.

Q So over that amount, they would not be able to receive rates under this program, correct, for the transition?

A That's the current threshold. That's right.

Q And in your direct testimony, you also discuss the $5 million annual request to invest in technology and software, and $1 million annual request for continued education?

A That is correct.

Q That's related to EV programs, EV education, correct?

A That's right.

Q And do you have a specified allocation for how this money will be spent in each year?

A So the education funds are generally, a lot of that is invested in our school systems and in STEM programs in supporting an electrathon initiative where students get together and they get kits and they build and race electric vehicles.

We also provide a lot of outreach supporting, you know, ride and drive events, where folks can get an experience, hands-on experience with EVs.

Also a lot of our customers, you know, everyone is really familiar with dollars per gallon, right. People aren't as familiar with dollars per kWh. So we provide some education activities for our customers to help them understand what they are getting into when they purchase an electric vehicle.

With regards to the technology, here, we are looking at other potential uses for electric vehicle charging. We have plans to invest in vehicle-to-grid opportunities to see if there is a way to unlock the value of that generation, and perhaps charge the grid with these vehicles when they are idle. We have over 180 school buses on our system that are electric, and that can provide almost 40 megawatts of power. So when they are idle in the summertime, that could be a generation resource that we could tap into and benefit for our customers.

We have some investments in a distributed energy resource management system to actually see these distributed resources and control and operate them.

And then we are also looking as mobile charging solutions, right. This was very valuable last year during the hurricane season when folks were evacuating, that we were able to deploy mobile charging stations throughout the state. We saw, you know, a lot of increased use in our charging by strategically placing them for folks coming from Tampa to Miami, as well as going through Lake City and exiting the state. Having incremental mobile charging solutions really helped serve our customers and other citizens of the state of Florida during the evacuation season.

Q These funds will be recovered through base rates, correct?

A The -- yes.

Q The requested technology.

A That's correct.

Q Okay. That's all my questions, thank you.

CHAIRMAN LA ROSA: Thank you.

FIPUG?

MS. PUTNAL: No questions.

CHAIRMAN LA ROSA: Walmart?

MS. EATON: No questions. Thank you.

CHAIRMAN LA ROSA: FEIA?

MR. MAY: No questions.

CHAIRMAN LA ROSA: Staff?

MR. STILLER: Just one question.
CHAIRMAN LA ROSA: Sure.
EXAMINATION
BY MR. STILLER:
Q Mr. Oliver, the gas -- the fossil facility in Hendry for which permits are in hand, do you know what type of gas facility that is? Is it a peaker?
A We are evaluating that, whether it's better to do a combined cycle or a peaker. Our permits would accommodate both.
Q Thank you. That's all my questions.
CHAIRMAN LA ROSA: Thank you.
Commissioners, any questions? All right, good.
Seeing none, FPL for redirect.
MR. COX: I am sorry, no redirect.
CHAIRMAN LA ROSA: All right. Excellent. Let's take up exhibits.
MS. WESSLING: Thank you. OPC would move into evidence Exhibits 807, 818, 768, 568, 569, and that's it.
CHAIRMAN LA ROSA: Any objections?
MR. COX: Chairman La Rosa, FPL would like to enter an objection regarding Exhibits 807, 818 and 768. 768 was the Florida Trend news article about

landowners in the state. I think Mr. Oliver indicated he didn't know anything about to be able to verify any of the information there himself. So we are okay with allowing it in for context of the cross-examination question. In terms of the truth of the matter asserted, competent, substantial evidence, we object on that basis.

The same goes for the two news articles about the Kayak site. Those were Exhibits 807 and 818. I think Mr. Oliver indicated that he disagreed with some of the information in those. Clearly, those are hearsay statements in there, and no one has provided any testimony on those issues in this case. So we would object to those for being competent, substantial evidence, but in terms of context for the cross-examination, we are okay with it for that purpose.

CHAIRMAN LA ROSA: OPC?

MS. WESSLING: Well, first of all, the Commission has already officially recognized the Exhibit 768 as official recognition Exhibit N, and Mr. Olson, I asked him: It does not surprise you that FPL is the seventh largest land owner in the state? And he said: No.

This, therefore, corroborates and is

supporting evidence that -- I think 120 says, evidence that supplements or explains other evidence is admissible even if it's considered hearsay. So that -- again, that actually -- argument applies to the other exhibits that FPL has lodged an objection to.

We believe that both -- well, 768, 807 and 818 all supplement and explain other evidence in the case. Mr. Oliver is clearly the right witness for discussions about solar land development and the steps that FPL takes to assess land, and whether or not it's of the right quality to be developed for solar development, so I think all of these exhibits supplement and explain other evidence that is in this case.

CHAIRMAN LA ROSA: Staff?

MS. HELTON: I would just want to acknowledge that Exhibit 768 has already been officially recognized by you by order.

807 and 818, my perspective is a little bit different. I think if Mr. -- if FPL had had an issue with those exhibits when the witness was on the stand and Ms. Wessling was asking questions about it, that would have been the much better approach so that we could have dealt with any

objections then. I think that now, it's too late, and my recommendation would be to allow those two exhibits in and give them the weight that they are due.

CHAIRMAN LA ROSA: Thank you. And I don't disagree. I think we heard the testimony regarding it. I think the Commissioners can give it the weight that it is due.

MR. BURNETT: Mr. Chairman, if I can just clarify. I have no problems with what Ms. Wessling did, saying this is a statement in this newspaper article, do you agree with it? Is it true? No objection to that. That's why we didn't make any.

The article in themselves, though, make -- they go on to assert violations of law, regulations, opinions from lay people about engineering design. That's what we are objecting to, is the balance of those.

Again, in the context of the cross-examination, I think Mr. Cox had it just correct, we had no problems with those questions that were asked. It's just the rest of the stuff in the articles, without any basis, where no questions were asked.

CHAIRMAN LA ROSA: I understand.

MS. WESSLING: It doesn't make sense that -- I mean, if I had had him read all of that into the record, we would have had an objection that said it says what it says. I mean, I asked the questions that were relevant, but that doesn't mean that there aren't other aspects of those exhibits that are perfectly reasonable to be entered and discussed in briefing.

CHAIRMAN LA ROSA: I will allow them to be entered and we will just -- we will give -- the Commission will just give it to the weight that it's due.

No objections to the other two?

MR. COX: No objection to the other exhibits.

CHAIRMAN LA ROSA: Okay.

(Whereupon, Exhibit Nos. 568, 569, 768, 807 & 818 were received into evidence.)

CHAIRMAN LA ROSA: FEL?

MS. McMANAMON: We have CEL Exhibits 694, 893 and 1503.

CHAIRMAN LA ROSA: No objections?

MR. COX: Those were the exhibits that you cross-examined on, is that correct?

MS. McMANAMON: Yes.

MR. COX: Yes, no objections.

CHAIRMAN LA ROSA: Okay. So moved.

(Whereupon, Exhibit Nos. 694, 893 & 1503 were received into evidence.)

CHAIRMAN LA ROSA: FPL?

MR. COX: Oh, I am sorry. Give me a second. Sorry. I apologize.

Yes, FPL would move Mr. Oliver's exhibits, which were marked as Exhibits 72 through 77, as well as exhibits on rebuttal, 295 and 296.

CHAIRMAN LA ROSA: No objections? Seeing none.

(Whereupon, Exhibit Nos. 72-77, 295 & 296 were received into evidence.)

CHAIRMAN LA ROSA: Staff, anything that needs to be entered?

MR. STILLER: Nothing from staff.

CHAIRMAN LA ROSA: Okay. Excellent.

Mr. Oliver, thank you. You are excused.

THE WITNESS: Thank you.

(Witness excused.)

CHAIRMAN LA ROSA: Let's go ahead and take a quick 10-minute break, give our court reporter and the rest of us a break. We will come back at five minutes til 11:00, and we will call the next witness at that time.

Thank you.

(Brief recess.)

CHAIRMAN LA ROSA: All right. Let's go ahead and grab our seats. Let's go ahead and grab our seats and we can call the next witness.

MR. CHRISTOPHER WRIGHT: Thank you. Florida Power & Light calls Jessica Buttress.

CHAIRMAN LA ROSA: Ms. Buttress, do you mind standing and rising your right hand to be sworn in?

Whereupon,

JESSICA BUTTRESS

was called as a witness, having been first duly sworn to speak the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

THE WITNESS: I do.

CHAIRMAN LA ROSA: Excellent. Great. Thank you.

MR. CHRISTOPHER WRIGHT: Thank you, Chairman.

EXAMINATION

BY MR. CHRISTOPHER WRIGHT:

Q Can you please state your name?

A Jessica Buttress.

Q And what is your business address?

A Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida, 33408.

Q And by whom are you employed and in what capacity?

A I am employed by Florida Power & Light Company as Senior Director of Executive Services and Compensation.

Q On February 28th, 2025, did you file 26 pages of direct testimony?

A Yes.

Q Do you have any corrections to your direct testimony?

A Yes. On April 29th, 2025, I filed an errata to make the following corrections to my direct testimony: Page eight, line 14, the phrase "approximately 250" should be replaced with "278". And on page eight, line 15, "2.6 percent" should be replaced with "three percent".

Q Okay. And with those corrections, if I asked you the questions contained in your direct testimony, would your answers be the same?

A Yes.

MR. CHRISTOPHER WRIGHT: Chairman, I would ask that Ms. Buttress's direct testimony be inserted into the record as though read.

CHAIRMAN LA ROSA: So moved.

(Whereupon, prefiled direct testimony of

Jessica Buttress was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF JESSICA BUTTRESS

Filed: February 28, 2025

C4-1384

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Jessica Buttress, and my business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the Senior Director of Executive Services and Compensation.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for the overall design and administration of all compensation programs and management of executive benefits and services, as well as shared responsibilities for the Company's total rewards strategy and programs.

Q. Please describe your educational background and professional experience.

A. I attended the University of Florida, where I earned a Bachelor of Science in Business Administration with a specialization in Finance. Before joining FPL, I worked in broker-dealer compliance, specifically institutional equity research, trading, market-making, and investment banking. I began working at NextEra Energy in 2008 as a senior financial analyst and have held various positions of increasing responsibility in NextEra Energy Resources and in FPL Compliance and Human Resources ("HR") since that time. My experience at FPL has included plan design and administration of NextEra Energy's Code of Business Conduct & Ethics and corporate compliance programs for ethics, data privacy, anti-bribery, import/export, state regulatory compliance, salary and incentive compensation plan design and administration, and compliance of such plans and programs. I have extensive knowledge of FPL's compensation and benefits philosophy and its HR plans and practices.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- Exhibit JB-1 List of MFRs Sponsored or Co-Sponsored by Jessica Buttress
- Exhibit JB-2 Total Salaries & Wages
- Exhibit JB-3 Merit Pay Program Awards
- Exhibit JB-4 Total Benefit Program
- Exhibit JB-5 Average Medical Plan Expense Per Employee
- Exhibit JB-6 Pension & 401(k) Employee Savings Plan

Q. Are you sponsoring or co-sponsoring any Minimum Filing Requirements in this case?

A. Yes. Exhibit JB-1 lists the minimum filing requirements ("MFR") that I am sponsoring and co-sponsoring.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present an overview of the gross payroll and benefit expenses shown in MFR C-35 and to demonstrate the reasonableness of FPL's forecasted payroll and benefit expenses. Additionally, my testimony will show that FPL's ability to attract, hire, retain, and engage a talented workforce is paramount to providing safe, adequate, and reliable service to our customers.

Q. Please summarize your testimony.

A. FPL designs and manages its compensation and benefits programs as elements of a total rewards package to strike a balance between attracting and retaining talent and delivering on our value proposition for customers. In order to address changing workforce dynamics, to control costs, and to attract, retain, and engage the required workforce, FPL places more focus on flexible, performance-based variable compensation than on less flexible, fixed-cost compensation and benefit programs. This focus has allowed the Company to adapt to market conditions and drive the superior performance documented by other FPL witnesses, while managing total program costs.

FPL's total rewards costs included in the forecast for purposes of the 2026 Projected Test Year and 2027 Projected Test Year are reasonable and do not include any types of expense that the Commission has not previously approved for recovery. FPL's gross total compensation and benefits in 2026 and 2027 are projected to be $1,608 million and $1,649 million, respectively. Comparison of FPL's compensation and benefits programs against relevant industry benchmarks demonstrates that both compensation and benefits, while very competitive, are generally below the market value of benchmarked utility and general industry companies. The Company has and will continue to diligently manage costs to maintain employee engagement, retention, and provide value to customers.

The total rewards package, emphasizing pay for performance, has served the Company and its customers well. FPL has successfully provided value to its employees and its customers through efficient use of compensation and benefits to drive a culture that rewards improved efficiency and performance. FPL must continue to provide a competitive total rewards package to its employees in order to attract and retain the necessary talent. The projected levels of total compensation and benefits expense for 2026 and 2027 are reasonable and necessary to serve FPL's customers and to attract and retain the caliber of employees that create a high-performance organization and deliver superior value for customers.

II. THE OBJECTIVES OF FPL'S TOTAL COMPENSATION AND BENEFITS

Q. What are the objectives of FPL's compensation and benefits programs?

A. In order to best serve customers, there are several key objectives of FPL's compensation and benefits approach. The Company designs its compensation and benefits program to attract, retain, engage, and competitively reward its employees based on national and local comparative markets. FPL's compensation program also reflects a pay-for-performance philosophy, linking total compensation to attainment of corporate, business unit, and individual goals such as excellent reliability, safety, and customer service. In addition, FPL's compensation and benefits approach is designed to control fixed costs by placing greater emphasis on variable cash compensation rather than on the traditional programs that are not performance-based, such as long-term retirement benefits. Finally, the Company strives to manage its various compensation and benefits programs holistically in order to keep its total program expenses at a reasonable level. FPL continuously monitors and benchmarks the compensation and benefits components of the total rewards package and remains at or below the median of the combined compensation and benefits programs of the appropriate comparator groups.

Q. What is FPL's total compensation philosophy?

A. FPL's philosophy has been, and continues to be, to provide competitive, market-based salaries with consideration of an individual's performance and contribution to the Company's key objectives. The performance-based pay programs have enabled FPL to develop a culture of employee commitment and ownership in the performance of the Company. Each salaried employee's compensation has a portion of pay that is variable. The variable pay is linked to individual, business unit, and corporate objectives that benefit our customers, including budget goals and operating efficiency milestones such as plant availability, service reliability, safety, and quality of customer service. The strategic emphasis on the variable pay program encourages performance at an individual employee level and adds flexibility in recognizing that performance.

Q. How has FPL designed and managed its compensation and benefits programs to achieve these objectives?

A. FPL's approach to the design and management of compensation and benefits is to consider them as elements of one total rewards package. Since 1997, when the Company converted its pension plan to a cash balance plan and eliminated post-retirement medical coverage for all new hires, the total rewards package has been less focused on fixed-cost benefit programs and more focused on performance-based variable cash compensation. Then, over the past fifteen years, due to rising health care costs, FPL made controlling those costs a key strategic initiative. FPL has designed health plans that require employees to consider more carefully when and where they pay for healthcare services for themselves and their family, while also encouraging them to take ownership of their health care and health outcomes by focusing on preventative care. This has allowed FPL to mitigate the rate of increases in program costs for the Company and the employees. FPL's strategic decisions to control benefit program costs and to develop and emphasize a pay-for-performance compensation program has been an important tool in the Company's ability to achieve efficiency, reliability, safety, and customer service improvements over the past nearly three decades, all of which contribute to FPL's ability to deliver superior value for its customers. Moreover, the flexibility provided by these strategic changes has been an essential component of the Company's success in dealing with the workforce challenges confronting the utility industry.

III. WORKFORCE OVERVIEW AND INDUSTRY CHALLENGES

Q. Has FPL implemented any changes to its headcount since the last rate case in 2021?

A. Yes. Since 2021, the Company has reduced headcount by approximately 250 employees or roughly 2.6%. This reduction in headcount reflects continuous efforts to find efficiencies within FPL and the Company's commitment to aggressively identify and implement operational and technological efficiencies in its resources and processes as further explained by FPL witness Laney. As a result of maximizing efficiencies, FPL was able to reduce headcount in certain areas since 2021 while still providing safe and reliable service to our customers. FPL's headcounts for the 2026 Projected Test Year and 2027 Projected Test Year are reflective of this reduction in headcount.

Q. What is FPL's forecasted headcounts for the 2026 Projected Test Year and 2027 Projected Test Year?

A. FPL's forecasted headcounts for the 2026 Projected Test Year and 2027 Projected Test Year are 9,382 and 9,427, respectively. This would be an increase of approximately 150 employees over the 2025 headcount.

Q. Please explain the primary drivers for the increase in the forecasted headcounts for the 2026 Projected Test Year and 2027 Projected Test Year.

A. The increase in headcount forecasted for the 2026 Projected Test Year and 2027 is primarily attributable to the significant population growth in Florida and the need for FPL to support customer growth as explained by FPL witnesses Bores and Cohen. In addition to connecting customers to the grid, the forecasted increase in headcount is largely driven by the need to invest in new generation assets between 2026 and 2029 to support new load growth as explained by FPL witness Whitley. To meet these needs and continue to provide safe and reliable service to both existing and new customers, FPL's forecasted headcount for the 2026 Projected Test Year and 2027 Projected Test Year is expected to increase by 1.1% and 0.5%, respectively.

Q. Has the utility industry faced challenges in attracting, retaining, and engaging a diverse workforce with the required skills?

A. Yes. In recent years, FPL and other utility industry employers have experienced challenges in attracting and retaining employees due to multiple factors, including aging workforce and need for more skilled replacement workers; lack of qualified candidates in the labor market; willingness of employees to relocate for other opportunities; high desire by workforce for remote or hybrid work opportunities; and economic/inflationary pressures. FPL and other utility industry employers are also striving to adapt to the changing needs in skills resulting from rapid advancements in technology.

According to the 2024 Global Energy Talent Index ("GETI") report[1], 88% of the energy industry workforce is open to moving roles, with 38% open to moving within the energy sector, meaning that maintaining a career at a single company is no longer the norm and it is becoming increasingly more difficult to retain qualified talent.

In the 2024 U.S. Energy & Employment Report, prepared by the U.S. Department of Energy's Office of Energy Jobs, the energy sector added nearly 250,000 jobs from 2022 to 2023. However, the report noted hiring difficulty in 2023 of 85% (somewhat difficult or very difficult) for the electric power generation industry and hiring difficulty of 81% (somewhat difficult or very difficult) for the transmission, distribution, and storage industry.

Other factors contributing to the shortage of skilled workers in the industry, include:

(1) Aging Workforce and Need for More Skilled Replacement Workers: The aging of the electric utility industry workforce has been a concern of government and industry leaders for some time. The Center for Energy Workforce Development ("CEWD"), a non-profit consortium, was formed in 2006 to help utilities work together to develop solutions to the upcoming

[1] The GETI is an annual energy industry recruitment and employment trends report published by Airswift and Energy Jobline, a job site for the energy and engineering industries.

workforce shortage in the industry. The CEWD 2023 Energy Workforce Survey states that 15% of the utility workforce are Baby Boomers, born between 1946 and 1964, nearing retirement and the Gen X population is 37% with approximately a third of that population entering retirement eligibility. Additionally, it notes that while the age of the workforce has stabilized due to an increase in younger workers, 56% of workers have fewer than 10 years of service, suggesting that the workforce has a higher percent of younger and less experienced workers. The study notes that training, mentorship, and other programs to develop the less experienced workers will be required.

(2) Demands of Emerging Technologies: The growing demand for renewable generation and energy storage solutions, the smart grid operating model, and digitalization are creating additional demand for skilled and tech-savvy workers and will further impact the skills shortage. Emerging technology is placing a greater focus on engineering, information technology, distribution resources, and customer interaction. Scarcity often happens when a new demand for particular skill sets emerges in the market, such as cybersecurity, data scientists, and engineers with cloud computing skills.

Q. To what extent have these industry challenges impacted FPL's efforts to attract and retain the necessary workforce?

A. FPL is facing similar workforce challenges as other electric utilities. Currently, 27% of FPL's workforce is eligible to retire, and an additional 14% of the current FPL workforce is projected to be retirement-eligible in five years. In addition, in the generation and power delivery business units, the numbers are slightly higher, with 30% eligible to retire now and an additional 14% eligible to retire in five years. FPL has programs to upskill its existing workforce to learn emerging technologies and new leadership and project management skills, but it still must go to the competitive labor market for external hires due to retirements and other turnover. It is becoming more difficult to find candidates with the advanced technical skills we need to support our culture of innovation and continuous improvement.

FPL is also facing the challenge that skill sets of many utility jobs are transferable to other industries, and often these industries can be more attractive to job seekers. For example, we are competing with tech sectors where younger workers perceive more innovation, better pay, and flexible working conditions. The utility sector is often seen as less dynamic and flexible compared to industries like technology or finance, which can make it more challenging to attract young talent for similar positions within the energy industry.

Clearly, there are a number of challenges for FPL and other companies to attract and retain the required workforce. Although the industry and educational institutions have recognized the challenges and started to address future skills demands, in the short term, the factors discussed above are creating competition for skilled resources and applying pressure on compensation levels. Moreover, most of the key technical and engineering positions are difficult to fill from the local labor pool, so FPL must remain competitive in national as well as local markets.

Additionally, the rising cost of living in Florida has been particularly challenging for FPL and other employers trying to hire and retain employees. Florida has experienced significant increases in housing costs, particularly in areas like Miami-Dade, Broward, and Palm Beach counties. These economic pressures have made it more difficult to attract, hire, and retain qualified employees for positions in South Florida.

Q. Has FPL taken any steps to build its talent pipeline to ensure it can successfully obtain the necessary future workforce?

A. Yes. FPL has a robust summer internship program providing participants with rewarding learning experiences, whom may be offered post-graduation full-time jobs at the end of the internships. Through its college recruiting programs, FPL also hires pools of graduating engineers twice per year to continue to grow the organization's engineering talent. In summary, through our college relationships, organization partnerships, and active sourcing and recruiting, the FPL recruiting team is able to create a broad pipeline of talent for current and future open positions.

Q. How has FPL's total rewards strategy helped the Company respond to current and future workforce challenges?

A. As a result of its total rewards strategy, which emphasizes performance-based compensation over fixed-cost benefits, FPL is well positioned to compete for qualified candidates in the market. By actively managing the costs of benefits as further explained below, the Company is able to better focus on the elements of the total rewards package that have more value for attraction, retention, and engagement of the required workforce, specifically variable performance-based pay.

IV. REASONABLENESS OF FPL'S TOTAL COMPENSATION

Q. What are FPL's gross total compensation costs for the projected 2026 Projected Test Year and the 2027 Projected Test Year?

A. FPL's gross total compensation cost, represented as Gross Payroll on MFR C-35, is projected to be $1,406 million for the 2026 Projected Test Year and $1,438 million for the 2027 Projected Test Year.

Q. Is FPL seeking recovery for all compensation expense in 2026 and 2027?

A. No. FPL has excluded all executive incentive compensation, 50% of non-executive restricted stock and target performance share awards, and 100% of any non-executive expense above target for performance shares. These exclusions are consistent with those applied in FPL's 2016 and 2021 base rate proceedings.

Q. What is the increase in FPL's total compensation cost projected for the 2026 Projected Test Year and 2027 Projected Test Year?

A. The projected increase in total compensation from 2025 to the 2026 Projected Test Year is $43 million, or 3.2% which is inclusive of the forecasted headcount. The projected increase in total compensation from the 2026 Projected Test Year to the 2027 Projected Test Year is $31 million, or 2.2% which is inclusive of the forecasted headcount. The increases projected for the 2026 Projected Test Year and the 2027 Projected Test Year are consistent with or less than the current market median salary increases from WorldatWork, a professional association that sets the standard in the field of total rewards and produces the leading annual global compensation planning and salary increase survey.

Q. How does FPL's gross payroll cost compare with other utilities?

A. FPL's total compensation cost compares favorably to that of other similar utilities as demonstrated by review of Federal Energy Regulatory Commission Form No. 1 report data. The companies in the comparison included other regional utilities as well as other vertically integrated utilities of similar size. As shown on Exhibit JB-2, FPL continues to be one of the more efficient utilities from a total compensation standpoint. This efficiency is particularly evident when one looks at total compensation – whether on a per-customer or megawatt hour basis.

Q. What resources does FPL use to evaluate its compensation program?

A. FPL uses a variety of compensation survey resources to evaluate its program. These resources include regional data but rely primarily on national compensation surveys because the Company's recruiting department searches nationally for personnel to fill managerial, professional, and technical positions. As previously explained in my testimony, many of the key technical and engineering positions are difficult to fill from the local labor pool alone, so FPL must remain competitive in both the national and local markets. FPL utilizes nationally recognized third-party compensation survey sources to aggregate and assess comparative data from other national and regional employers, both in general industry and the utility industry. It is important to utilize both general and utility comparative market information because FPL's workforce encompasses multi-industry talents. FPL utilizes several information sources for compensation survey data, including:

- Willis Towers Watson, an international human resources consulting firm;
- Mercer, LLC, an international human resources consulting firm;

- Aon, an international human resources consulting firm; and
- WorldatWork, a global human resources association of more than 70,000 compensation, benefits and human resources professionals.

Q. How does FPL's base compensation program compare to the market?

A. FPL's base pay levels are comparable to the rates paid by its competitors (generally companies of similar size, scale, and complexity) for employees performing similar jobs and with similar skill sets. FPL performs a detailed annual benchmarking analysis of its base pay rates to determine "position to market." The most recent market analysis completed in 2024 included market survey data from approximately 44 sources, including Willis Towers Watson, Aon, and Mercer. These sources indicate FPL has maintained its median base pay, in the aggregate, slightly below the median. Consistent with our historical practices, we expect FPL base pay levels will continue to be in line with the market median in the 2026 Projected Test Year and the 2027 Projected Test Year.

Q. Please describe FPL's annual performance-based merit program.

A. There are two components to FPL's annual performance-based merit program. The first component is a merit award determined by an individual's performance level and salary position relative to market. The second component is a variable pay program that provides a payment based on each individual's contribution as well as Company and business unit results in comparison to pre-established objectives. These performance indicators include controlling customer-related costs and operating efficiency milestones such as plant availability, service reliability, and quality of customer service. These goals are set annually for each employee and their individual progress is reviewed multiple times throughout the year with the employee's manager so that appropriate adjustments in performance can be implemented if necessary. This annual goal-setting and ongoing review process at the individual employee level has contributed to FPL's success in achieving its goals of providing safe, reliable, and efficient service to the customers and communities we serve.

Q. How do FPL's annual pay increase program and variable pay awards compare to market?

A. FPL regularly benchmarks its annual pay increase program and variable pay awards against relevant market data. As shown in Exhibit JB-3, FPL's annual pay program, including merit base increases and variable incentive pay awards, has been slightly below market for the period from 2022 through 2024. Based on the market median salary increases, we expect that FPL's total compensation for the 2026 Projected Test Year and 2027 Projected Test Year will remain slightly below market. However, FPL remains competitive by providing job security and stability, exceptional and cost-effective benefits as explained next, and through its various career development programs and opportunities.

V. BENEFITS

Q. Please describe FPL's benefits package.

A. FPL's benefits program is designed and managed as part of the total rewards package. The benefits package includes a full complement of benefits comprised of three primary components: health and welfare benefits, retirement plans, and various benefits required by law.

Q. What are FPL's projected benefits costs for the 2026 Projected Test Year and 2027 Projected Test Year?

A. Total benefits costs are projected to be $201 million in 2026 and $211 million in 2027, the major components of which are as follows:

Table JB-1

In millions	2026	2027
Health and welfare benefits	$142.6	$148.8
Retirement benefits	($49.6)	($46.3)
Benefits required by law	$108.1	$108.4
Total Benefits Cost	$201.1	$210.9

Benefits required by law include Social Security and Medicare tax, federal and state unemployment taxes, and workers' compensation.

Q. How does FPL evaluate the design and cost of its benefit plans, and how do the plans compare to those of other companies?

A. FPL uses the Aon Benefit Index, an actuarial tool that compares the value of benefit plans. Aon is an internationally recognized benefits consulting firm that provides analysis and consultation on the competitiveness of participating companies' benefit programs and produces the Aon Benefit Index. The study methodology first analyzes the value of each benefit plan for each individual in the plan and then converts the individual values to a composite value for the entire employee population by applying a standard set of twenty-one actuarial and employee participation assumptions. The index base point of 100.0 is set as the average of the values of the base companies selected for the comparison. Index values below 100.0 indicate that a company is more successful than average in managing plan design as a means of controlling benefits costs. FPL has used the relative values from the Aon study to compare its benefits programs to those of companies in the general industry, utility industry, and to Fortune 500 companies participating in the study.

Exhibit JB-4 displays the relative value of FPL's total benefits program for 2024 compared to a base utility comparator group composed of 13 electric utilities that are most similar to FPL in terms of revenue and workforce composition or that are Florida-based. The graph also displays relative value comparisons of a broader utility group, a general industry grouping, and Fortune 500 companies that participated in the study. The graph shows that FPL's Benefit Index for the total benefit program is below average compared to the broader utility group and each of the other industry groupings. FPL's total benefits program rated 93.8 as compared to a 100 when averaging the 13 utilities in the base utility comparator group. The general industry group and Fortune 500 companies compare at 94.7 and 94.6, respectively. The broader utility group compares at 100.7. These results are consistent with the Company's objective to attract and retain employees, which requires offering a competitive benefits package, while managing costs for the benefit of customers.

Q. What is FPL's projected medical cost for the 2026 Projected Test Year?

A. FPL's projected medical cost is $107 million for active employees in the 2026 Projected Test Year. As shown on MFR C-35, there is an increase of about $5 million or just 4.9% per year between 2025 and 2026. This is significantly below the utility industry health care trend increase of 9.2% between 2025 and 2026.

Q. What is FPL's projected medical cost for the 2027 Projected Test Year?

A. FPL's projected medical cost is $113 million for active employees in the 2027 Projected Test Year as shown on MFR C-35, which represents an increase of about $5 million or 5.1% from 2026. This compares to an increase of 9.2% in the utility industry health care trend, as forecast by Aon, over the same time frame.

Q. How does FPL determine the plan design of medical benefits for each year?

A. FPL's benefits department reviews trends in health care claims as well as plan designs and programs available across various industries, to determine the optimal plan design and pricing structure that will provide competitive, cost-effective benefits for all employees.

Q. How do FPL's projected medical costs per employee compare to those of other utilities and the national average?

A. FPL tracks medical plan expense per employee on an ongoing basis as a means of comparing its costs to those of other companies. Exhibit JB-5 illustrates FPL's medical plan expense per employee for 2023 to 2024 and the projected cost for 2025 to 2027 as compared to the utility industry benchmark. FPL's average expense per employee has remained well below the utility industry average for 2023 and 2024 and is projected to remain below the industry average through 2027, as illustrated in Exhibit JB-5. Additionally, the increases in FPL's health care plan expense per employee for 2023 through projected 2027 are also well below the utility industry trend reported by Aon. Furthermore, Aon's forecasted utility industry benchmark for 2027 is approximately 55% above FPL's projected medical plan expense per employee in 2027. This further demonstrates FPL's successful cost management strategy in the face of increasing medical trends while providing a competitive medical benefit to employees.

Q. What specific initiatives has FPL pursued to successfully control health care costs?

A. FPL has made health care cost control a key strategic initiative, applying a continuous improvement process to develop an integrated health strategy that will optimize health and wellness for employees and control costs for both the Company and employees. FPL's ability to keep per employee health care costs below the utility industry benchmarks and to project that costs will remain below the utility industry benchmarks in 2025 and beyond have been the direct result of focused management of the drivers of health care costs. The Company's successful cost control strategy has relied upon a variety of initiatives, including:

- Plan design featuring choice, price incentives, and access to preferred providers to encourage cost-effective plan selections.
- Expanding direct contracts giving localized access to top-quality doctors with favorable pricing.
- Implementation of mobile on-demand telehealth option to drive down provider costs including virtual primary and chronic conditions management care.
- Comprehensive health promotion together with implementation of wellness incentives to encourage preventative care and utilization and care management programs.
- Providing access to centers of excellence and second opinion services for higher quality and lower cost care.

- Aggressive vendor management and contracting, including disaggregation of medical administration and associated networks.
- Targeted pharmacy management, including specialty drugs, with an emphasis on cost-effective medications administered at an appropriate site of care; and
- Implementation of retiree medical coverage through a Medicare Advantage plan.

Q. Are there other initiatives FPL has taken that have contributed to the successful management of health care costs?

A. Yes. A key long-term cost control initiative has been the creation of a healthy work environment and the consistent promotion of the employee's personal responsibility for his or her own health, as evidenced by the Company's comprehensive health and well-being programs. The effectiveness of the programs has been acknowledged through frequent national recognition, including "Best Employers for Healthy Lifestyles" Awards from the National Business Group on Health for sixteen of the last nineteen years.

Q. What are FPL's expectations for the rate of increase in medical costs?

A. Aon is forecasting utility industry health care cost increases of approximately 9.2% from 2025 to 2026, driven by a number of factors, including: medical inflation, an aging population, the growing burden of chronic diseases, various federal and state mandates, an increase in utilization and costs of prescription drugs including specialty drugs, hospital/provider consolidations, staffing shortages in the healthcare industry, and enhancements in medical technology that will increase utilization. As previously stated, FPL's medical cost is estimated to increase just 5% between 2025 and 2026. Thus, while FPL has been successful in mitigating total medical costs and in managing per-employee medical costs below the utility industry average, rising health care costs continue to be a concern going forward. However, as noted previously, for purposes of the rate request in this case, FPL projects medical costs of $107 million in 2026, representing a significant achievement in cost mitigation compared to the industry.

Q. How has FPL's successful management of its health care program and costs been a benefit to customers?

A. As I mentioned previously, the Company has maintained both total program costs and per employee medical costs well below Aon's reported health care cost trends. This success in controlling medical costs reduces the Company's revenue requirements, which is a direct benefit to customers.

Q. Does FPL offer retirement plans to employees, and is that consistent with industry practices?

A. Yes. FPL offers its employees retirement plans consisting of a pension plan and a 401(k) employee savings plan, as do approximately 57% of the utility industry comparator group included in the 2024 Aon Benefit Index. The Company also provides post-employment medical and life benefits; however, these benefits were discontinued for employees hired on or after April 1, 1997.

Q. Has FPL taken any steps to further control the costs within its retirement plans?

A. Yes. FPL implemented a fully insured retiree medical Medicare Advantage plan to help control costs for post-65 retirees, which results in a reduction in the costs to be incurred by the Company.

Q. What is FPL's projected retirement expense in the 2026 Projected Test Year?

A. The projected expense for the 2026 Projected Test Year is a credit of $50 million. This is the net result of the pension plan credit of $104 million that is partially offset by the 401(k) employee savings plan expense of $47 million and other post-retirement benefits of $7 million, which includes medical and life insurance.

Q. What is FPL's projected retirement expense in the 2027 Projected Test Year?

A. For the 2027 Projected Test Year, FPL's projected retirement expense is a credit of $46 million, which includes a pension plan credit of $102 million partially offset by expenses of $49 million for the employee savings plan and other post-retirement benefits of $7 million.

Q. Why are the retirement expense and the employee pension benefit reflected as a credit?

A. The assets of the pension plan have been prudently managed and invested such that the fair value of the assets exceeds the actuarially determined projected obligation. The size of the pension plan credit is sufficient to offset the employee savings plan, which results in a net credit for retirement expense.

FPL's pension benefit is calculated based on Financial Accounting Standards Board ("FASB") Codification, ASC 715, which covers retirement benefits. Whereas many utilities must recover from customers a pension cost associated with providing a retirement plan to its employees, FPL has, through prudent plan design decisions and asset investment over time, been able to grow its pension assets at a faster rate than the costs of its plan obligations. Even after historical market corrections, the pension trust still exceeds its obligations and, therefore, creates a negative expense (a credit) to the benefit of customers.

Q. How do FPL's retirement plans compare to the industry?

A. As shown in the Aon Benefit Index comparison chart (Exhibit JB-6), FPL's retirement plans are valued at 83.3, well below the averages of the 13 comparator companies and the utility industry (100 for the comparator and 103.4 for the overall utility industry).

Q. Does this evaluation demonstrate the reasonableness of FPL's qualified retirement plans?

A. Yes. FPL provides both a pension and 401(k) employee savings plan to its employees in order to attract and retain high quality employees. However, through careful management of the plans, FPL has been able to provide low-cost benefits to their employees relative to peers in the utility industry as demonstrated by the Aon Benefits Index (Exhibit JB-6).

VI. CONCLUSION

Q. Please summarize your testimony concerning FPL's total compensation and benefits costs for 2026 and 2027.

A. With its emphasis on pay for performance, FPL's total rewards package has served the Company and its customers well. The Company has made good progress in controlling costs, and the total compensation and benefits costs are competitive when measured against relevant benchmarks as demonstrated on Exhibits JB-2 through JB-6. The 2026 and 2027 projected levels of compensation and benefits expense are reasonable and necessary to attract and retain the caliber of employees that create a high-performance organization.

Q. Does this conclude your direct testimony?

A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase by Florida Power & Light Company	Docket No. 20250011-EI Filed: April 29, 2025

FLORIDA POWER & LIGHT COMPANY
ERRATA SHEET OF JESSICA BUTTRESS

Florida Power & Light Company ("FPL") hereby submits this errata sheet to correct certain portions of the Direct Testimony of FPL witness Jessica Buttress originally filed in the above referenced docket on February 28, 2025.

Direct Testimony	**Changes/Corrections**
Pg. 8, ln. 14	Remove "approximately 250" and insert "278"
Pg. 8, ln. 15	Remove "2.6%" and insert "3%"

Respectfully submitted this 25 day of April 2025,

By: */s/ Christopher T. Wright*

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 29th day of April 2025:

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BY MR. CHRISTOPHER WRIGHT:

Q Ms. Buttress, do you have Exhibits JB-1 through JB-6 that were attached to your direct testimony?

A Yes.

MR. CHRISTOPHER WRIGHT: Chairman, I would note that these are CEL Exhibit Nos. 78 through 83.

CHAIRMAN LA ROSA: Okay.

BY MR. CHRISTOPHER WRIGHT:

Q Were these exhibits prepared by you or under your direct supervision?

A Yes.

Q Do you have any corrections to these exhibits?

A No.

Q On July 9, 2025, did you file 38 pages of rebuttal testimony in this proceeding?

A Yes.

Q Do you have any corrections to your rebuttal testimony?

A No.

Q If I asked you to questions contained in your rebuttal testimony, would your answers be the same?

A Yes.

MR. CHRISTOPHER WRIGHT: Chairman, I would ask Ms. Buttress's rebuttal testimony be inserted into the record as though read.

CHAIRMAN LA ROSA: So moved.

(Whereupon, prefiled rebuttal testimony of Jessica Buttress was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

REBUTTAL TESTIMONY OF JESSICA BUTTRESS

Filed: July 9, 2025

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Jessica Buttress. My business address is Florida Power & Light Company ("FPL" or "the Company"), 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. Have you previously submitted direct testimony in this proceeding?

A. Yes.

Q. Are you sponsoring any rebuttal exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- Exhibit JB-7 – Job Requisitions as of July 1, 2025
- Exhibit JB-8 – FPL's Corrected Supplemental Response to OPC's First Set of Interrogatories No. 24 and FPL's Corrected Response to OPC's Eleventh Set of Interrogatories No. 328
- Exhibit JB-9 – FPL's Response to OPC's First Request for Production of Documents No. 22 and FPL's Original and Corrected Response to OPC's Eleventh Set of Interrogatories No. 313
- Exhibit JB-10 – FPL's Response to OPC's First Set of Interrogatories No. 19 and FPL's Response to OPC's First Request for Production of Documents No. 37

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to certain portions of the direct testimony of Office of Public Counsel ("OPC") witness Helmuth W. Schultz, III regarding his recommended adjustments to the payroll and benefits expense forecasted to be included in FPL's proposed base rates for the 2026 and 2027 Projected Test Years. Please note that I am responding to specific issues. Consequently, any argument raised in the testimony presented by intervening parties to which I do not respond, should not be accepted as my support or approval of the positions offered.

Q. Please summarize the payroll and benefits adjustments proposed by OPC witness Schultz.

A. In his testimony, OPC witness Schultz proposes three adjustments to FPL's payroll expense for the 2026 and 2027 Projected Test Years: first, he reduces the headcount by 292 and 313 employees for 2026 and 2027, respectively, based on the March 2025 three-month average headcount; second, he reduces the base portion of the payroll being expensed based on the amount of base payroll that FPL capitalized in 2024; and third, he proposes to eliminate 100% of all incentive compensation paid to all FPL employees. With respect to FPL's benefits expense, OPC witness Schultz proposes an adjustment by taking a simple percentage of benefits expense to payroll expense to reflect his proposed base payroll adjustments. Finally, OPC witness Schultz recommends that FPL's supplemental executive retirement plan ("SERP") expense be 100% disallowed.

Q. Please summarize your rebuttal to OPC witness Schultz's proposed adjustments to FPL's projected compensation and benefits expenses.

A. FPL's projected compensation and benefits expense is reasonable and prudent. My rebuttal testimony supports an appropriate headcount and payroll expense forecasted for 2026 and 2027 given the projected new customer and load growth. I describe FPL's performance management process and performance-based variable compensation. Additionally, my testimony shows that FPL has complied with the 2010 Rate Case Order and excluded the applicable portions of officer and non-officer incentive compensation for the 2026 and 2027 Projected Test Years. It is noteworthy that no intervenor has questioned the reasonableness of total compensation levels paid to FPL employees, including performance-based incentive compensation. I validate that FPL's total compensation program, with its emphasis on performance-based pay, benefits customers while remaining below the current market median.

II. HEADCOUNT

Q. Can you describe how OPC witness Schultz arrived at his proposed adjustment to reduce the headcount by 292 and 313 employees for 2026 and 2027, respectively?

A. Yes. On page 52 of his testimony, OPC witness Schultz states that his adjustment is "based on the March 2025 three-month average of 9,066, and to that [he] added 24 positions in 2026 and another 24 in 2027 that were identified in the response to OPC's Sixth Set of Interrogatories, No. 155." As shown on page 1 of Schedule C-4 to his Exhibit HWS-2, this results in a reduction of FPL's forecasted headcount for 2026 from 9,382 to 9,090 and for 2027 from 9,427 to 9,114. OPC witness Schultz's proposed adjustment to headcount results in a reduction in FPL's payroll expense of $21.1 million[1] in 2026 and $23.1 million in 2027.

Q. Do you have concerns with his methodology?

A. Yes. OPC witness Schultz arbitrarily based his headcount adjustment on the average headcount for the first three months of calendar year 2025 even though the planned

1 OPC witness Schultz states on page 52 of his testimony that he is recommending the O&M expenses for 2026 be reduced by a net $23.111 million; however, Schedule C-4, page 1 of 2, to HWS Exhibit-2 reflects a net adjustment of $21.111 million for 2026.

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number of employees of 9,277 for 2025 is the projected average number of employees for the entire calendar year. It would be misleading to characterize three months of data as a representative sample for an entire year in any company or industry. Notably, OPC's adjusted headcount for 2025 is 211 less employees than the average number of employees planned for the entire calendar year 2025 and, moreover, it is 46 less employees than the *actual* average number of employees in 2024.

Further, OPC witness Schultz overlooks that FPL has already reduced its planned average headcount by 443 employees for calendar year 2025 as compared to the planned average headcount for 2024. OPC witness Schultz has not completed an evaluation of FPL's staffing requirements and only relied on a historical average for a limited three-month period without considering planned projects, use of overtime and contractor labor, and seasonality impacts.

Additionally, in making his recommendation to limit the headcount additions to 24 positions in 2026 and another 24 in 2027 based on FPL's response to OPC Interrogatory No. 155, OPC witness Schultz notably does not convey that the positions identified in that response were only for FPL's Power Generation Division business unit. Under OPC witness Schultz's approach, there would be no additional headcount for any other business units in 2026 and 2027. This approach is not only unrealistic, but it also ignores that FPL's forecasted increase of a combined 150 employees for 2026 and 2027 is primarily due to both (i) the need to invest in new generation assets and (ii) the significant population growth in Florida and the need for all FPL business units to support customer growth.

Finally, I note that as of July 1, 2025, FPL has 326 open job requisitions with 78 candidates in the background review and offer stages, as shown in Exhibit JB-7. As explained further below, these 326 positions are being actively recruited based on specific needs for additional headcount identified within the individual business units, rather than being subject to an arbitrary adjustment based on only three months of headcount data.

Q. In support of his proposed adjustment, OPC witness Schultz cites to the number of FPL employees for 2021 through 2024 as provided in FPL's response to OPC Interrogatory No. 124. Do you have any concerns with simply relying on the historical employee complement?

A. Yes. OPC witness Schultz does not describe that the number of employees identified in FPL's response to OPC Interrogatory No. 124 is the average number of employees for 2021-2024. Meaning, there may have been more or less employees at any given point in time during each of these calendar years. This is due to the fact that employees come and go throughout the year based on (i) their own personal circumstances, opportunities, and career decisions, and (ii) the changing needs of each business unit year over year. This does not, however, mean that FPL's planned positions are not needed and appropriate.

FPL's employee complement is driven by a bottom-up approach that is subject to review and approval by management. A business unit must demonstrate a need to open a position, whether that is the result of backfilling a position for an employee that left the business unit or due to change in circumstances or workload that requires the addition of or reduction in headcount. Stated differently, the planned positions are driven by the needs and workload of the individual business units. If a business unit identifies a need for additional headcount, that request is vetted for approval by varying levels of management depending on the requested position. If the requested position is approved by the applicable management team, the business unit works with Human Resources to identify the market compensation for that type of position and to initiate recruiting efforts for qualified candidates interested in the position. Positions are actively marketed to fill the business need as soon as reasonably practicable. However, as explained in my direct testimony, there are multiple workforce and industry challenges in identifying and hiring qualified candidates that may be interested in an open position and suitable to fit the business need.

Importantly, OPC witness Schultz's adjustment incorrectly assumes, without any analysis or support, that if there is an open position there is no need for that position. As explained above, the business unit must adequately demonstrate the need for a position. In the event there is an open position in a business unit, whether that be due to an employee leaving for another opportunity or the need for an additional headcount, the work for that position must still be completed in order for FPL to efficiently provide service to its customers. As a result, unless and until an approved open position is

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filled, FPL must incur additional costs for overtime and engaging outside contractors to do the work for the open position, while at the same time incurring recruiting costs to fill the open position.

Q. In further support of his proposed adjustment to headcount, on page 47 of his direct testimony, OPC witness Schultz notes FPL's demonstrated efficiency and that an FPL witness stated in a deposition that headcount would be flat. Do you have a response?

A. Yes. First, FPL's headcount forecasted for the 2026 and 2027 Projected Test Years already reflect these efficiencies as explained in my direct testimony. Indeed, FPL is forecasting an increase of only 150 employees through 2027, which is a cumulative increase of only 1.62% (or 0.81% per year) over the 2025 planned headcount and only 1.65% (or 0.83% per year) over the 2025 headcount proposed by OPC witness Schultz. In light of the forecasted customer growth through 2027, as explained in the direct testimonies of FPL witnesses Bores and Cohen, the modest increase in headcount for the 2026 and 2027 Projected Test Years is reasonable and consistent with FPL's commitment to continue to drive efficiencies while still providing safe and reliable service to customers.

Second, the fact that FPL witness DeBoer stated in a deposition that the headcount for the Nuclear business unit is expected to be flat makes sense given that FPL is not adding incremental nuclear generation, but that should not be construed as evidence of or a proxy for the headcount and needs of all other FPL business units. As I explained above, the planned positions are based on a bottom-up approach that is driven by each individual business unit's workforce needs.

Q. What would be the impact if OPC witness Schultz's proposed headcount adjustments were adopted for calendar years 2025 through 2027?

A. As explained above, the planned average headcount for each calendar year is driven by the workforce needs of each individual business unit and the modest increase forecasted for 2026 and 2027 is reasonable given the projected new customer and load growth. The work of these business units needs to be completed regardless of whether a position is filled or open. If the headcounts for 2025 through 2027 were capped at the levels suggested by OPC witness Schultz, FPL would be required to complete the work through overtime and outside contractors, which would be more costly than an employee completing the same work at straight-time pay (*i.e.*, avoids internal employee overtime and contractor overheads and profits). For these and all the reasons explained above, OPC witness Schultz's proposed adjustment to forecasted headcount should be rejected, as well as his corresponding adjustment to FPL's payroll expense.

III. BASE PAYROLL EXPENSE

Q. Please summarize the base payroll expense adjustment proposed by OPC witness Schultz.

A. On page 51 of his direct testimony and page 1 of Schedule C-4 to his Exhibit HWS-2, OPC witness Schultz applied an O&M percentage of 56.57% to FPL's projected total payroll expense (straight time and overtime wages) for 2026 and 2027 to reduce the Company's projected payroll expense by $108.173 million and $120.387 million, respectively. OPC witness Schultz claims that this adjustment is necessary because, according to him, FPL is forecasting a significant reduction to the percentage of payroll being capitalized despite a significant increase in the forecasted capital project spending.

Q. How does OPC witness Schultz arrive at his proposed 56.57% O&M percentage for payroll expense?

A. As he states on page 51 of his direct testimony, the proposed adjustment factor is based on the 2024 actual percentage of total payroll that was charged to O&M expense. I note that by cherry picking the lowest point cited in the four-year history shown on page 1, lines 1 through 4 of Schedule C-4 to Exhibit HWS-2, OPC witness Schultz calculated an approximate 10% adjustment in the percentage of total payroll that is capitalized versus expensed as O&M.

Q. Is it appropriate to simply rely on the historical capitalized payroll for one year to develop an O&M adjustment factor for total payroll expense?

A. No. The amount of payroll being booked to capital versus O&M varies from year to year based on the type and scope of the projects worked on each year. In fact, this can be seen on page 1 of Schedule C-4 of OPC witness Schultz's Exhibit HWS-2, which shows fluctuations in the percentage of payroll being expensed and capitalized. The amount of internal payroll capitalized in a calendar year follows the work actually completed on capital projects during that same year consistent with FPL's established capitalization policy. Stated differently, it is the project and amount of work done on that project that drives the percentage of payroll that is ultimately capitalized. Furthermore, unplanned storm restoration costs impact the historical capitalization rate, which is not present in the forecasted periods. In a year with significant storm restoration work, the percentage of total payroll that is capitalized can increase by more than 2.5% as a result of the incremental capital work required to restore the system back to its pre-storm condition. Notably, during calendar year 2024, which is the single year relied upon by OPC witness Schultz for his proposed adjustment for capitalized payroll expense, FPL's system was impacted by three major hurricane events. As a result, I do not think it is appropriate to simply single out one year of capitalized payroll and assume, without support, that same level of payroll will be capitalized in the future.

Q. How was the forecast of capitalized payroll developed for the 2026 and 2027 Projected Test Years?

A. Unlike OPC witness Schultz's top-down approach based on one historical period, the forecast for capitalized payroll is developed based on the capital work projected by each business unit for the 2026 and 2027 Projected Test Years. The business units that work on capital projects are responsible for preparing their own estimates of the internal and external work that will be involved for a capital project during the calendar year, which is done as part of the business unit's individual budgeting process. The collective estimates from each of the business units is used to develop the forecast for O&M payroll and capitalized payroll. It is not based on a historical rate, but rather on planned work to be completed during the applicable budget year. For these reasons, as well as those further explained above, I recommend that the Commission reject OPC witness Schultz's proposed top-down and unsupported adjustment to FPL's projected total gross base payroll expense.

IV. INCENTIVE COMPENSATION

Q. Please summarize OPC witness Schultz's proposed adjustment to the incentive compensation FPL has proposed for recovery in base rates for the 2026 and 2027 Projected Test Years.

A. On pages 66 and 67 of his direct testimony, OPC witness Schultz proposes to eliminate 100% of incentive compensation paid to all FPL employees because, according to him, the FPL goals are not sufficiently challenging to require improvements in operations, FPL did not explain how the incentive pools are developed, and the Company failed to provide the plans and goals. In the event the Commission declines to adopt his recommended 100% disallowance of incentive compensation, OPC witness Schultz proposes an alternative adjustment on pages 67-68 of his direct testimony to exclude 100% of long-term costs and stock-based costs and at least 50% of non-officer cash incentives because, according to him, shareholders are the primary beneficiary of any improvements in operations.

Q. Before addressing OPC witness Schultz's proposed adjustment, can you please describe the types of incentive compensation offered to eligible FPL employees?

A. Yes. There are two classifications of incentive-eligible employees: officers and non-officers. Officer incentive compensation refers to all incentive compensation for Company officers regardless of the form (*i.e.*, cash, stock, short-term, or long-term) because all forms of officer incentive compensation were excluded from the revenue request. The types of incentive compensation available to eligible non-officer salaried employees include (i) short-term cash incentive compensation (*i.e.*, annual incentive),

(ii) long-term cash incentive compensation (*i.e.*, performance dollar award), and (iii) stock-based incentive compensation.

Q. OPC witness Schultz discusses various FPL discovery responses related to incentive compensation and asserts that it is not clear what the total amounts are for each type of incentive compensation and what amounts are being excluded from FPL's proposed payroll expense. Can you please address his concerns?

A. Yes. FPL responded to several discovery requests from OPC related to incentive compensation and had to correct a few of the original responses, which understandably led to some confusion. These corrections were primarily attributable to the fact that the reports used to prepare the responses to these incentive compensation discovery requests were not pulled from the same systems used for and tied to FPL's forecast. Unfortunately, these reporting issues were identified late in the discovery process and not made available until shortly after the date intervenors submitted their direct testimony. As a result, it is understandable that OPC witness Schultz was not able to tie out the incentive compensation numbers in the original discovery responses to FPL's forecast in MFR C-2 because his testimony was filed before FPL sorted through these reporting issues and filed the corrected responses.

Importantly however, the incentive compensation amounts shown in MFR C-2 for the 2026 and 2027 Projected Test Years filed on February 28, 2025, are correct, include all the necessary adjustments discussed in my direct testimony, and tie out to FPL's forecasts.

Q. Can you please identify the corrected discovery responses for incentive compensation that tie out to the forecast used in this case?

A. Yes. On June 10, 2025, FPL served a corrected response to OPC Interrogatory No. 328 that provides a breakdown of the non-jurisdictionalized totals for each incentive type, amounts excluded, and amounts included in base rates for 2021-2027. On June 19, 2025, FPL filed a corrected supplemental response to OPC Interrogatory No. 24 that provides the breakdown of FPL's total jurisdictionalized incentive compensation as reflected in MFR C-2, including what was excluded and included in FPL's requested payroll expense. Copies of these corrected discovery responses are provided in Exhibit JB-8 attached to my rebuttal testimony. Admittedly, FPL was not able to prepare these corrected responses prior to the due date for intervenors' testimony and regrets the challenges this caused for OPC witness Schultz. However, the amounts included and excluded in base rates for 2026 and 2027 are consistent with those shown in FPL's corrected supplemental response to OPC Interrogatory No. 24 and MFR C-2.

Q. On page 57 of his direct testimony, OPC witness Schultz claims that FPL failed to provide its incentive compensation plans. Do you have a response?

A. Yes. First, FPL does not have a single officer (executive) incentive plan and a single non-officer (non-executive) incentive compensation plan as implied by OPC witness Schultz's testimony. Instead, eligible employees of different business units and departments provide different services to the Company and its customers and, therefore, incentive compensation is not a "one-size-fits-all" proposition. As such, FPL has multiple incentive compensation plans that are tailored to the types of activities and services provided by the different employee types. Most non-officer salaried employees participate in FPL's employee annual incentive program, which is detailed in the Company's compensation manuals produced in response to OPC's Request for Production of Documents No. 40, and a limited number of employees participate in function-specific incentive compensation programs. For example, FPL's Energy Marketing and Trading ("EMT") Incentive Compensation Program is one type of incentive program that is available to certain non-officer salaried EMT employees based on attainment of asset optimization objectives as well as a balanced scorecard of customer-focused operational objectives.[2]

Second, I disagree that FPL did not provide its incentive compensation plans. FPL provided copies of its non-officer incentive plans and programs in response to OPC's Request for Production of Documents No. 22. Additionally, FPL provided a summary of costs of each of these incentive plans and programs as requested and in response to OPC Interrogatory No. 313. The non-confidential versions of FPL's responses to OPC's Request for Production of Document No. 22 and FPL's original and corrected responses to OPC's Interrogatory No. 313 are provided as Exhibit JB-9.[3] I note that on page 57 of his direct testimony, OPC witness Schultz states that the incentive compensation plan for FPL's officers was not provided. However, FPL's officers participate in a parent company annual incentive plan and, as explained in FPL's

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[2] On page 55 of his direct testimony, OPC witness Schultz raises a concern whether the Energy Marketing and Trading Incentive Compensation Program is the non-officer incentive compensation program or whether the plan costs are a portion of the non-officer performance incentive costs. As explained above, it is a portion of the non-officer incentive compensation available only to EMT employees that meet the objectives and performance required to be eligible for incentive compensation under that specific plan.

[3] For purposes of Exhibit JB-9, FPL is only including the written responses identifying the incentive plans that were produced.

response to OPC's Request for Production of Documents No. 22 included in Exhibit JB-9, the NextEra Energy officer annual incentive plan has no expense included in rates and, therefore, was not provided.

Q. On page 55 of his direct testimony, OPC witness Schultz raises concerns about the "FPL and FPLES Commercial Sales Commission Plan" and how the amount of incentive compensation is paid out. Can you please describe this incentive compensation plan?

A. Yes. This is a plan that provides sales commissions for eligible employees that execute streetlighting and optional power service sales. The commissions, which are paid when earned, are deferred to the balance sheet and then amortized, as O&M expense, over the life of the project. I note that on page 55 of his testimony, OPC witness Schultz questions why the 2025 cumulative deferred balance does not tie out to the 2024 deferred balance net of any amounts paid/amortized for 2025. This is due to a one-time true-up of $94,715 for commissions earned but not accrued in 2024, which was subsequently added to the general ledger in 2025.

Q. On page 59 of his direct testimony, OPC witness Schultz claims that FPL has not shown how it has complied with the incentive compensation exclusions required by Commission Order No. PSC-2010-0153-FOF-EI ("2010 Order"). Are you familiar with this order?

A. Yes. The 2010 Order was issued in FPL's base rate increase requested in Docket No. 20080677-EI. In the 2010 Order, all officer incentive compensation was excluded from base rates. For non-officer stock-based incentive compensation, 50% of restricted stock and target performance share awards were excluded, as well as 100% of any expense above target for performance shares. FPL has consistently applied these same exclusions, including all rate cases since the 2010 Order, and reported the exclusions of these portions of officer and non-officer incentive compensation from net operating income on its monthly earning surveillance reports to the Commission since 2010.

Q. Did FPL apply those exclusions from the 2010 Order to its incentive compensation for the 2026 and 2027 Projected Test Years?

A. Yes. As explained in my direct testimony, FPL has excluded 100% of officer incentive compensation, 50% of non-officer target stock-based incentive compensation, and 100% of any expense above target for non-officer stock-based incentive compensation from its payroll expense for the 2026 and 2027 Projected Test Years. These exclusions to incentive compensation were accurately reflected on FPL's MFR C-2 for the 2026 and 2027 Projected Test Years that were filed on February 28, 2025. These exclusions were further detailed and broken down in FPL's corrected supplemental response to OPC Interrogatory No. 24 and corrected response to OPC Interrogatory No. 328 discussed above and provided as Exhibit JB-8.

Q. Did Commission Staff review FPL's incentive compensation adjustment during their audit of FPL's 2024 Historical Test Year?

A. Yes. Commission Staff requested support for all of the adjustments for the 2024 Historical Test Year, which included FPL's incentive compensation adjustment pursuant to the 2010 Order. Based on the final audit report attached as Exhibit KG-1 to Staff witness Guan's testimony, no exceptions were noted regarding FPL's incentive compensation adjustment for the 2024 Historical Test Year.

Q. On page 59 of his direct testimony, OPC witness Schultz appears to suggest that, based on a comparison to the amount of incentive compensation excluded in the 2010 Order, it is unclear whether FPL's incentive compensation adjustment for the 2026 and 2027 Projected Test Years complied with the 2010 Order. Do you have a response?

A. Yes, I disagree. OPC witness Schultz compares the amount of incentive compensation excluded in the 2010 Order ($48.5 million) to the amounts excluded for the 2026 and 2027 Projected Test Years ($58.0 million and $61.4 million) and implies that FPL has not complied with the 2010 Order given that, according to him, incentive compensation costs have increased since 2010. However, as just explained, FPL has consistently applied the exclusions from the 2010 Order, including all rate cases since the 2010 Order, and has demonstrated that it has applied those same incentive compensation exclusions for the 2026 and 2027 Projected Test Years.

Further, OPC witness Schultz's comparison to the amount excluded by the 2010 Order incorrectly assumes that the incentive compensation plans have remained unchanged since 2010 and that the employee complement eligible for incentive compensation is static. This is not correct. For example, FPL changed the eligibility criteria for non-officer stock-based incentive compensation after the 2010 Order, which reduced both the number of recipients eligible and the total costs for non-officer stock-based incentive compensation. In addition, the officer headcount was 42 for the 2010 test year, whereas the corresponding officer headcount for the 2026 test year is 32, which is a 24% reduction in the number of officers eligible to participate in the plan.

Additionally, it appears that OPC witness Schultz was unaware that the 2010 Order cited an adjustment figure of $48.5 million that was calculated from gross compensation figures before allocation of costs to affiliates. Adjusting the $48.5 million figure cited in the 2010 Order to reflect allocation of costs to affiliates resulted in a 2010 exclusion of approximately $35.5 million, which is significantly less than the $58.0 million and $61.4 million excluded for the 2026 and 2027 Projected Test Years, respectively.

Q. On pages 59 and 64-65 of his testimony, OPC witness Schultz claims that FPL was unable to explain how the cash incentive compensation pool of dollars is determined. Do you have a response?

A. Yes. There seems to be confusion about the use of the word "pool," which I would like to clarify. FPL uses the word "pool" to mean the total dollars accrued and available for distribution to eligible employees under a cash incentive compensation plan.

FPL forecasts annual cash incentive compensation cost at the Company level and does not establish or predetermine incentive compensation pools for each business unit. Rather, FPL accrues total Company incentive compensation dollars, both officer and non-officer, during the annual performance period, based on the forecasted budget approved by FPL's management each year. At the end of the year, the individual business units essentially compete for a "slice" of this total accrued annual incentive compensation based on their performance throughout the year, contribution to the achievement of the Company's corporate annual goals, and achievement of the business unit's annual budget, efficiency, and operating performance goals.

The performance of the Company and each business unit for a calendar year is reviewed by FPL senior management at the beginning of the subsequent year to determine the incentive compensation dollars allotted to each business unit. Some years a business unit may get a larger "slice" of the total Company incentive compensation accrued for that year and other years they may get a smaller "slice" of the total based on their relative performance compared to other business units. A business unit's "slice" of the total equals that business unit's "pool" of dollars available for distribution to its employees.

Likewise, eligible employees within each business unit are competing for a "slice" of the total annual incentive compensation earned by the business unit (*i.e.*, the business unit "pool"), which is determined by the business unit management based on (i) the incentive compensation plan and (ii) the eligible employee's performance during the year and achievement of their pre-determined goals for that year. This long-standing pay-for-performance approach is an effective management tool that financially motivates and incentivizes the business units and the eligible employees to provide high quality work that contributes to FPL's success in achieving its goals of providing safe and reliable service to the customers and communities we serve.

Q. You mentioned that FPL accrues total Company incentive compensation dollars based on the forecasted budget approved by FPL's management each year. Are you suggesting that once the incentive compensation accrual has been determined, that total amount is guaranteed to be paid out?

A. No. The accrual is for the amount of incentive compensation that is potentially available to be awarded to business units and eligible employees in the subsequent year based on their goals and performance in the current year. However, our Executive Management has the discretion to approve a total amount to be awarded that is different than the accrual based on whether the corporate goals were achieved or exceeded. For example, if the Company performed poorly during a calendar year and did not meet the pre-determined corporate goals, the Executive Management team may approve a total compensation amount that is less than the amount accrued. Likewise, if the Company had an exceptional year and materially exceeded its goals and/or had significant improvement in the service provided to customers, the Executive Management team may approve a total compensation amount that is higher than the amount accrued.

Q. OPC witness Schultz argues that FPL's goals are not sufficient enough to create an incentive for improvement. Do you agree?

A. No. On pages 63 and 64 of his direct testimony, OPC witness Schultz discusses the corporate goals and achievements provided by FPL for years 2020 through 2024 and identifies a small number of corporate goals and achievements that were not an improvement over the prior year. On page 65 of his direct testimony, OPC witness Schultz asserts that if the goals are not ratcheted up after being achieved, the incentive compensation is more of a guaranteed payout than truly at-risk variable pay. Thus, it appears OPC witness Schultz contends that incentive compensation should only be awarded if there was a material improvement in performance from the prior year on every goal. OPC witness Schultz appears to misunderstand FPL's performance management philosophy.

Q. Do you agree with OPC witness Schultz's theory of only awarding incentive compensation for improvements over the prior year?

A. No. As explained by multiple FPL witnesses, FPL has continued to provide safe and reliable service driven by a high-performing workforce. The purpose of the variable pay and the associated corporate, business unit, and individual goals is to motivate the eligible employees and financially incentivize a commitment to excellence, which is one of FPL's core values. These goals are set each year and can change from year-to-year based on the needs of the business and our customers. These customer-focused performance indicators include controlling costs and operating metrics such as plant availability, service reliability, safety, and quality of customer service. The annual goal-setting and ongoing review process is summarized in my direct testimony and further described in FPL responses to OPC Interrogatory No. 19 and OPC Request for Production of Documents No. 37, which are attached as Exhibit JB-10.[4]

As explained above, the individual business units and employees are competing for the same total incentive compensation dollars. The resulting spirit of competition is an effective management tool used to motivate employees and drive company and

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[4] On page 67 of his direct testimony, OPC witness Schultz states that the goals for 2025 were not provided. However FPL provided the confidential annual business unit goals from 2021 through 2025 in response to FEL Request for Production of Documents Nos. 39 and 60 and provided annual corporate goals from 2021 through 2024 in response to OPC First Set of Interrogatories No. 22.

business unit performance. The business units and employees that achieve their pre-determined goals are eligible for a portion of incentive compensation allocated to their business unit, and those that fall short are at risk of receiving less or no incentive compensation. Further, the business units and employees that set and achieve stretch goals or goals that result in meaningful improvements are recognized and may receive more incentive compensation. However, the fact that a business unit or employee did not achieve a materially higher goal than the prior year does not mean that the business unit or employee failed to provide excellent work that contributed to FPL's success in achieving its goals of providing safe and reliable service to customers.

To put this into context, under the compensation theory suggested by OPC witness Schultz, a top performing employee that provided exceptional and efficient service and work but did not have a material improvement in a performance metric would not receive any of the variable pay component of their total compensation and, therefore, would be paid less than the total market compensation for a comparable position. This is not a workable result.

FPL's cash incentive program is designed to pay for results, but also allow recognition for excellent work that contributes to the overall mission of providing safe and reliable service to customers. If FPL is not given the management discretion required to appropriately incentivize salaried employees, it would remove an important and successful performance driving tool and dramatically impact FPL's ability to attract and retain qualified talent.

Q. On page 60 of his direct testimony, OPC witness Schultz rejects your argument that incentive compensation is required to attract and retain employees. Do you have a response?

A. Yes. OPC witness Schultz appears to misunderstand FPL's total compensation philosophy. FPL's total compensation for salaried employees includes both base pay and variable pay components. As explained in my direct testimony, FPL benchmarks total compensation, both base and variable pay, for each position in order to attract and retain the qualified talent necessary to provide safe and reliable service to customers. If FPL did not offer compensation to existing employees and candidates for open positions at levels near the market value of the total compensation (both base and variable pay) for a similar position, there is a very real and significant risk that existing employees would leave for other companies offering higher total compensation and FPL would be unable to successfully fill open positions.

To be competitive in the employment market, one option would be to simply offer only a base salary that is comparable to the total compensation received for similar positions in the market, which would help address the issue of attracting and retaining talent. However, if FPL simply paid a base salary comparable to the total compensation paid in the market (*i.e.*, no at-risk variable pay component), there is a risk that salaried employees would not be sufficiently incentivized and could simply show up and do the bare minimum required to complete their job. Thus, to help incentivize and motivate its employees, FPL's total compensation includes an at-risk variable pay component that is tied to the achievement of pre-determined individual, business unit, and corporate objectives that benefit our customers, including budget goals and operating metrics, such as plant availability, service reliability, safety, and quality of customer service. FPL's salaried employees that achieve these pre-determined goals and contribute to FPL's ability to deliver superior value for its customers have the opportunity to receive incentive compensation commensurate with their performance and earn total compensation that is comparable to similar positions in the market. Thus, contrary to OPC witness Schultz's contention otherwise, FPL's variable pay component of its benchmarked total compensation is necessary to attract, retain, and motivate qualified employees.

Q. Do you have any other observations about OPC witness Schultz's comment that that incentive compensation is not required to attract and retain employees?

A. Yes. I note that on pages 60-62 of his direct testimony, OPC witness Schultz claims that in all his years of reviewing rate requests that included the argument by every company that incentive compensation is required to attract and retain employees, he has never seen a supporting study. FPL's benchmarking studies include market evaluations for both base salary and variable pay, and these studies confirm that incentive compensation is a key component of the total compensation offered in the market by companies that FPL is competing with for qualified candidates. It is simple common sense that an employer will not be able to attract and retain employees if they are not paid a market-competitive total compensation package. Further, the suggestion by OPC witness Schultz that every company has raised this same concern in all the rate requests he has reviewed over the years supports FPL's market prevalence argument and suggests that his position is uniformly contrary to the industry that is actually involved in hiring and retaining utility employees.

Q. On page 62 of his direct testimony, OPC witness Schultz takes issue with the Company's use of benchmarking surveys to support its conclusion that the incentive compensation paid to employees falls within a reasonable range of the market. Do you have a response?

A. Yes. FPL is competing with multiple industries and companies across the nation, and even internationally, for the same skilled and qualified employees as explained in my direct testimony. Although OPC witness Schultz asserts that benchmarking studies "are a waste of [his] time to review because over time the conclusions were the same," this does not change the fact that these market surveys are critical to ensuring that FPL can offer total compensation that is competitive with the market and, further, that it is not offering compensation that is significantly above what is paid in the market, which could increase costs to customers. These data compilations are compiled by nationally recognized, third-party survey vendors and are the type used and relied upon routinely by human resources professionals. These surveys are an important tool for the Company to attract and retain the qualified employees that are necessary to provide safe and reliable service to customers, as well as a tool to protect customers from higher costs associated with out of market compensation.

Q. OPC witness Schultz claims on page 62 of his direct testimony that there is no value in using market surveys for incentive compensation because the plans are different among companies. Do you have a response?

A. Yes. First, I note that, on page 62 of his testimony, OPC witness Schultz agrees these "surveys do support the fact that other companies within and without the utility industry pay some form of incentive pay." Thus, as confirmed by OPC witness Schultz, paying incentive compensation as part of the total compensation offered to employees is an industry standard.

Second, I acknowledge that incentive plan designs are not uniform across the industry or among the companies that are competing with FPL for talent, because plan design is typically tailored to the company's business needs and compensation philosophy. It is for this reason that the primary benchmarking performed between companies related to performance-based variable pay is on the dollar value of the awards, rather than on plan design. As shown in Exhibit JB-3 to my direct testimony, FPL performs this benchmarking annually and its performance-based variable pay has consistently been below market for the period 2022 through 2024.

D3-123

Q. In several pages of his direct testimony, OPC witness Schultz asserts that FPL's incentive compensation pay is nothing more than supplemental pay. In support he claims on page 60 of his direct testimony that 96.7% or more of all eligible employees received incentive compensation from 2021 through 2024. Do you agree with his characterization?

A. No. OPC witness Schultz relies on FPL's response to OPC Interrogatory No. 231 that provides the number of eligible employees that did not receive incentive compensation in 2021 through 2024, and then he extrapolates this to mean that incentive pay is essentially a supplemental payment received by virtually all eligible employees. I agree that the data provided in FPL's discovery response indicates that approximately 96.7% of all employees eligible received incentive compensation during the period 2021 through 2024. However, I note that this same response also indicates that there were eligible employees that did not receive incentive compensation, which is consistent with the pay-for-performance philosophy of FPL's incentive compensation plan.

Importantly, the data provided in FPL's response to OPC Interrogatory No. 231 only means that these employees received an incentive compensation award; it does not mean, as implied by OPC witness Schultz, that each employee received the maximum amount of incentive compensation that could be paid under the applicable plan. As I previously explained, business units and employees are competing for the same total incentive compensation dollars and each salaried employee's incentive compensation is linked to attainment of the annual corporate, business unit, and individual goals. Therefore, an employee who falls short of meeting all of their goals and does not exceed expectations or perform as well as others in their business unit might receive an annual incentive award payout below their opportunity -- which would still count them among the 96.7% of eligible employees who receive an award -- with the remainder of the dollars associated with their full opportunity going to other higher-performing employees in their business unit.

Q. On pages 65-66 of his direct testimony, OPC witness Schultz questions whether FPL's payroll expense includes incentive compensation associated with affiliate charges. Can you please address this concern?

A. Yes. FPL and its affiliates use an overhead "loader" mechanism to ensure employees' total costs are properly charged to the entity receiving the service. The loader is expressed as a percentage added to each dollar of base salary to ensure that the cost of employee benefits, statutory benefits, and cash incentive compensation (received and part of the total compensation paid to eligible salaried employees) is charged to the company that receives the work. This "fully loaded" rate covers an employee's total cost but, unlike the costs for an outside vendor, does not include any profit. Therefore, when an incentive-eligible salaried FPL employee performs work for an affiliate, their fully loaded rate is charged to that affiliate and includes cash incentive compensation because it is a part of the employee's total compensation cost. Notably, this concept of applying a loader to fully recover the employee's costs applies both when an FPL employee does work for and charges their time to an affiliate or when an affiliate employee does work for and charges their time to FPL.[5] Thus, when an incentive-

[5] The direct testimony of FPL witness Ferguson further explains how affiliate costs are charged and allocated.

eligible salaried affiliate employee performs work for FPL, their fully loaded rate is charged to FPL and includes cash incentive compensation.

Q. **OPC witness Schultz notes that FPL's response to OPC Interrogatory No. 302 indicates that affiliate compensation is not reflected on FPL books, but FPL's response to OPC Interrogatory No. 92 includes $6.59 million of direct charges from affiliated entities labeled as incentive compensation with no adjustment. Do you have an explanation?**

A. Yes. To be clear, as stated in FPL's response to OPC Interrogatory No. 302, affiliate incentive compensation is not reflected as incentive compensation on FPL's books. Rather, as I explained above, any incentive compensation received by an affiliate employee is included in the overhead loader attached to the payroll charged to FPL for the service provided by the affiliate employee. The $6.59 million labeled incentive compensation on Attachment 5 to FPL's response to OPC First Set of Interrogatories No. 92 is the cash incentive compensation portion of the overhead loaders charged to FPL from affiliates. The labeling on this Attachment is not indicative of the way FPL records the expense. Rather, when FPL needs labor that cannot be provided in-house, it must go to either the market and pay an outside vendor rate that includes profit, or to an affiliate and pay only the cost without any profit. Receiving services from an affiliate rather than from the market benefits FPL customers because it is provided at cost.

Q. On pages 66-67 of his direct testimony, OPC witness Schultz cites to the 2009 Progress Energy Florida rate case order in Docket No. 20090079-EI ("PEF 2009 Order") and recommends that all of FPL's incentive compensation be disallowed in this case. Do you have a response?

A. Yes. First, OPC witness Schultz's recommendation should be rejected for the many reasons I previously explained in rebuttal to his various positions on the incentive compensation included in FPL's payroll expense for the 2026 and 2027 Projected Test Years. OPC witness Schultz's recommendation to disallow all incentive compensation ignores the fact that performance-based compensation is a typical and necessary component of a utility's total compensation program. Market data from Aon, an international human resources consulting firm, shows that 100% of energy services companies and 94% of general industry companies include short-term incentive compensation as part of their total compensation package. FPL simply cannot compete in the current highly competitive labor market without inclusion of a comparable, market-based cash incentive compensation program.

Second, OPC witness Schultz's recommendation relies on a single order in 2009 that was limited to the facts and circumstances of that proceeding. As OPC witness Schultz acknowledges on page 62 of his direct testimony, the incentive compensation plans are not the same among companies and, moreover, he has not provided a comparison of the incentive compensation plan at issue in the PEF 2009 Order with the FPL incentive compensation program.

Third, OPC witness Schultz's reliance on the PEF 2009 Order ignores that the FPL 2010 Order permitted incentive compensation to be recovered in base rates subject to certain limited exclusions as previously discussed. FPL has consistently applied these exclusions to incentive compensation since 2010. Likewise, OPC witness Schultz ignores all of the Commission orders since 2010 that have permitted incentive compensation to be recovered in base rates subject to limited exclusions.[6] For example, in its Order No. PSC-12-0179-FOF-EI issued on April 3, 2012 in the Gulf Power Company's ("Gulf") rate case at Docket No. 20110138-EI, the Commission rejected OPC's recommendation to disallow all incentive compensation, calling it "unreasonable" and citing the negative impact such disallowance would have on Gulf employees' compensation compared to market median.[7] The Commission therefore allowed recovery of 100% of Gulf's employee cash incentive compensation.

Q. **Would FPL need to consider restructuring its total compensation package if 100% of incentive compensation was excluded from FPL's payroll expense as suggested by OPC witness Schultz?**

A. Yes. As I discussed above, the total compensation paid to employees is regularly benchmarked to ensure that FPL's compensation packages are market competitive. FPL believes its current market-competitive total compensation program, with its emphasis on performance-based pay, is optimal and significantly benefits customers. Notably, OPC witness Schultz does not claim that any portion of the work performed

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[6] For example, see Commission Order No. PSC-2025-0038-FOF-EI in Docket No. 20240026-EI; Commission Order No. PSC-2023-0388-FOF-GU in Docket No. 20230023-GU; Commission Order No. PSC-2023-0177-FOF-GU in Docket No. 20220069; and Commission Order No. PSC-2023-0103-FOF-GU in Docket No. 20220067-GU.

[7] Order No. PSC-12-0179-FOF-EI, Docket No. 110138-EI, p. 97, which is available at: http://www.psc.state.fl.us/library/filings/2012/02020-2012/02020-2012.pdf.

by these employees was imprudent, unreasonable, or unrelated to providing safe and reliable regulated service to our customers. If incentive compensation were disallowed as suggested by OPC witness Schultz, FPL would need to consider reallocating its pay mix to assure cost recovery for a reasonable, competitive level of total compensation. This could potentially lead to a reduction in performance-based variable cash incentive compensation and an increase in base salaries and/or other fixed-cost programs roughly equal to the competitive-market total compensation in order to continue to be able to retain and attract the qualified talent necessary to provide safe and reliable service to our customers. Further, it would eliminate the current incentives I have previously described for employees to strive for excellent performance.

Q. On pages 67 and 68 of his direct testimony, OPC witness Schultz states that if the Commission declines his proposal to disallow 100% of incentive compensation, then the Commission should exclude 100% of long-term costs and stock-based costs and at least 50% of the non-officer cash annual incentive compensation plan because, according to him, shareholders are the primary beneficiary of the savings produced as a result of employees' performance over and above that which is expected. Do you agree with his alternative proposal?

A. No. In reality, OPC witness Schultz is asking this Commission to amend the 2010 Order to only allow 50% of non-officer cash-based awards to be recovered in base rates. For the reasons I have previously explained in rebutting his proposal to eliminate 100% of all incentive compensation for all employees, OPC witness Schultz's proposal to only allow 50% of incentive compensation for non-officers should likewise be rejected.

Further, OPC witness Schultz's claim that incentive compensation primarily benefits shareholders is erroneous. FPL's incentive compensation plans and programs are based on customer-related goals and serve as an important managerial tool to motivate and incentivize employees to continuously meet FPL's core value of commitment to excellence and to contribute to FPL's success in achieving its goals of providing safe and reliable service to the customers and communities we serve.

Q. Is OPC witness Schultz's recommendation regarding full or partial disallowance of non-officer incentive compensation based on empirical data or market analysis?

A. No. Notably, OPC witness Schultz does not claim that any portion of the work performed by these employees was imprudent or unrelated to providing safe and reliable regulated service to our customers. OPC witness Schultz also has not criticized either FPL employees' total compensation levels or incentive compensation award values. Nor has he made any allegations or presented any evidence that the total compensation paid to FPL employees, including performance-based incentive compensation, is not reasonable or effective. OPC witness Schultz has not undertaken any analysis or comparison of FPL's compensation levels compared to market pay levels to refute the evidence presented in my direct testimony that FPL employees' base salaries and performance-based variable pay are below market median. The focus of the discussion should be on how much is paid for prudent and necessary work relative to the market for comparable positions, and there has been no evidence to suggest that FPL employees' compensation is excessive or unreasonable.

Q. Do you believe that FPL's incentive compensation included in its payroll expense for the 2026 and 2027 Projected Test Years is just and reasonable?

A. Yes. The Company strives to manage its compensation programs holistically in order to keep its total program expenses at a reasonable level. FPL continuously monitors and benchmarks the compensation and benefits components of the total rewards package and, notably, remains at or below the median of the market as described in my direct testimony. Not only is FPL's total compensation for the 2026 and 2027 Projected Test Years less than the market median, but FPL's incentive compensation is also below the current market median, as reflected in Exhibit JB-3 to my direct testimony.

Given FPL's approach to benchmarking total compensation, pay-for-performance philosophy linked to attainment of pre-determined goals that benefit customers, and exclusion of all expenses that the Commission has not previously approved for recovery, I believe that FPL's forecasts of incentive compensation for the purpose of the 2026 and 2027 Projected Test Years are reasonable.

V. BENEFITS

Q. On page 69 of his direct testimony, OPC witness Schultz proposes an adjustment to FPL's benefits expense to flow through his recommended payroll adjustments. Do you agree with his flowthrough adjustment?

A. No. OPC witness Schultz's adjustment to FPL's benefits expense for the 2026 and 2027 Projected Test Years is based entirely on his proposals to reduce the forecasted headcount, to increase the percentage of base payroll that is being capitalized, and to eliminate incentive compensation. I previously explained why each of these proposed adjustments are not appropriate and should be rejected. For these same reasons, the Commission should reject OPC witness Schultz's related flowthrough adjustment to FPL's benefits expense.

Q. Do you have any other comments about his adjustment to FPL's benefits expense?

A. Yes. Although we disagree with any adjustment for benefits, OPC witness Schultz's calculated adjustment of 5.68% on page 2, line 17 of Schedule C-6 to Exhibit HWS-2, appears to be incorrect. Any recommended benefits adjustment should only be applicable to base salary and not incentive compensation (*i.e.*, benefit loader rate is applied only to base salary). OPC witness Schultz's calculation of his proposed benefits expense adjustment includes both base salary and incentive compensation, and therefore, is overstated. In any event, no adjustment to FPL's benefits expense for the 2026 and 2027 Projected Test Years is appropriate for the reasons I previously explained.

VI. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Q. On pages 76 - 77 of his direct testimony, OPC witness Schultz claims that SERP is not a legitimate expense for inclusion in base rates and should be 100% excluded. Do you agree?

A. No. SERP is a necessary and reasonable expense that serves two purposes. SERP is a non-tax qualified retirement plan for executives that makes up for benefits they cannot receive under tax-qualified plans due to Internal Revenue Service rules. It also helps ensure that their total retirement benefits are competitive with the market. FPL needs to attract and retain high caliber talent at all levels of the organization, including the officer level, in order to deliver on commitments to customers. FPL's on-going inclusion of SERP in a market-competitive executive total compensation and benefits package is appropriate and necessary to attract and retain the caliber of managerial talent necessary to drive FPL's commitment to excellence and successfully achieve its goals of providing safe and reliable service to the customers and communities we serve.

Q. Does this conclude your rebuttal testimony?

A. Yes.

BY MR. CHRISTOPHER WRIGHT:

Q Ms. Buttress, do you have Exhibits JB-7 through JB-10 that were attached to your rebuttal testimony?

A Yes.

MR. CHRISTOPHER WRIGHT: Chairman, I would note that these are CEL Exhibit No. 297 through 300.

CHAIRMAN LA ROSA: All right.

BY MR. CHRISTOPHER WRIGHT:

Q Were these exhibits prepared by you or under your direct supervision?

A Yes.

Q Do you have any corrections to these exhibits?

A No.

Q Ms. Buttress, would you please summarize the topics you address in your direct and rebuttal testimonies?

A Yes.

My direct and rebuttal testimonies address FPL's payroll and benefits expenses for the 2026 and 2027 projected test years, as well as respond to adjustments proposed by certain intervenors.

I am here to answer any questions that you may have.

Q Thank you.

MR. CHRISTOPHER WRIGHT: We tender the witness for cross.

CHAIRMAN LA ROSA: Thank you.

OPC, you are recognized for questioning.

MR. WATROUS: Thank you, Mr. Chairman.

EXAMINATION

BY MR. WATROUS:

Q And good morning, Ms. Buttress.

A Good morning.

Q So you are responsible for the design and administration of compensation and benefits programs, is that correct?

A Yes. That's correct.

Q And you are not testifying as an expert in power plant operations, system reliability or customer affordability, are you?

A That's correct. I am not.

Q And your testimony is limited to payroll, benefits and total compensation matters?

A Yes. That's correct.

Q And you had testified that FPL places more focus on performance-based variable compensation than on fixed cost compensation?

A Yes. That's correct.

Q And variable pay refers to incentive compensation?

A Yes. That's correct.

Q And that incentive compensation is tied to corporate, business unit and individual goals?

A Yes. That is correct.

Q And one of those corporate goals is meeting the budget goals?

A Can you show me in the goals where you are looking?

Q So that would be page seven of your direct, and that would be master page number C4-1390, and that would be on-line eight.

A Yes. That's correct.

Q So employees can earn incentive pay when FPL meets its financial goals, not just reliability, safety or quality of service; is that correct?

A Individuals receive incentive when corporate, business unit and individual goals are met. All of FPL's goals at the corporate level, at the business unit level and at the employee level are customer focused, so any financial or budget goals that are included, they are included to benefit the customers.

Q So yes or no, employees can earn incentive pay when FPL meets its financial goals?

MR. CHRISTOPHER WRIGHT: Chairman, I am going to direct -- I am going to object. That's not what they are testimony says. It says budget goals, not financial goals. I think there is a distinction there.

CHAIRMAN LA ROSA: Can you clarify the question?

MR. WATROUS: Okay. Yeah.

BY MR. WATROUS:

Q So yes or no, employees can earn incentive pay when FPL meets its budget goals?

A Yes. As I just said, budget goals are included that would go into what incentive is available to employees, but I will point out again that the budget goals are related to benefiting our customers.

Q And corporate officers can earn incentive pay when FPL meets the budget goals as well?

A Our officers incentive pay is completely disallowed and not recovered in our rates.

Q And does reducing expected expenses help meet FPL's budget goals?

A I don't think I am the best witness to answer that question.

Q Okay. And who would be the witness to answer that?

A Can you repeat your question?

Q Does reducing expected expenses help meet FPL's budget goals?

A I would direct you to Witness Bores on that.

Q Does reducing headcount reduce payroll expense?

A Yes. By the math, if you reduce headcount, payroll would go down. But I would point out that if we have a reduction in headcount, planned work that has to get done still has to get done, so we would have to accomplish that in other ways with an employee -- other employees, charging overtime, or potentially hiring contract work to get that work done.

Q And can we please turn to master page number E773?

Ms. Buttress, can you see this on your screen?

A Yes, I can see it.

Q Okay. And you sponsored this interrogatory, correct?

A Yes. I sponsor this one.

Q And can you scroll down just a little bit, please, to the -- yes, thank you.

Can you see the average planned number of employees and the average actual number of employees?

A Yes, I can see that.

Q And in 2021, the planned number of employees was 9,835?

A In 2021, the average planned number of employees was 9,835.

Q But the actual average headcount was 9,390?

A Yes. That's correct.

Q You can take this subject to check, but that's a 445-person difference?

A Subject to check, yes.

Q And you can see in 2022, between the average number of employees and the actual, was a 582-person difference?

A Subject to check, yes.

Q And in 2023, the planned number of employees was 9,914 and the actual was 9,154?

A The average planned and the average actual, yes.

Q And that's a difference of 760?

A Subject to check, yes.

Q And the reason why is sometimes because FPL found efficiencies and didn't need those employees, would that be correct?

A I wouldn't necessarily agree with the fact that FPL didn't find efficiencies. If there is a difference in the average planned number of employees versus the average actual number of employees, it could be due to a various number of factors which could include changes in business needs.

Q And the average planned number of employees is still included in FPL's revenue requirement, is that correct?

A Yes. That's correct.

Q So for 2023, if the average salary was $50,000, that means the customers still paid $38 million towards the revenue requirement? You can take that subject to check.

A Subject to checking the math, yes. And that would go back to, you know, what I was explaining before, that we plan the number of headcount based on -- we take a bottoms-up approach. So the business units take into consideration all of the work that is planned for any given year, and then they make the decision how many -- what headcount they need to be able to support that work that needs to get done in those given years.

And so even if the headcount, the average planned headcount doesn't end up being what our actual average was, all of that work still needs to get done. And so, again, other employees would work overtime, or we would potentially have to hire contract work to accomplish that.

Q And do you believe FPL's total salaries and wages per customer compares favorably to other utilities?

A Yes, I absolutely agree with that. Actually, if you look at my Exhibit JB-3 to my direct testimony, FPL is actually below market in our total compensation to our employees.

Q Well, I am going to take you to your Exhibit JB-2. So can we please go to master page number C4-1411?

And can you please explain this page one of JB-2, please?

A Yes. This is a comparison of the total salaries and wages per customer against other regulated utilities.

Q And it's based off of the FERC Form 1 data, is that correct?

A Yes. That's correct.

Q And what information is contained in that FERC Form 1?

A I don't know the entirety of what is included in the FERC Form 1, but I know for my purposes, I have used it to pull the total salaries and wages by customer. And then on page two of this exhibit, I have used it to compare total salaries and wages per megawatt hour.

Q And when you filed this testimony, did you personally review the FERC Form 1 data?

A I did not personally review the FERC Form 1 data. That was pulled by my team.

Q And based off of this chart that you sponsored and signed off on, do you know how many customers Tampa Electric has?

A No, not off the top of my head.

Q And I am assuming the same answer for Duke?

A That's correct.

Q And can we please go to master page number E-1129?

Ms. Buttress, can you see this?

A Yes, I can see it.

Q And can you go to -- can you please read, not out loud, but to yourself, the second paragraph to the response?

A Okay.

Q That additional 93 million for overtime, do you know whether some of that overtime was for storm hardening projects?

A I do not know specifically. Generally, it would be for unplanned work and to cover open positions that we have.

Q Overtime for open positions? Can you please explain that?

A Well, if we haven't filled all of the open positions, kind of what I was going back to before on the headcount, then other employees would be working overtime.

Q Thank you, Ms. Buttress. The Office of Public Counsel has no more questions.

CHAIRMAN LA ROSA: Great. Thank you.

FEL?

EXAMINATION

BY MS. McMANAMON:

Q Good morning, Ms. Buttress.

A Good morning.

Q First I would like to take us to master number F10-13192. And this is FPL's employee compensation manual, correct?

A Yes. That's correct.

Q And I would just like to discuss some of these different categories a bit.

So the merit adjustment is essentially the employee's base salary, is that correct?

A Yes. That's correct. The merit adjustment would be an annual adjustment to the employee's base salary.

Q So base pay and merit pay would be synonymous pretty much?

A Yes, you can say that.

Q And is variable pay the same as incentive pay that an employee gets based on performance?

A Yes. That's correct.

Q So an employee could receive pay from multiple of these different categories, correct?

A Yes. That's correct.

Q And next if we could go to master number F10-1310? Can we scroll a little bit? Okay. Maybe we will come back to this. I am not sure if that's what I was looking for.

Instead, can we go to F10-80?

MR. SCHULTZ: You said 80?

MS. McMANAMON: Yes, eight zero.

BY MS. McMANAMON:

Q So here you state that FPL's incentive compensation plans and programs are based on customer related goals, correct?

A Yes. That's correct.

Q Okay. And next if we could go to the big binder to FEL 255C?

A Binder number two or the other one?

Q The red one with the tabs.

A Okay. And could you repeat the --

Q Yes. 255C.

A Okay.

Q So these would be the 2024 business unit goals, correct?

A Yes. That's correct.

Q So if I had specific questions about certain business unit goals, they would be better addressed to that specific business unit and not to you, correct?

A Yes. That's correct.

Q Okay. But this document would be what senior leadership looks at to determine the slice that each business unit would receive in total incentive compensation based on whether they achieved these goals or not?

A Yes. That's correct.

Q And would you agree that there is not necessarily a prescribed formula for determining that amount?

A Which amount are you referring to?

Q The business unit total pool for incentive compensation.

A That's correct. There is not an exact formula for that.

Q And in general, do you agree that most

employees receive incentive pay?

A In general, yes, I do agree with that, because incentive compensation is just one piece of an employee's total compensation, that's our base salary and incentive. And both of those combined is what we benchmark and what we look to the market to be competitive with, so it is included in that.

Q Thank you.

Next if we could go to master number F10-34?

And this shows the employees eligible compared to employees that receive variable or merit pay from 2021 to 2025, correct? It should just be on your screen. Not in the binders. Sorry.

A Can you repeat your question?

Q Just that this shows the employees eligible compared to employees that received variable or merit pay?

A Yes. That's correct.

Q And would most of the employees who did not receive merit adjustment be based on their hiring date, or are there other factors with that?

A No. Merit is also performance-based, so it could be due to being hired later in the year, and they would not be eligible for a merit increase during our performance award cycle, but it could also be due to their performance, and if they didn't meet their achieved goals.

Q So performance is also included in merit and variable pay?

A Yes. That's correct.

Q And next if we could go to master number E61735? Which -- this shows that only 3.3 percent of eligible employees did not receive any amount of annual incentive compensation pay, correct?

A Yes. That's correct. But I will point out here that that's just stating the number of employees that -- or the percentage of employees that did not receive any incentive at all. The remaining employees that did receive incentive doesn't necessarily mean that they received the full opportunity of incentive that was available to them. Again, their individual goals would have been reviewed, and then leadership would determine the amount that that employee would receive.

Q And the way that incentive is used here, is that including merit and variable pay, or just specifically incentive compensation?

A This specific answer is related just to incentive compensation.

Q And if we could go quickly back to the binder to CEL number 356I?

A Okay.

Q And so generally, this is showing the percentage of variable pay that an employee received above their base pay, correct?

A It is showing the variable award percentage that each employee received, it's a percentage of their base salary.

Q If you could turn to the second page -- flip it over just on the back -- to row 109. That percentage there, you are saying is a percentage of their base pay, or how would you describe that?

A Yes. Incentive paid as a percentage of their base salary.

Q Okay. Thank you.

And next if we could go to FEL 330C, also in this binder?

A Okay.

Q So this is a specific incentive compensation program, correct?

A Yes. That's correct.

Q And would stating the objective of this program be confidential?

A Yes.

Q Okay. Thank you.

Is there anything you can say about it that

wouldn't be confidential?

A Probably not.

Q Okay. That's fine.

I think you stated earlier that FPL has maintained median base pay below the median market, correct?

A Yes. We consistently maintain, you can see, you know, I will point again to my Exhibit JB-3 to my direct testimony, that for the years '22 through '24, our overall compensation has been below the market median.

Q And next if we could go to master number F10-45?

So this states that for salaries over 300,000, 42 of those positions are above the median market, and eight of those positions are below?

A Yes. That's correct. For those on this page, there are 42 above the market median, but I think it's important to point out here that we are looking at 42 out of over 9,000 employees that we have, just to put it in perspective.

Q But this is just looking at the positions over 300,000. So that would only be out of 50 positions, correct, just adding up the above and below?

A Yes, there are 50 employees that are making a base salary above 300,000. But, again, it's 50 employees out of over 9,000 employees we have at FPL.

Q And very quickly, if we could just turn to FEL 268C in the binder?

A Okay.

Q I am just verifying that this is the data that this response is based on, correct?

A Yes. That's correct.

Q Okay. One moment. That's all my questions. Thank you.

CHAIRMAN LA ROSA: Great. Thank you.

FIPUG?

MS. PUTNAL: No questions.

MS. HELTON: Mr. Chairman, just a little housekeeping. So 255C is 1129. 330C is Exhibit 1204, and 268C is 1142.

CHAIRMAN LA ROSA: Excellent.

FIPUG?

MS. PUTNAL: No questions. Thank you.

CHAIRMAN LA ROSA: Walmart?

MS. EATON: No questions. Thank you.

CHAIRMAN LA ROSA: FEIA?

MR. MAY: No questions.

CHAIRMAN LA ROSA: Great. Thank you.

Staff?

MR. STILLER: No questions.

CHAIRMAN LA ROSA: Commissioners, do we have any questions?

All right. Seeing none, back to FPL for redirect.

MR. CHRISTOPHER WRIGHT: Thank you, Chairman. We have no redirect.

We would ask that Exhibits -- CEL Exhibits No. 78 through 83, 297 through 300 be moved into the record, and that Ms. Buttress be excused.

CHAIRMAN LA ROSA: Okay. Any objections to those? Seeing none, so moved.

(Whereupon, Exhibit Nos. 78-83 & 297-300 were received into evidence.)

CHAIRMAN LA ROSA: Ms. Buttress, you are excused. Thank you very much.

THE WITNESS: Thank you.

CHAIRMAN LA ROSA: Excellent.

(Witness excused.)

CHAIRMAN LA ROSA: OPC, FEL, any items?

MS. McMANAMON: Yes. We would like to move in CEL 881, 886, 895, 1046, 1129, 1142 and 1204.

CHAIRMAN LA ROSA: Any objections to those?

MR. CHRISTOPHER WRIGHT: No.

CHAIRMAN LA ROSA: Seeing none, so moved.

(Whereupon, Exhibit Nos. 881, 886, 895, 1046, 1129, 1142 & and 1204 were received into evidence.)

CHAIRMAN LA ROSA: No other parties? Okay. Excellent.

Thank you.

(Transcript continues in sequence in Volume 7.)

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 23rd day of October, 2025.

Debbie R Krick

DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 202804