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Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5253
(561) 691-7135 (Facsimile)

December 13, 2007

UNDOCKETED

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COMMISSION CLERK

VIA HAND DELIVERY
Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Florida Power & Light Company
2007 Capacity Request for Proposals – Generation Capacity

Dear Ms. Cole:

Pursuant to Florida Administrative Code Rule 25-22.082(9), Florida Power & Light Company ("FPL") is filing a copy of its capacity Request for Proposal – Generation Capacity ("RFP") issued today. Also enclosed are copies of the public notices given to apprise potential bidders of the RFP issuance today, the pre-issuance RFP discussion session on December 11, 2007 and the Pre-bid workshop scheduled for December 20, 2007.

Please contact me should you or your staff have any questions regarding this filing.

Sincerely,

for Bryan S. Anderson

BSA:ec
Enclosure

DOCUMENT NUMBER-DATE
10914 DEC 13 07
FPSC-COMMISSION CLERK

Uncomfortable office moments.

REQUEST FOR PROPOSAL GENERATION CAPACITY

Florida Power & Light Company (FPL) is soliciting proposals for firm capacity and energy with commencement of deliveries beginning June 1, 2011 through June 1, 2012 time frame.

Parties interested in submitting proposals in response to this request may obtain further information and register to participate by visiting our website at www.fpl.com/2007rfp, which will be available by midnight December 13, 2007, or you may contact Steve Sim, RFP Contact Person, Florida Power & Light Company, Resource Assessment and Planning Department, PO Box 029100 Miami, FL 33102-9100, Office phone 305-552-2246.

The RFP will compete with FPL's next planned generating unit. The next planned generating unit consists of one 1,219 MW (nominal) natural gas-fired combined cycle unit at FPL's West County Energy Center (WCEC) in the western portion of Palm Beach County, Florida with an in-service date of June 1, 2011.

The RFP will be available to registered participants on December 13, 2007 through the website, or by contacting Steve Sim. Proposals must be submitted by February 13, 2008 at 4:00 pm EDT to the RFP Contact Person. After initial screening and evaluation, it is anticipated that a short list of proposers will be announced in April 2008 with initial discussions and final evaluation to follow.

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FPL. an FPL Group company

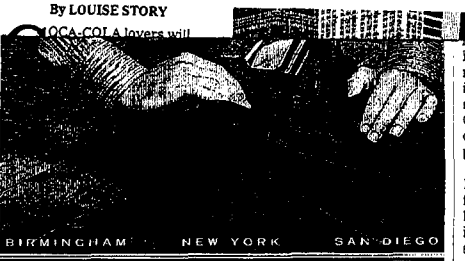
MEDIA

ADVERTISING

Coke Promotes Itself in a New Virtual World

By LOUISE STORY

COCA-COLA lovers will



CMAR SERVICES FOR PIMA COUNTY AZ

Pima County Regional Wastewater Reclamation Department is seeking Statements of Qualifications from qualified firms to provide Construction Manager at Risk (CMAR) services for the construction of capacity expansion and regulatory compliance improvements at its Ina Road Water Pollution Control Facility.

The selected CMAR will work with the Design Engineer and Owners Representative through the design and construction of the Project. Owner expects to award the design contract in the first quarter of 2008 and start construction on or before July 2010, with construction substantially completed by June 2013. The preliminary Project construction budget is estimated at $150 million.

A pre-submittal conference will be held at 9:00 AM Local Tucson Time, December 17, 2007, in the Pima County Procurement Department 3rd Floor Conference Room, 130 West Congress Street, Tucson, Arizona. **Statements of Qualifications are due no later than 4:00 PM Local Tucson Time, January 11, 2008.**

The entire information package can be downloaded from the Pima County website at: http://www.co.pima.az.us/procure/ifbrfp-dc.htm. Information regarding the submittal requirements of this solicitation may be obtained at the Design and Construction Division of the Procurement Department. Contact Ms. Sue Aegerter regarding documents at **(520) 740-3727**, FAX: **(520) 243-4434**; Email: **sue.aegerter@pima.gov**

Certified Minority and Women Business Enterprise (MWBE) firms are encouraged to participate.

New York Times Name Change for Sally Kessler

Notice is hereby given that an order entered by the civil court, New York, County, on the 19 of November 2007, bearing Index Number 502233/2007 a copy which may be examined at the office of the Clerk is: room 141 Centre Street, New York NY in room 225 grants me the right to assume the name of Sally Kessler, my present name is Schiller Kessler, address: 213 East 26th Street Apt #3B New York, NY10010-1956 My place of Birth Pittsburgh Date of Birth: February 24, 1957.

Home Delivery

Call 1-800-392-1006 or visit nytimes.com/specialoffer.

ic book hero. **DreamWorks Animation** recently announced that it would distribute several future movies in 3-D, including "Shrek Goes Forth." James Cameron's coming "Avatar" is being prepared in 3-D.

In gearing up more theaters, Imax and AMC are chasing different goals. AMC, which is based in Kansas City, Mo., is trying to battle an industrywide slump in attendance while squeezing out more revenue from existing auditoriums. Because Imax tickets cost an extra $2 to $4, the conversion should increase revenue in the converted auditoriums by one third, according to Peter C. Brown, the chief executive of AMC.

For Imax, the joint venture carries extra weight. The company, with headquarters in New York and Toronto, has struggled to expand into mainstream movie theaters from its roots in science and history museums. Although it has persuaded some movie studios to release Imax versions of their regular films, Imax has recently suffered loses associated with regulatory inquiries into its accounting methods.

In restated filings last month, Imax reported a loss of $16.8 million on revenue of $129.5 million for 2006. Also in 2006, an effort to sell the company faltered when

who are seeking to send c
ized messages.
part to future audiences awa
the upstart medium of tele

Recent results for films
ited in 3-D have intensi
terest. "Beowulf," a fant
aptation of the classic ta
released on Nov. 16 in th
mats: standard, Imax a
called "digital 3-D." The fi
about $27.5 million in tic
United States theaters
opening weekend, accor
Media by Numbers. Imax
up $3.6 million of the tota
percent.

Imax releases in the pa
typically contributed less
percent of the gross. "The
longer a question about t
bility of 3-D," said Paul D
bedian, president of Me
Numbers.

Studios greeted the de
enthusiasm. "This gives
national footprint they ne
before, including in the st
and is great for studios loc
distribute titles in 3-D," sa
Fellman, president of th
distribution at Warner Bro

Still, Imax is not home f
digital projectors arrive a
theaters — about 4,000 scr
the United States are
equipped with the techno
a group of competing 3-D p
ors has sprung up. Most
sive is Real D, a maker of
ment to upgrade digital
tors to show 3-D film.

enate Nears AMT Deal Without Offsets | *Spy Agencies*

deserve medicine that's truly modern.

Yesterday's best treatments may not be the best today. UPMC physician-scientists are developing powerful new approaches to common orthopaedic problems to help our patients heal better. Our orthopaedic trauma surgeons are among the leaders in damage-control orthopaedics, which improves outcomes by repairing fractures when the patient is healthy enough to recover well. Through clinical studies and research, we are refining the anatomic double-bundle repair technique for the torn anterior cruciate ligament (ACL). This surgical advance enables us to restore the knee's normal anatomy and mobility, with the goal of obtaining better long-term outcomes. And we are employing advanced imaging to improve detection of cartilage damage caused by osteoarthritis, which may enable early treatment to reverse cartilage degeneration. At UPMC, we never stop looking for uncommon solutions to common orthopaedic problems.

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Affiliated with the **University of Pittsburgh School of Medicine**, UPMC is ranked among the nation's best hospitals by *U.S.News & World Report*.

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SOUTH FLORIDA EXTRA

AROUND SOUTH FLORIDA

NORTH MIAMI

Dead man's roommates sought for questioning

rom Miami Herald Wire Services

North Miami detectives are looking to talk with three ien who lived with Victor Manuel Guzman-Lopez, 42, a aborer found decomposing this week inside a closet. He was the victim of a homicide. Police declined to release his cause of death.



UZMAN-LOPEZ

The owner of the home at 1250 NW 123rd St. had allowed the four people to stay there while the house was in foreclosure. The homeowner found the body Monday. Detectives suspect his body had been there for at least three days.

Guzman-Lopez had lived in the United States since at least 1999. One of his roommates may be named Oscar.

Anyone with information is asked to contact Detective ohn Mayato at 305-891-0294 or Miami-Dade Crime Stop- ers at 305-471-TIPS (8477).

CORAL GABLES

STREET CLOSINGS ANNOUNCED FOR TREE LIGHTING

Some streets in Coral Gables will close to traffic Friday norning as the city prepares its annual holiday celebration nd tree lighting ceremony.

Andalusia Avenue and Biltmore Way between Hernando treet and Le Jeune Road will close at 11 a.m. It reopens round midnight. Merrick Park across from City Hall, 405 Biltmore Way, will become a holiday-themed wonderland eginning at 5 p.m. City commissioners will welcome Santa laus, who will turn on the light switch for the gigantic holiay tree outside City Hall at 7 p.m.

BUENA VISTA EAST | SOUTH FLORIDA HISTORY

A past with pineapple

The Buena Vista East's historic association celebrated Art Basel with exhibits in old homes and an homage to their neighborhood's logo, the pineapple.

BY LAURA MORALES
lmorales@MiamiHerald.com

A century ago, visitors traveling south into Miami had to trek past acres of spiky pineapple plants. In the 1920s, those fields became Biltmore and Shadowlawn, two of Miami's first — and toniest — suburbs.

By the 1980s and '90s, the beauty of Buena Vista East gave way to blight — abandoned buildings along with faded, crumbling houses.

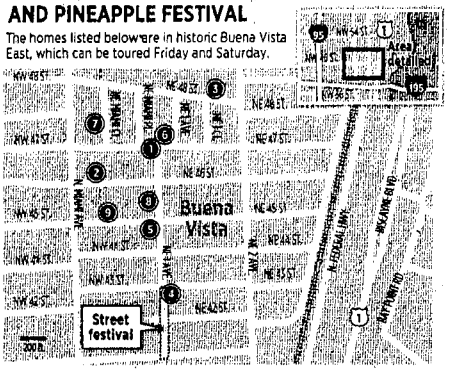
But in recent years those old homes jump-started the area's rebirth, drawing people who value historic preservation.

This weekend, members of the Buena Vista East Historic Neighborhood Association will celebrate the area's agrarian past — and current renaissance — during their first Artist/Home Showcase and Pineapple Festival. It kicks off Friday with a tour of those houses.

For Saturday's main event,

BUENA VISTA EAST ARTIST/HOME SHOWCASE AND PINEAPPLE FESTIVAL

The homes listed below are in historic Buena Vista East, which can be toured Friday and Saturday.



	Address	Adj Sq. Footage	Lot Size	Year Built
1	86 NE 47 St.	1,776	5,500	1925
2	31 NE 46 St.	3,355	5,750	1923
3	169 NE 48 St.	1,597	5,250	1923
4	100 NE 43 St.	4,200	10,000	1926
5	90 NE 46 St.	2,675	12,534	1958
6	122 NE 47 St.	4,508	15,000	1929
7	4726 NE Miami Ct.	2,222	5,500	1925
8	4514 NE 1 Ave.	4,771	19,350	1924
9	151 NE 45 St.	2,267	6,250	1924

SOURCE: Buena Vista East Historic Neighborhood Association THE MIAMI HERALD

IF YOU GO

son of an agriculturally inclined North Carolina cler-

CONFLICT IN IRAQ

Soldier killed in Iraq aided others

An Army captain and Fort Pierce native was killed by a roadside bomb in Iraq. Relatives and friends said Adam Snyder was a prolific volunteer.

BY PHIL LONG
plong@MiamiHerald.com

FORT PIERCE — Army Capt. Adam P. Snyder spent much of his life putting other people first, his family and friends said Thursday as they began to mourn his death.

Snyder died Tuesday in Balad, Iraq, one of three killed after their Humvee hit a roadside bomb in Bayji a day earlier. He was two months into his second tour of duty in Iraq.

Our unique combination of newspaper classifieds, private landlord listings and managed properties makes us Miami's most complete apartment resource.

MiamiHerald.com featuring: apartments.com more under one roof

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patients, but all three were released Thursday.

St. Vincent's Medical Center spokesman Erik Kaldor said it also received three injured workers. One was admitted in fair condition and two were treated and released. Memorial Medical Center received two patients. One was listed in stable condition and one was released.

The collapse occurred as workers were pouring cement on the sixth floor of the garage for a riverfront condominium complex. Officials said they don't know what caused the collapse.

SOLOMON CORAL, CITY CLERK • HOWARD B. LEMARO, CITY ATTORNEY

SHOULD ANY PERSON DESIRE TO APPEAL ANY DECISION OF THE CITY COUNCIL WITH RESPECT TO ANY MATTER TO BE CONSIDERED AT THIS MEETING, THAT PERSON SHALL ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, INCLUDING ALL TESTIMONY AND EVIDENCE UPON WHICH ANY APPEAL MAY BE BASED. (FS 286.0105)

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, PERSONS NEEDING SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHOULD CONTACT THE OFFICE OF THE CITY CLERK NO LATER THAN TWO (2) DAYS PRIOR TO THE PROCEEDING. TELEPHONE (305) 787-6001 FOR ASSISTANCE. IF HEARING IMPAIRED, TELEPHONE OUR TDD LINE AT (305) 948-2894 FOR ASSISTANCE.

ALL INTERESTED PARTIES MAY APPEAR AT THE MEETING AND BE HEARD WITH RESPECT TO THE PROPOSED ORDINANCE(S)

7011 N.E. 13 AVENUE, DURING THE HOURS OF 8:00 AM AND 5:00 PM, MONDAY THROUGH FRIDAY.



Florida Power & Light Company's

2007 Request for Proposals

For 2011/2012 Generation Capacity

December 13, 2007

DOCUMENT NUMBER-DATE
10914 DEC 13 &
FPSC-COMMISSION CLERK

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2007 Request for Proposals - Generation Capacity

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    1. Evaluation Methodology
    2. Transmission Integration & Losses
    3. Net Equity Adjustment

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Section I - 2007 RFP Overview

A. Introduction

Florida Power & Light Company (FPL) set forth a comprehensive generation plan in its 2007 Ten Year Power Plant Site Plan (Site Plan). This plan included a mix of future natural gas- and coal-fueled technologies to help maintain fuel diversity and enhance the reliability and cost-effectiveness of FPL's current system. However, FPL is no longer proposing to add advanced technology coal capacity starting in 2013 as was projected in the Site Plan. In addition, FPL's capacity need projections have changed from the capacity needs reflected in the Site Plan. FPL now projects a capacity need of approximately 214 MW starting in 2011.

FPL is initiating a Request for Proposals (RFP) process in 2007 to identify viable firm capacity and energy resources that will be compared to FPL's Next Planned Generating Unit (NPGU) to meet FPL's projected capacity needs beginning in 2011.

The aim of this RFP process is to obtain a variety of supply-side resource proposals and evaluate those proposals, and/or combinations of proposals, in comparison to FPL's NPGU. This will enable FPL to select the most cost-effective combination of generation resources that meets FPL's system reliability and performance standards and enhances fuel diversity in FPL's system in an environmentally responsible manner, all for the benefit of FPL's customers.

B. Notices

It is important that all participants in this RFP process clearly understand that, in order to protect the interests of FPL's customers, FPL retains the right during the RFP process to: select a combination of proposals, select a proposal or combination of proposals that is not the lowest-priced proposal or combination, waive a non-compliance in any proposal, reject any and all proposals, modify or cancel the RFP, refine the cost and/or performance assumptions of FPL's NPGU, and refine FPL's projected need for resource additions. In the event that FPL modifies the cost and/or performance assumptions of FPL's NPGU, those Proposers that have viable and competitive proposals under evaluation at that time will be given the opportunity to refine their proposals in those aspects that are affected by FPL's modifications.

This RFP is not an offer to enter into a contract. It is a solicitation of exclusive firm offers of fixed duration from Proposers. Nothing in this RFP or any communication associated with this RFP shall be taken as constituting an offer or representation between FPL and any other party. Neither issuance of this RFP, nor the entry of FPL into negotiations with any Proposer, will be deemed to create any commitment or obligation on the part of FPL to enter into a binding

agreement with any Proposer. Those who submit proposals do so without recourse against FPL or any of its affiliates for either rejection of their proposal(s) or for failure to execute a purchase agreement for any reason.

C. Regulatory Background

The Florida Administrative Code Rule 25-22.082 requires public utilities to issue an RFP prior to filing a petition for Determination of Need in accordance with Section 403.519, Florida Statutes. FPL has a need for additional capacity from a reliability perspective starting in 2011 and this capacity need increases every year thereafter. FPL has determined that the most cost-effective FPL self-build option that can provide additional capacity starting in 2011 would require a Determination of Need. FPL recognizes that proposals that may be submitted as alternatives to FPL's self-build option may or may not require a Determination of Need.

D. Overall RFP Description

This RFP addresses FPL's projected capacity needs starting in 2011. The RFP presents a NPGU with a June 1, 2011 in-service date. The RFP seeks alternatives with in-service dates between January 1, 2011 and June 1, 2012 that can be compared to FPL's self-build option. This will enable FPL to select the most cost-effective combination of generation capacity resources that will meet FPL's reliability and performance requirements and that can be placed in service to meet FPL's 2011 and/or 2012 capacity needs.

For proposals that cannot be placed in service in time to provide capacity by June 2011, FPL's evaluation will assume the purchase of up to 214 MW for all or part of the 4 month period from June through September 2011, as applicable, to maintain a planning reserve margin of 20% in 2011.

E. Appendices

There are four appendices to this 2007 RFP that are summarized below.

Appendix A provides a copy of FPL's 2007 Ten Year Power Plant Site Plan.

Appendix B consists of a draft Power Purchase Agreement (PPA) appropriate for a Non-Tolling Agreement and a Natural Gas Tolling Agreement. These draft contracts are intended to communicate FPL's contract language preferences and provide a general commercial terms framework to assist Proposers.

Appendix C provides the specific forms that Proposers will need to submit as a part of their proposal and a discussion of the information to be provided on these forms.

Appendix D provides detailed information regarding FPL's evaluation methodology, including examples of how specific processes and calculations are applied.

Section II - General Information and Requirements

A. Issues Influencing System Costs, Environmental Impacts, and Reliability

1. Geographic Location.

System cost-effectiveness and reliability measures are improved when new generation units are located near the system load center. The ability of a generator to deliver power in or near the area of greatest need lowers the cost of delivering that power and provides operational flexibility for the system. FPL's RFP evaluation methodology recognizes the value of geographic location and is discussed in more detail in Appendix D.

2. Concern with Greenhouse Gas (GHG) Emissions Related to Coal-Based and Oil-Based Proposals.

Because of current climate change concerns and uncertainty regarding future GHG emission limits as well as the possibly very high cost of future GHG emissions, proposals for generation technologies that utilize coal or oil as the primary fuel in response to this solicitation will be viewed as having significantly higher risk associated with them compared to non-coal-based and non-oil-based proposals. Furthermore, the significant economic cost that FPL will apply to GHG emissions for all technologies will impose a much greater cost on coal-based and oil-based generation technologies.

3. Fuel Diversity.

FPL's generation system has always sought to maintain a balance of fuel sources as a means to manage the cost impacts of fuel price volatility and maintain fuel supply reliability. By developing a system that utilizes a variety of fuels and energy sources, FPL is taking steps to control the impact of market price volatility on the average cost of electricity in our service area. Recent commodity price increases and volatility in natural gas markets reinforces FPL's continued efforts to pursue diversification of fuel sources.

FPL's RFP evaluation process will generally recognize the value offered by fuel diverse generation options in the context of the non-economic evaluation of environmental and technical or operational factors. Proposals involving renewable energy generation, or other generation that

assists FPL in cost-effectively increasing the fuel diversity of the FPL system while contributing to low GHG emissions are encouraged.

4. Firm Capacity and Dispatchability.

FPL seeks proposals that would allow FPL to meet its firm capacity requirement in future years. Therefore, proposals will be required to offer the commitment of firm capacity and energy. FPL defines Firm Capacity and Energy as follows:

> *"All electric energy and capacity owned or acquired by the Proposer to be made available exclusively to FPL pursuant to the RFP as if FPL owned the generating capacity on its own system. Firm Capacity and Energy shall not include any electric generating capacity that another Party, including the Proposer, can utilize or purchase."*

The firm capacity and energy must be fully dispatchable under the operational control of FPL and must include all of the facility output inclusive of ancillary service products. Requiring that all proposals satisfy the firm and dispatchability conditions ensures that the proposals can be evaluated on an equal basis regarding their total costs and reliability benefits to FPL's customers.

B. Proposer Obligations

1. Regulatory Compliance.

The Proposer is solely responsible for acquiring and maintaining compliance with all licenses, permits, and other regulatory approvals (including environmental) that will be required by current or future federal, state, or other local government laws, regulations, or ordinances to successfully implement the proposal. For a selected proposal that requires new power plant construction falling under the Florida Electrical Power Plant Siting Act (Siting Act), FPL will be a co-applicant in a Determination of Need filing. FPL will cooperate with any selected Proposer(s) to provide information or such other assistance as may reasonably be necessary for the Proposer(s) to satisfy licensing and regulatory requirements. Likewise, the selected Proposer(s) shall fully support all of FPL's regulatory requirements associated with this potential capacity and energy arrangement.

For any proposal that requires new power plant construction falling under the Siting Act, the Proposer must demonstrate as part of the proposal a permitting and construction schedule that allows the new plant to be in

commercial operation on or before the Capacity Delivery Date. Please see Appendix C for a discussion of Form # 7 that requests, in part, this permitting and construction schedule information.

2. Development Activities.

The Proposer is solely and completely responsible for the location, acquisition, and development of the plant site and other land or infrastructure that is needed for any proposed new generating units.

The Proposer is also completely responsible for securing, locating, or guaranteeing any emissions allowances, credits, or offsets which may be required by the Title IV Clean Air Act Amendments, Clean Air Interstate Rule, Clean Air Mercury Rule or other federal, state, or local requirements, or in otherwise complying with environmental regulations, including those related to greenhouse gas emissions, to allow the construction and/or operation of the proposed facility. Proposers whose proposals offer the sale of capacity and energy from an existing power plant(s) must secure the emission allowances, credits, or approvals necessary, or in otherwise complying with environmental regulations, including those related to greenhouse gas emissions, to operate the facility during the term of the contract.

3. Project Funding and Costs.

All Proposers are completely responsible for all financing activities related to the project and for engineering, design, procurement, and construction of all aspects of the facility. These include, but are not limited to, the power block, environmental control systems, fuel delivery systems (from the fuel delivery point, if a tolling arrangement is proposed), and transmission system interconnections, etc. The Proposer is also completely responsible for sourcing and contracting for a reliable fuel supply and firm fuel transportation (unless the proposal is a tolling proposal) and any other activity required for the reliable delivery of firm capacity and energy to FPL at the identified delivery or interconnection point. All costs associated with the design, construction, operation, and maintenance of the transmission interconnection facilities (including but not limited to generator step-up transformers and high-voltage breakers) and natural gas pipeline laterals associated with the delivery of firm capacity and energy to FPL will be the responsibility of the Proposer.

4. Interconnection and Transmission Service.

The Proposer must secure with the appropriate transmission provider(s) all needed transmission facilities and arrangements required to deliver the

firm capacity and energy to the FPL transmission system on a firm long-term basis for the entire term of the proposal.

5. Cooperation.

Any selected Proposer(s) agrees by the act of submitting a proposal in response to this RFP to file, as needed, an application under the Siting Act and to fully support, as requested by FPL, any FPL regulatory proceeding(s) related to firm capacity purchases emanating from this solicitation. Proposers shall be responsible for all of Proposer's costs to participate in the necessary regulatory proceedings.

C. General Instructions for Proposers

1. FPL Contact Person.

Steve Sim, Resource Assessment & Planning
Florida Power & Light Company
RAP/GO
9250 West Flagler Street
Miami, FL 33174

Email: Steve_R_Sim@FPL.com
Office: (305)-552-2246
Fax: (305)-552-2716

2. Proposal Confidentiality.

FPL will take reasonable precautions and use reasonable efforts to protect proprietary and confidential information contained in a proposal, provided that such information is clearly identified by the Proposer as Proprietary and Confidential on each page(s) on which the information appears.

To clearly identify confidential information, the Proposer must (1) stamp each such page with the label "Confidential Information" and (2) highlight/shade the specific confidential information contained on the pages stamped "Confidential Information". (A blanket statement that an entire page or proposal is proprietary and confidential will not be considered clear identification.)

Notwithstanding the foregoing, FPL shall disclose Confidential Information in the event that it determines, in its sole discretion, that disclosure is necessary in order to comply with any applicable law, order, regulation, ruling, subpoena, or order of the Florida Public Service Commission or other governmental authority or tribunal with competent jurisdiction. Such disclosure may include, but is not limited to, production

of Confidential Information to the Florida Public Service Commission and to parties in legal and regulatory proceedings conducted to consider and to approve the project(s) which is the subject of this Request for Proposals.

In the event that FPL is requested or required to disclose any Confidential Information, FPL will provide prior notice to the entity whose Confidential Information has been requested so that such entity may, if it chooses, seek an appropriate protective order subject to protections available under the Florida Statutes, Florida Administrative Code, and Florida Rules of Civil Procedure.

With respect to any disclosure made by FPL pursuant to the foregoing paragraphs, FPL will furnish only that portion of the Confidential Information that FPL determines in its sole discretion to be consistent with the scope of the subpoena, demand, or request and will seek reasonable assurances that confidential treatment will be accorded such Confidential Information.

D. General Minimum Requirements for Proposals

Proposers must agree to the provisions of these General Minimum Requirements 1 through 12 listed below and the Specific Minimum Requirements listed in Section III.E. In addition, all proposals must satisfy each of the General Minimum Requirements and the Specific Minimum Requirements, as applicable. Failure of a Proposer to agree to, or of a proposal to satisfy, one or more Minimum Requirements will be grounds for determining a proposal ineligible. FPL reserves the right to waive inconsequential non-compliance with these Minimum Requirements. Proposals determined to be ineligible will be returned to the Proposer along with a refund of 75% of the RFP Evaluation Fee.

1. **Proposal Submission Requirements.**

   All proposals and variations to proposals must be received by the FPL RFP Contact Person by the Proposal Due Date and Time. Proposers must submit five (5) bound hard copies, plus an electronic copy of the completed forms on a CD, by the Proposal Due Date and Time. The RFP Evaluation Fee(s) must accompany the proposal(s) and any variations.

   All required forms and the complete information requested on these forms must be submitted. FPL may choose to contact a Proposer to request that omitted or incomplete information be provided, but is under no obligation to do so. Any attempt by a Proposer to disclaim generally the terms and conditions of this RFP without stating specific exceptions and alternative language will be grounds for determining a proposal to be incomplete, and therefore, ineligible.

Proposer must comply with the Publication Notice requirement of Rule 25-22.082(7), Florida Administrative Code which requires a notice to be published in a newspaper of general circulation in each county in which the participant proposes to build an electrical power plant. The notice shall be at least one-quarter of a page and shall be published no later than 10 days after the Proposal Due Date. The notice shall state that the participant has submitted a proposal to build an electrical power plant, and shall include the name and address of the participant submitting the proposal, the name and address of the public utility that solicited the proposals, and a general description of the proposed power plant and its location. A copy of the notice, including an affidavit confirming publication, must be submitted to FPL within 10 days of publication of such notice, or within 20 days of the Proposal Due Date.

2. Term of the Proposal(s).

The firm capacity and energy offered by the proposal must commence within the time frame identified for each solicitation. The acceptable term lengths for proposals are established recognizing factors that are specific to the proposed capacity and energy source.

a) The minimum term length for proposals offering system sales or proposals supported by new or existing assets that do not require a need determination is one (1) year.
b) The minimum term length for proposals offering PPA sales from a new asset requiring a need determination is ten (10) years.
c) The minimum term length for proposals requiring a Natural Gas Tolling Agreement is fifteen (15) years.
d) The maximum term length of any proposal type is twenty-five (25) years.

3. Firm Nature of Proposal.

a) Proposals must offer year-round firm capacity.
b) The firm capacity and energy must be fully dispatchable under the operational control of FPL, subject only to the operating capabilities of the facility for all proposals except those that are system sales as described in Section II.D.6.
c) Proposals supported by identifiable units (other than system sales) must commit all of the facility output, including any ancillary service products.
d) The firm capacity and energy delivery must commence within the required time frame of the solicitation and remain as firm capacity and energy throughout the term of the proposed offer.

4. **Permit and Authorization Feasibility.**

The Proposer must demonstrate that there are no significant barriers to obtaining the necessary regulatory and governmental permits and authorizations to execute or implement the proposed project on a schedule that meets the Capacity Delivery Date. All proposed projects will be subject to the approval of the appropriate Regulatory Authorities.

The Proposer is responsible for acquiring and maintaining compliance with all licenses, permits, and other regulatory approvals (including environmental) that will be required by current or future federal, state, or other local government laws, regulations, or ordinances to successfully implement the proposal during the entire contract term.

5. **Binding Nature of Proposal.**

Proposals must be certified by an Officer of the proposing entity. Proposal(s) must remain as valid and binding offers for 180 days from the submittal date and cannot be modified, except to be withdrawn in full, modified in response to a modification of FPL information describing FPL's NPGU, or in response to a request for a Best and Final Offer from FPL. Clarifications requested by FPL are not considered modifications. **Indicative bids are not eligible.**

If a proposal is selected for the Short List, the selected Proposer may be asked to provide a Best and Final Offer (BAFO) at that point. Such BAFO must be valid and binding for 180 days from the date of Short List publication.

6. **Identifiable Capacity Source.**

The proposal's firm capacity and energy must be from a specific power plant(s) that is/are clearly identified in the proposal. Exceptions to this requirement will be made for system sales from electric systems that are accountable to the Florida Public Service Commission (FPSC) or similar public authority, have direct control of generation and transmission assets and are members in good standing of a NERC reliability coordinating council. Firm capacity and energy sales from systems must include a clear explanation of how the capacity is to be obtained and delivered. The proposal must also explain how commitment of such system capacity to FPL will affect the Proposer's ability to meet the FPSC reserve margin requirements (or the requirements of other state agencies as appropriate).

7. Site Development.

For newly built generation, the Proposer shall be responsible for the location, development, and permitting of the Proposer's own site for the proposed facility.

8. Minimum Operating Characteristics.

The following operational characteristics must be accommodated by all proposals.

a) The facility must be able to achieve and sustain generation at the proposed guaranteed capacity and heat rate while maintaining compliance with all permits and authorizations.
b) Natural gas-fired facilities shall be designed to fulfill all operational requirements satisfying all permits and authorizations using pipeline quality gas. Gas quality specifications are provided in Appendix C.

9. Project Execution

The Proposer will be solely and completely responsible for ensuring that the implementation of any and all parts of the proposal is carried out in full compliance with any changes, modifications, or additions to laws, regulations, ordinances, licenses, permits, and other regulatory approvals (including environmental) that affect the proposal. FPL shall not bear any price or cost risk associated with any such changes, modifications, or additions, required by regulation or legislation in existence or enacted prior to the date of the proposal.

10. Regulatory Modifications.

Rule 25-22.082(15), Florida Administrative Code provides: "If the Commission approves a purchase power agreement as a result of the RFP, the public utility shall be authorized to recover the prudently incurred costs of the agreement through the public utility's capacity, fuel, and purchased power cost recovery clauses absent evidence of fraud, mistake, or similar grounds sufficient to disturb the finality of the approval under governing law." Proposer must agree that should FPL, at any time during the term of a contract between FPL and the Proposer entered into as a result of this RFP, fail to obtain or is denied the authorization of the FPSC, or the authorization of any other legislative, administrative, judicial or regulatory body which now has, or in the future may have, jurisdiction over FPL's rates and charges, to recover from its customers all of the payments required to be made to the Proposer now Seller under the terms of such a contract or any subsequent amendment thereto, FPL may, at its sole option, adjust the payments made under such contract to the

amount(s) which FPL is authorized to recover from its customers. In the event that FPL so adjusts the payments to which the Proposer now Seller is entitled under such a contract, then the Proposer now Seller may, at its sole option, terminate such a contract upon one hundred eighty (180) days notice to FPL. If such determination of disallowance is ultimately reversed and such payments previously disallowed are found to be recoverable, FPL shall pay all withheld payments. The Proposer now Seller acknowledges that any amounts initially received by FPL from its customers, but for which recovery is subsequently disallowed and charged back to FPL, may be offset or credited, against subsequent payments to be made by FPL to the Proposer now Seller under such a contract.

If, at any time, FPL receives notice that the FPSC or any other legislative, administrative, judicial, or regulatory body seeks or will seek to prevent full recovery by FPL from its customers of all payments required to be made under the terms of such a contract or any subsequent amendments to such a contract, then FPL shall, within thirty (30) days of such action, give notice thereof to the Proposer now Seller. FPL shall use reasonable efforts to defend and uphold the validity of such a contract and its right to recover from its customers all payments required to be made by FPL hereunder, and will cooperate in any effort by the Proposer now Seller to intervene in any proceeding challenging, or to otherwise defend, the validity of such a contract and the right of FPL to recover from its customers all payments to be made by it hereunder.

11. Regulatory Approvals.

Proposer must agree that the obligations of Proposer to generate, deliver, and sell, and of FPL to accept delivery of and purchase, Capacity and Energy in any contract that results from this RFP shall be subject to the satisfaction of the conditions precedent that: (i) the FPSC shall have issued a final Determination of Need and a final order approving such contract, which order includes a finding that FPL is entitled to recover from its customers all payments for Capacity and Energy, which orders are no longer subject to appeal, (ii) the FERC shall have issued a final order authorizing Proposer to make the sales of electrical energy and capacity contemplated by such contract, which order is no longer subject to appeal, and (iii) each other Governmental Authority having jurisdiction over such contract shall have issued a final order approving such contract or otherwise authorizing sales of electrical Capacity and Energy under such contract, as applicable, which orders are no longer subject to appeal

12. FIN 46R Compliance.

Certain accounting rules now in effect, or as they might be amended or interpreted in the future, may require that the Seller under the PPA or tolling contract be consolidated into the financial statements of FPL.

Proposers must submit an analysis, with supporting information as required in Appendix C, evaluating whether or not FPL would be required to consolidate the Seller under the provisions of Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) (FIN 46R). A Proposer who enters into a contract with FPL under this RFP must agree to comply with Section 15.4 in each of the accompanying draft PPAs presented in Appendix B that specifies requirements for FPL's ongoing compliance with FIN 46R.

Note: In addition, please review the Specific Minimum Requirements in Section III.E of this document.

E. Proposer Exceptions, Questions, Communications

1. Proposer Exceptions.

FPL will consider proposals that contain exceptions to the general terms and conditions of the RFP and/or the draft PPAs. However, **no exceptions to the General or Specific Minimum Requirements will be accepted.** If a Proposer identifies exceptions, the exceptions must be explained in writing as part of the proposal using Form # 9 presented in Appendix C. For each exception, the Proposer must fully explain in writing the condition, requirement, or facet of the RFP or the draft PPA(s) to which the Proposer takes exception and provide the replacement language proposed.

Inclusion of exception information with a proposal will be used to compare proposals to one another and will facilitate negotiations by allowing FPL to evaluate the specific core issues of the exceptions, rather than addressing generic or conceptual comments. A more detailed discussion of the non-price evaluation is provided in Appendix D. FPL reserves the right to request from a Proposer whether, or to what extent, FPL's contemplated rejection of a particular exception would affect the pricing of the proposal.

If a Proposer fails to state exceptions and pose alternative language to the material terms set forth in the RFP and/or draft PPAs, FPL shall assume that a Proposer has no objection to such terms and conditions.

2. Proposer Questions and Communications.

Proposers are to follow all instructions contained in this RFP and provide all information requested in the RFP and on the forms presented and discussed in Appendix C of this document. Proposers also are expected to provide supporting documentation, and answer any follow-up questions from FPL, as requested.

Proposers are encouraged to contact the FPL Contact Person with questions to ensure complete and accurate proposals. Following the RFP release date, all questions will be recorded. FPL will post questions and answers on FPL's website for the RFP. All questions and answers from the Pre-Bid Workshop, and any subsequent questions posed to FPL and answers to these questions, will be posted for the benefit of all Proposers.

F. Evaluation Process

The objective of the RFP is to solicit proposals that allow FPL to assess the best generating alternatives that meet the RFP's capacity requirement in the most economic, cost-effective manner for FPL's customers. It is anticipated that FPL will receive a variety of proposals that may vary in length of term, siting, capacity, source, price, fuel, and other pertinent characteristics. In addition to the variations that may be presented within individual proposals, there may be a need to combine multiple proposals to develop portfolios that meet the RFP capacity requirements. FPL will employ an evaluation methodology that will anticipate responses that offer a wide range of individual characteristics and can evaluate the costs and benefits offered by combining various proposals into unique portfolios of generating alternatives. Therefore, eligible proposals that pass initial screening and individual economic ranking, but do not individually meet the capacity requirement for a given year, will be evaluated in portfolios that combine them with other resources to meet the capacity need. Ultimately, FPL will identify the best portfolio that meets the RFP capacity requirement in the most economic, cost-effective manner for FPL's customers. FPL's evaluation methodology, including a description of the criteria to be used to evaluate price and non-price attributes, is discussed in detail in Appendix D. A summary description of the evaluation process is provided below.

Step 1. Initial Screening for Eligibility.

Proposals will be reviewed for compliance with the General and Specific Minimum Requirements set forth in this RFP. Those proposals determined to be eligible will advance in the evaluation. Proposals determined to be ineligible will be returned to the Proposer along with a refund of 75% of the RFP Evaluation Fee and will not be evaluated further.

Step 2. Economic Evaluation of Individual Proposals.

Proposals determined to be eligible may first be ranked by their individual economic impact on the FPL system over the length of the study period. If there are a large number of eligible proposals and a significant difference in economic impact on the FPL system is noted, this analysis may be used to eliminate a portion of the lowest ranked proposals from further evaluation. If there are a relatively small number of eligible

proposals, FPL may choose to forego this step of evaluating individual proposals and proceed to the creation and evaluation of portfolios.

Step 3. Creation and Initial Evaluation of Portfolios.

FPL will conduct a portfolio analysis in order to fully capture all system costs and benefits associated with the proposals and the NPGU. Load growth will be modeled using the FPL Load Forecast and additional generation will be added in the analyses for load growth that occurs after 2011/2012 to maintain FPL's required reserve margin into the future. In this initial evaluation step, FPL will utilize the firm gas transportation cost and volume assumptions discussed in Appendix D.

A projected system economic cost presented as the Cumulative Present Value of Revenue Requirements (CPVRR) for each portfolio and associated generation plan will be developed during the portfolio creation step. This projected cost will provide a basis for further screening of proposals, if necessary.

Step 4. Development of Additional System Costs for Portfolios.

Portfolios that are deemed to be competitive after the initial evaluation will then undergo additional economic analyses as well as non-economic evaluation. Four additional cost areas for each portfolio will be examined in this step, as applicable. These costs are: (1) transmission-related costs, fuel system-related costs, (3) Fuel Switching Credit, and the net impact on FPL's cost of capital.

In regard to the first two cost items listed above, the specific siting of the proposed generation will be a key factor. The transmission-related costs include transmission interconnection costs, transmission integration costs, and the costs of system energy and capacity losses. The fuel system-related costs include, as applicable, all infrastructure upgrades and firm transportation costs necessary to deliver the fuel requirements of the portfolio based on a more detailed examination of the generating technology, the designated natural gas pipeline, and the distance of the generator from the designated natural gas pipeline. The work conducted in this step will include a review of the Proposer-supplied capital costs for a pipeline lateral from the Proposer's designated pipeline (FGT or Gulfstream) to the generation site to handle the maximum hourly flow rate of the proposed generating unit(s).

Step 5. Detailed Evaluation of Total System Costs.

In this step, the CPVRR costs for each portfolio developed in Step 3 are added to the additional system costs developed in Step 4 to develop a total system CPVRR cost for each portfolio. This cost value represents the full economic evaluation. The results for each portfolio, presented in CPVRR form, will be compared to the results for all other portfolios.

Step 6. Non-Economic Evaluation.

In addition to the economic evaluation, the portfolios will be evaluated for non-economic factors. In the non-economic evaluation, the proposals will be evaluated individually and in the context of the other proposals in the portfolio as to the environmental, technical/operational, and project execution non-economic factors discussed in Appendix D. The objective of the evaluation is to develop an understanding of the proposal and identify areas that may warrant further review.

Proposals that exhibit strong potential in the economic evaluation but are unclear in certain non-economic evaluation areas may be considered for a Panel Review. The Panel Review, if necessary, would provide for an exchange between the Proposer(s) and FPL panelists in regard to the non-economic evaluation areas. This would allow for a more complete exchange of ideas in the important areas. Proposers will be notified individually if a need for a Panel Review is indicated, and a mutually convenient time will be arranged.

The result of the non-economic evaluation will be a summary report on the risk areas of each of the proposals in each portfolio. These summary reports will be considered, in conjunction with the results of the economic evaluation, to determine whether one or more Finalists are to be selected. A complete description of the non-economic criteria is provided in Appendix D.

Step 7. Best and Final Offer Evaluation.

In the event that FPL does select Finalists, FPL may request from the Finalists a Best and Final Offer. If so, FPL would then evaluate these Best and Final Offers to develop the final economic and non-economic evaluations.

If the results of the evaluation indicate to FPL that the additional step of selecting Finalists is not appropriate, FPL will base its decision on the evaluation (economic and non-economic) performed on the original proposals.

Step 8. Final Selection.

The results of FPL's economic and non-economic evaluation will be presented to an FPL Management Review Team. The Management Review Team will then make a selection based on sound business practices and the best interests of FPL customers.

Section III - Detailed Information

A. FPL's Capacity Need

The capacity values described below represent an update from the information presented in FPL's 2007 Ten-Year Power Plant Site Plan (Site Plan), a copy of which is attached to this document as Appendix A. This update is based on on-going analyses conducted as part of FPL's resource planning work in 2007. FPL's projected capacity needs are potentially subject to further change as this work continues. Nonetheless, FPL may choose to acquire more or less capacity than identified below.

The specific annual capacity need based on exactly meeting the 20% reserve margin planning standard is as follows: 214 MW by June 1, 2011 that increases to a total capacity need of 426 MW by June 1, 2012. Individual proposals may offer to meet all or a portion of the capacity requirement with a Capacity Delivery Date (CDD) as early as January 1, 2011 but no later than June 1, 2012. Individual Proposals are limited to a maximum total capacity of 1,250 (Summer) MW. Proposals offering to meet a portion of the capacity solicitation may be paired with other proposals to form a portfolio that meets the capacity need. The portfolios will be formed to meet both the magnitude and the timing of the capacity need as identified above.

For proposals with a CDD later than June 1, 2011, FPL's evaluation may assume a proxy purchase of up to 214 MW of firm capacity for June through September of 2011, to maintain a 20% planning reserve margin if there is insufficient capacity proposed in response to the RFP to meet FPL's 2011 capacity need. In such a case, the proxy purchase will be assumed to have a $5/kw-month capacity cost, a $2/mwh Variable O&M price, and a 10,400 BTU/kwh heat rate. The capacity will be assumed to operate on natural gas.

B. FPL's NPGU

Rule 25-22.082, Florida Administrative Code, requires that specific information about FPL's "next planned generating unit" (NPGU) be included in an RFP seeking firm capacity.

In FPL's 2007 Site Plan, FPL described a generation plan that included two new combined cycle (CC) units at the West County Energy Center (WCEC) site in Palm Beach County, one each in 2009 and 2010, to satisfy FPL's 2009 and 2010 need requirements. These planned CC units are based on 3 combustion turbines in combined cycle form with 3 heat recovery system generators and a single steam turbine generator (3x1 G configuration). Each new CC unit would add approximately 1,219 MW (Summer).

FPL has now identified WCEC Unit 3 to be installed by June 1, 2011 as the NPGU in accordance with the requirements of Rule 25-22.082 (5) (a), Florida Administrative Code. This unit is identical in design and specifications to the WCEC 1 and 2 units. The eligible proposals submitted in response to this RFP will be evaluated against this NPGU.

1. **Required Information**

   FPL is providing a technical description of its NPGU. The technical description for the unit complies with the requirements of Rule 25-22.082 (5) (a).

2. **Tables**

   The technical information required by Rule 25-22.082 (5) (a) is presented in Tables III.B - 1, III.B - 2, and III.B - 3 for WCEC Unit 3. This unit is FPL's most economic construction option for meeting its presently forecasted 2011 capacity need and is FPL's NPGU. WCEC Unit 3 has a June, 2011 in-service date.

Table III.B – 1

Next Planned Generating Unit Data – West County Energy Center Combined Cycle Unit 3 (WCEC Unit 3)

The following data represent FPL's current estimates for this 2011 capacity addition. These planning estimates are subject to further refinement in regard to site-specific costs, detailed engineering, or vendor quotes. FPL reserves the right to modify the construction costs and/or performance parameters for this unit. If FPL exercises this option, it will do so concurrent to publication of the Short List. FPL would then inform the remaining participants of its intent and permit the remaining participants to revise their proposals.

1. A three-on-one combined cycle generating unit to be located at the West County Energy Center near FPL's Corbett substation in Palm Beach County, Florida.
2. Planned size is 1,219 MW (Summer rating).
3. Commercial operation for the facility is proposed to be on or before June 1, 2011.
4. The primary fuel is natural gas. Ultra low sulfur light (distillate) oil will be the backup fuel type.
5. The estimated total direct cost (without AFUDC) is $ 777.4 million (in 2011 $). This value includes the cost of generation, land, gas expansion and handling, transmission interconnection, and transmission integration.
6. The estimated annual levelized capital (generation, land, gas expansion and handling, plus transmission interconnection, and transmission integration) revenue requirement with AFUDC is $112.6 million over 25 years.
7. The estimated annual value of deferral with AFUDC of this unit is $74.64 /kW-yr in 2011 (excludes variable O&M, fixed O&M, and capital replacement).
8. The estimated fixed O&M, capital replacement, and variable O&M annual costs are presented in Table III.B - 2.
9. The estimated fuel cost in 2011 is currently estimated at $ 7.89 - to - $ 8.04 /mmBTU (depending upon the pipeline chosen to serve the unit) and the firm gas transportation cost is currently estimated at $ 1.165 /mmBTU. (See Note 1).
10. The following are the estimates for:

Planned Outage Factor	See Table III.B - 3 and Note 2
Forced Outage Rate	See Table III.B - 3 and Note 2
Heat Rate at maximum capacity	6582 Btu/kWh @75F (HHV) 100% (Base Operational Mode)
Minimum load	320 MW
Ramp Rate	30 MW/min

11. The estimated transmission interconnection and integration costs associated with this unit are $ 41.6 million (without AFUDC in 2011 $) and are included in the cost estimate in item 5 above. The gas expansion and handling cost is considered to be negligible and is included in the item 5 cost above.
12. Air, water discharge, and other permits will be required for this unit. It is FPL's plan to comply with all air and water quality standards of the Local, State, and Federal governments.
13. The major financial assumptions in the development of these numbers were:

Construction escalation (approx.)	2.5 %
General escalation	See Table III.B - 2 and Note 3
Fuel escalation	Varies by year. See Note 1
Capital Structure	44.2 % debt @ 6.43 % 55.8 % equity @ 11.75 %

Table III.B - 2

Next Planned Generating Unit Data - WCEC Unit 3

Year	Estimated Fixed O&M Costs * ($/kw-yr)	Estimated Variable O&M Costs *, ** ($/mwh)	Estimated Capital Replacement Costs * ($/kw-yr)
2011	3.65	0.48	7.98
2012	3.74	0.49	8.18
2013	3.83	0.50	8.38
2014	3.93	0.52	8.59
2015	4.03	0.53	8.81
2016	4.13	0.54	9.03
2017	4.23	0.56	9.25
2018	4.34	0.57	9.48
2019	4.45	0.58	9.72
2020	4.56	0.60	9.96
2021	4.67	0.61	10.21
2022	4.79	0.63	10.47
2023	4.91	0.65	10.73
2024	5.03	0.66	11.00
2025	5.16	0.68	11.27
2026	5.29	0.70	11.56
2027	5.42	0.71	11.84
2028	5.55	0.73	12.14
2029	5.69	0.75	12.44
2030	5.83	0.77	12.76
2031	5.98	0.79	13.07
2032	6.13	0.81	13.40
2033	6.28	0.83	13.74
2034	6.44	0.85	14.08
2035	6.60	0.87	14.43
2036	6.77	0.89	14.79
2037	6.93	0.91	15.16

* Based on Summer (95 degrees) total capacity rating.

** Based on an assumed annual capacity factor of 85% each year and cost excludes fuel.

Table III.B - 3

Next Planned Generating Unit Data - WCEC Unit 3
(See Note 2)

Base & Duct Firing
Operational Modes

Year	Projected Annual Planned Outage Hours	Projected Annual Forced Outage Hours
2011	190	96
2012	190	96
2013	190	96
2014	190	96
2015	190	96
2016	190	96
2017	190	96
2018	190	96
2019	190	96
2020	190	96
2021	190	96
2022	190	96
2023	190	96
2024	190	96
2025	190	96
2026	190	96
2027	190	96
2028	190	96
2029	190	96
2030	190	96
2031	190	96
2032	190	96
2033	190	96
2034	190	96
2035	190	96
2036	190	96
2037	190	96

Notes for:
Next Planned Generating Unit Data – WCEC Unit 3

1. The estimated range of commodity fuel cost values provided in Table III.B - 1 is from FPL's designated Fossil Fuel Price and Natural Gas Availability Forecast. For the economic evaluation of capacity options in this RFP, both for proposals received in response to this RFP and FPL's NPGU, FPL will use this designated FPL fuel cost forecast. In addition, the currently estimated firm gas transportation cost value also includes certain equipment costs for the gas yard (meters, regulators, and moisture separators) and on-site compression.

2. The projected outage hour estimates for FPL's self-build options represent arithmetic averages of expected outage hours over the 25-year life of the unit period and do not represent "new & clean" unit values. A capacity factor of 85% for all years for the unit as a whole was used in making these projections. Maintenance outage hours were not included in these projections.

   Using these outage hour values, FPL projects the following values for both the Base and Duct Firing operational modes:

POF	2.1%
FOR	1.1%
Availability	96.8%

3. FPL used a constant 2.5% per year escalation value for projecting Fixed O&M, Variable O&M, and Capital Replacement costs that are shown in Table III.B - 2. Because FPL is requiring that annual guaranteed cost values for all PPA proposals be entered onto the RFP Form #5 for all years (and is not allowing entry on the form of the starting year only cost value, followed by text stating that a formula is to be used to escalate these costs), FPL is providing its annual projected costs for Fixed O&M, Variable O&M, and Capital Replacement costs.

C. Proposer Information

1. Types of Proposals.

The solicitation is designed to accommodate a wide range of proposals for supply-side generation alternatives from various fuels, technologies, locations, and under differing commercial frameworks. For example, FPL may receive proposals for power sales under a Purchase Power Agreement from existing facilities (currently in operation) and newly constructed facilities (greenfield or brownfield offerings). These proposals may have fuel supply and firm transportation arrangements or request a natural gas tolling arrangement where FPL would provide the natural gas supply and firm transportation. Every attempt will be made to accommodate creative variations that may be proposed. Nonetheless, it is conceivable that a Proposer may offer a unique attribute that has not been explicitly considered in this RFP and the associated forms. In that instance, FPL will work with the Proposer to understand, and if possible, evaluate the unique features of a particular offering.

2. RFP Evaluation Fee.

In order for a proposal to be evaluated, the complete proposal accompanied by a non-refundable check of $10,000 made out to "Florida Power & Light Company" must be submitted to the FPL RFP Contact Person on or before the Proposal Due Date (no later than 4:00 p.m. EST). If more than one proposal is submitted by a specific Proposer, then a separate, non-refundable $10,000 fee must accompany each proposal. Proposals deemed ineligible or otherwise non-responsive after an initial review will not be evaluated further and 75% of the Evaluation Fee will be refunded.

One proposal consists of a specific combination of a site, technology, fuel source, total capacity level, Capacity Delivery Date, term (e.g., 10 years), and pricing submittal. A Proposer may submit one variation of term and/or price related to a specific proposal (a single variation is defined as a change in one or both term and/or price) at no additional cost. A fee of $5,000 per variation will be required for any further price/term variations. There are no limitations to the number of price/term variations submitted, as long as each additional variation is accompanied by a $5,000 Variation Fee. Changes in site, technology, fuel source, capacity level, or Capacity Delivery Date will constitute a separate proposal and require a separate full Evaluation Fee. Proposals and the related variations deemed ineligible or otherwise non-responsive after an initial review will not be evaluated further and 75% of the applicable fee(s) received will be refunded.

The RFP Evaluation Fee and the incremental Variation Fee are based on the costs experienced to evaluate proposals received during previous RFPs.

3. Power Purchase Agreement(s).

For each selected power purchase proposal, FPL expects to enter into a pay-for-performance type power purchase contract. Draft Power Purchase Agreements (PPAs) have been included in Appendix B to allow Proposers to understand the general commercial framework that will describe the ongoing relationship of a successful proposal. Both Natural Gas Tolling and Non-Tolling draft PPAs are provided. The drafts are written from the perspective of a new Combined Cycle generating facility falling under the Florida Electrical Power Plant Siting Act and subject to a Determination of Need order from the FPSC. While preserving a balance of risk and benefits, milestones and other relevant terms and conditions will be modified to reflect the characteristics of Facilities that are not subject to the Siting Act or utilize other fuels and technologies.

Proposers should consider the draft PPAs as containing the key elements FPL considers are necessary for a final agreement. Any proposed revision to a draft PPA must be set forth in the proposal as discussed in Section II.E.1. Concerns regarding draft PPA language will be addressed through a negotiation process with Finalists.

4. Fuels Plan and Natural Gas Tolling Proposals.

FPL will evaluate the economics of each proposal based on the designated FPL Fossil Fuel Price and Natural Gas Availability Forecast. This forecast will be provided to participants via the FPL 2007 RFP website. The following items are contained in the FPL fuels forecast:

- Delivered natural gas commodity prices from the FGT and Gulfstream pipeline systems.
- Residual and distillate fuel oil commodity prices and transportation costs for various sulfur grades and delivery points in Florida.
- Delivered coal and/or petroleum coke prices for selected locations in the FPL service territory.

A specific fuel plan, including an estimated fuel transportation cost, will be developed by FPL for each candidate portfolio based on the size, location, and fuel requirements of the individual units included in

the candidate portfolio. This allows FPL to capture the unique fuel cost attributes offered by certain asset combinations. The portfolio-specific fuel plan will be used to conduct the detailed economic evaluation.

All proposals must ensure their price includes all capital costs to construct, and all O&M costs to maintain, any pipeline laterals(s), railway equipment, fuel handling equipment, and facility infrastructure necessary to deliver the full fuel requirements (e.g., the required pressure) from the Proposer-designated Fuel Delivery Point to the generating unit.

a) Non-Tolling Proposals

Non-tolling proposals must be accompanied by a complete Fuel Plan. The Fuel Plan must designate the fuel type, the intended fuel source (e.g., FGT, Gulfstream, Central Appalachian Low Sulfur Coal, etc.), and the Fuel Delivery Point to be used. For proposals relying on natural gas, the Fuel Plan must provide the level of firm gas transportation, as described in Appendix D that is appropriate for the technology proposed. The Fuel Plan must be accompanied by evidence of feasibility (letter of intent or other indicative planning documents) that identify the required volume, pressure, and pipeline infrastructure upgrades that will be accomplished to operate the proposed unit(s) at capacity. For coal and petroleum coke, the Fuel Plan must indicate the carrier(s) and mode(s) of transportation and be accompanied by evidence of feasibility as described above. **Non-Tolling proposals must guarantee commodity and transportation pricing forecasts provided in the proposal. The guarantee must be supported by a creditworthy entity to the satisfaction of FPL.** In the absence of such a guarantee and appropriate credit support, the proposal may be evaluated, at FPL's sole discretion, as a Natural Gas Tolling proposal.

b) Natural Gas Tolling Proposals (For specific units only - not for system sales)

Natural Gas Tolling proposals will be evaluated using the data outlined in the designated FPL Fossil Fuel Price and Natural Gas Availability Forecast, as modified for the specific fuel plan of the candidate portfolio(s). FPL will not entertain tolling agreements for fuels other than natural gas, distillate fuel as a backup fuel, and residual fuel oil to existing facilities currently receiving residual fuel oil deliveries.

As a part of a natural gas tolling arrangement, FPL will be required to negotiate and commit to a Firm Transportation Agreement to support the needs of the project. Proposers as Sellers in a Natural Gas Tolling PPA will be required to provide an appropriate level of additional security to cover the costs that may arise from a Seller default to protect FPL's customers. This will be a part of the definitive agreements that comprise the PPA.

FPL will evaluate all tolling proposals and the NPGU utilizing FPL's forecast(s) of future fuel commodity prices.

5. Fuel Switching Credit.

FPL recognizes that certain assets that use natural gas as the primary fuel may provide short-term fuel cost volatility management benefits by their inherent capability to also operate on residual fuel oil when that fuel becomes more economic. These assets provide an opportunity whose value is dependent upon a number of external factors that have historically demonstrated their own degree of uncertainty. These factors include individual commodity prices, commodity price correlation, transportation costs, unit performance, maintenance costs, emissions compliance, and others. FPL seeks to recognize the potential value this fuel switching capability may offer to FPL customers in the evaluation process.

In order to recognize the potential value offered by an asset's fuel switching capability, the economic evaluation will include a Fuel Switching Credit (FSC) for any asset that offers the capability of switching from natural gas to residual fuel oil when that opportunity is to the benefit of FPL customers. The FSC will be determined by using a standard option pricing model with up-to-date assumptions for the normal strike price, underlying value, interest rates, time to expiration, and term consistent with each proposal. Additionally, the model will incorporate the forecast volatility, correlations of the two fuels and the heat rate of the plant. For example purposes, using a current fuel cost forecast and a 10,000 BTU/kWh (HHV) heat rate assumption, the FSC was estimated to be approximately $0.046/kW-month for a natural gas-fired plant that can burn oil as well. If applicable, the FSC value will be developed for each eligible proposal based on the current and applicable information. The value will then be deducted from unit's bid capacity price for the purpose of the economic evaluation for the term of the proposal.

6. **Security Package Requirements.**

FPL has developed security requirements that will provide protection in the event a Proposer fails to deliver the contracted firm capacity and energy as required. The Completion Security addresses the risk associated with a new construction project's ability to deliver capacity on the scheduled Capacity Delivery Date. The Performance Security addresses performance risk from the commencement of contracted deliveries through the duration of the contract. Section 3.2 of the draft PPAs provides specific details related to drawdown of the security amounts.

a) Completion Security for Proposals Supported by New Construction.

i. Proposer must provide Completion Security in an amount equal to $289,000 per MW (Summer) of capacity bid.
ii. Completion Security must be posted in accordance with the following Milestone Schedule and remain in place up to and including the Capacity Delivery Date.

Event	Security Amount ($/MW)
Commencement Date of PPA (No later than, nlt, 31 months before CDD)	$145,000
Irrevocable Orders Placed (nlt 28 months before CDD)	$166,000
Fuel Transportation Agreement Executed (nlt 24 months before CDD)	$203,000
Financing Closed (nlt 20 months before CDD)	$211,000

iii. During the facility construction period, the selected supplier must provide evidence showing that they meet the Project Milestones Schedule specified in Section III.E.7. Failure to meet these milestones could result in termination of the Purchase Power Agreement and payment of liquidated damages.

b) Performance Security for Proposals Supported by New Construction.

i. Proposer must provide Performance Security in an amount equal to $289,000 per MW (Summer) of capacity bid.
ii. Performance Security must be posted upon commencement of commercial operations for a proposal supported by new construction. Performance Security must be provided through the duration of the contract.

c) Performance Security for Proposals from Existing Facilities.

i. Proposer must provide Performance Security in an amount equal to $144,500 per MW (Summer) of capacity bid.
ii. Performance Security must be posted upon execution of the Purchase Power Agreement and remain in place through the duration of the contract.

d) Form of Security.

Security requirements may be provided with a combination of cash, Letter Of Credit (LOC), or a company guarantee based on the Proposer's credit quality and tangible net worth.

A Supplier Credit Limit will be calculated for each Supplier or Guarantor of Supplier based on the Company's unsecured debt rating and tangible net worth as follows:

Unsecured Debt Rating	% of Tangible Net Worth
AAA+/Aaa1 to AA-/Aa3	20%
A+/A1 to A-/A3	15%
BBB+/Baa1 to BBB-/Baa3	10%
BB+/Ba1 and below or unrated	0%

Completion Security and Performance Security in an amount up to the Supplier Credit Limit shall be in the form of a company guarantee, an affiliate or parent company guarantee if relying on affiliate or parent company credit, cash in U.S. Dollars, U. S. Government Bonds deposited with an Issuer acceptable to FPL, or an irrevocable standby LOC drawn on an Issuer acceptable to FPL.

Completion Security and Performance Security in excess of the Supplier Credit Limit shall be in the form of cash in U.S. Dollars or U.S. Government Bonds deposited with an Issuer acceptable to FPL or an irrevocable standby LOC drawn on an Issuer acceptable to FPL. A minimum of ten percent (10%) of the Completion

Security Amount must be provided in the form of cash, U.S. Government Bonds, or LOC if the entity providing credit support has a Credit Rating of BBB/Baa2 or below.

The Supplier Credit Limit shall be recalculated and the form of Completion and Performance Security adjusted quarterly based on the Proposer's most recent financial statements and within 5 business days of Proposer or Seller becoming aware of any change in the Proposer's unsecured debt ratings.

e) Definitions.

Supplier Credit Limit – The maximum credit exposure FPL will accept from a Proposer in the form of a guarantee from an investment grade entity. Security requirements in excess of the Supplier Credit Limit must be in the form of Cash or a LOC.

Tangible Net Worth - Net worth per most recent quarterly financial statements of entity providing credit support less goodwill and intangible assets.

D. Schedule

FPL envisions that the milestone schedule for the RFP process will be as described below in Table III.D. FPL reserves the right to change the schedule at its sole discretion.

Table III.D Schedule of Milestones

Milestone	Date
• RFP Pre-Issuance Discussion Session	December 11, 2007
• Release RFP Document	December 13, 2007
• Pre-Bid Workshop	December 20, 2007
• Cutoff Date for RFP Questions	January 28, 2008
• Proposals Due	February 13, 2008
• Short List Announcement	By April 2008
• Permitting Activity Commences	TBD
• Best and Final Offers Due	TBD
• Initial Negotiations	April to June 2008
• Selection Announced	TBD

Note: The above dates are goals. All dates are subject to change to accommodate unforeseen delays or required procedural actions.

E. Specific Minimum Requirements

The following Specific Minimum Requirements must be met for all proposals submitted in response to this RFP. These Specific Minimum Requirements are in addition to the General Minimum Requirements of Section II.D.

1. Resource Block Size (MW) and RFP Capacity Range.

The minimum resource block size that FPL will consider in a proposal is 50 MW. Exceptions to this minimum requirement will be made for proposals based on Qualifying Facilities and Renewable Resource Facilities. No individual proposal may exceed the 1,250 (Summer) MW maximum capacity limit of this RFP.

2. Financial Viability and Security Requirements.

a) For proposals supported by newly built generation (greenfield brownfield) Proposer or guarantor of Proposer must possess a senior unsecured debt rating of no less than "BBB-" from Standard & Poor's or "Baa3" from Moody's Investors Service with a

"stable" outlook. In addition, by submitting a proposal, a Proposer agrees to provide Completion Security and Performance Security as specifically defined in Section III.C.6 of this document.

b) For proposals supported by existing facilities, Proposer must agree to provide the Performance Security as specifically defined in Section III.C.6.

c) Proposer must certify that there are no pending legal or civil actions that would affect the ability of the Proposer and/or its guarantor to maintain the criteria identified in Section III.C.6.

3. Proposal Pricing and Fuel Requirements.

A proposal's prices must include any and all costs that FPL will be expected to pay to the Proposer for delivered capacity and energy. This includes without limitation:

a) The costs of all equipment, development, design, construction, commissioning, and all costs of meeting and maintaining compliance with environmental regulations that are in effect as of the Capacity Delivery Date or are known as of the Capacity Delivery Date to be in effect during the pendency of a PPA that would result from selection of the proposal.

b) All required capital and O&M costs that would be incurred to transport natural gas from the Proposer-designated interstate pipeline to the proposed generator for all proposals. This requirement applies to PPAs, natural gas tolling or non-tolling. Proposers of Natural Gas Tolling arrangements must acknowledge and agree that Proposer will post additional security to cover costs that may arise from any firm transportation agreement entered into by FPL to support the project in the event of a Proposer then Seller's default.

c) If a Proposer offers to provide its own fuel supply, the proposal must also include all costs for the required amount of firm fuel transportation and delivery. The Proposer must also provide evidence of feasibility documenting arrangements that support the above fuel transportation and delivery costs. The proposal must also guarantee these transportation and delivery costs and demonstrate credit support for the guarantee that is satisfactory to FPL.

d) If the proposal is for a plant that does not use natural gas as the primary fuel, the proposal price must include the capital and O&M cost of fuel transportation, delivery, and inventory.

e) If a Proposer wishes FPL to use Proposers' fuel commodity costs – instead of FPL's projected fuel commodity costs – in the evaluation of its proposal, the Proposer must also provide evidence of feasibility documenting the basis for Proposers' fuel commodity

costs, and must also guarantee these fuel commodity costs for the proposed contract term and demonstrate credit support satisfactory to FPL for such guarantee.

f) The proposed prices must be presented in the format specified in Appendix C, Form # 5.

4. Proposal Transmission Requirements.

a) For proposals with generation located outside of the FPL system, FPL will not accept any proposal that requires FPL to secure firm transmission service and any associated rights, as this shall be a responsibility of the Proposer. Proposed prices must include all costs of delivering capacity and energy to the Proposer designated FPL System Receipt Point.

b) For proposals with generation located inside the FPL system (directly connecting to an FPL System Receipt Point), FPL will coordinate and cooperate with the generation owner, if selected, to obtain the required FPL transmission interconnection and the transmission integration/transmission service needed for the transaction, including any associated rights.

c) Transmission interconnection costs to connect the proposed units to the FPL system or a third party system must be included in the proposal price and separately identified in Appendix C, Form #5.

d) Transmission integration costs on the FPL system and the costs of energy and capacity losses within the FPL system will be developed by FPL during the economic analysis of candidate portfolios and should not be included in the proposal price.

e) To the extent a RTO or ISO or similar arrangement is implemented in Florida, proposers should note that the FPL System Receipt Point shall be defined as the location where the facility (or a third party transmission system if the facility is not in FPL territory) connects with the FPL system.

5. Minimum Experience of Proposer.

Any Proposer whose proposal is supported by new construction must have successfully executed the development, permitting, design, procurement, construction, and commissioning of a project similar to that proposed. The operating entity of a proposed facility must have over five years of demonstrated experience in the successful and reliable operation of facilities employing the technology similar to that proposed. The success and reliability of operations may be demonstrated through operational records and/or NERC GADS reporting data as requested in Appendix C, Form # 4.

6. **Dual Fuel Source Capability.**

Based on the impact of hurricanes on the production and transport of natural gas, FPL considers that for newly built natural gas-fired generation proposals the fuel continuity and operability characteristics of on-site distillate fuel oil capability as a backup fuel source is the most effective approach to meet system reliability and service continuity needs. Just as FPL's NPGU has on-site distillate fuel oil capability, all newly built gas-fired generation proposals must include the capability to operate on distillate oil as a backup fuel to satisfy system reliability and service continuity needs.

Proposals supported by newly built gas-fired generation unit(s), and the proposed prices for such proposals, shall reflect the necessary equipment to meet the following backup fuel continuity and operability characteristics. The distillate oil inventory must be immediately accessible to the facility, sized to provide seventy-two (72) hours of continuous operation at full capacity (as rated on distillate oil), and must be independent of the primary fuel supply. The facility must be able to start up on distillate fuel oil and operate at full capacity for a minimum of 72 continuous hours. Additionally, the unit(s) must be able to make the transition from natural gas fuel supply to distillate fuel oil supply without disconnecting electrically from the transmission grid. Test demonstrations of these capabilities will be required as a condition of any subsequent PPA. These are the same continuity and operability requirements that FPL requires of its own NPGU.

Due to the sequence of the permitting process, FPL recognizes that Proposers are unable to ascertain the success of permitting the facility for full use of distillate oil capability. However, Proposers will be required to make commercially reasonable efforts to seek permits and authorizations necessary to support a minimum of 500 hours of operation per year on distillate fuel oil.

7. **Project Milestone Schedule.**

All Proposers must agree to meet the following Critical Milestone dates. FPL retains the right to terminate negotiations if a Finalist with whom FPL is negotiating a contract fails to meet the filing dates scheduled for the Site Certification, Air Permit or Interconnection Application filings. The remaining milestones would be a part of any contract entered into by FPL as a result of this RFP and are referenced to the Capacity Delivery Date (CDD).

Site Certification Application Filed	CDD - 39 months
Air Permit Application Filed	CDD - 39 months

Interconnection Application Filed	CDD - 39 months
Irrevocable Orders Placed for Major Equipment	CDD - 28 months
Fuel Transportation Agreement(s) Executed	CDD - 24 months
Contractor Mobilized, Financing Closed	CDD - 20 months

F. Pre-Bid Workshop and Notices & Addenda

1. Pre-Bid Workshop

FPL will hold a Pre-Bid Workshop on December 20, 2007 beginning at 10:00 a.m. at the Hilton – Miami Airport (5101 Blue Lagoon Drive, Miami, FL). The Pre-Bid Workshop will conclude by 1 p.m. EST. The purpose of the Pre-Bid Workshop is to assist Proposers in understanding the submittal requirements and provide background on FPL's most recent resource planning results. Interested parties may attend the Workshop in person or via telephone at a number to be provided on the RFP website.

2. Notices & Addenda

RFP-related notices and addenda will, as needed, be posted on the RFP website. Two such addenda are currently planned to be posted: the designated FPL Fossil Fuel Price and Natural Gas Availability Forecast and the designated FPL Forecast of Environmental Compliance Costs. In addition, RFP-related questions posed to FPL, along with FPL's responses to those questions, will also be posted.



Ten Year Power Plant Site Plan

2007-2016

Submitted To:

Florida Public
Service Commission

Miami, Florida
April, 2007

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Overview of the Document

Chapter 186, Florida Statutes, requires that each electric utility in the State of Florida with a minimum existing generating capacity of 250 megawatts (MW) must annually submit a Ten Year Power Plant Site Plan. This plan includes an estimate of the utility's electric power generating needs, a projection of how those needs will be met, and a disclosure of information pertaining to the utility's preferred and potential power plant sites. This information is compiled and presented in accordance with rules 25-22.070, 25-22.071, and 25-22.072, Florida Administrative Code (FAC).

This Ten Year Power Plant Site Plan (Site Plan) document is based on Florida Power & Light Company's (FPL) integrated resource planning (IRP) analyses that were carried out in 2006 and that were on-going in the first quarter of 2007. The forecasted information presented in this plan addresses the 2007–2016 time frame.

Site Plans are long-term planning documents and should be viewed in this context. A Site Plan contains tentative information, especially for the latter years of the ten-year time horizon, and is subject to change at the discretion of the utility. Much of the data submitted is preliminary in nature and is presented in a general manner. Specific and detailed data will be submitted as part of the Florida site certification process, or through other proceedings and filings.

This document is organized in the following manner:

Chapter I – Description of Existing Resources

This chapter provides an overview of FPL's current generating facilities. Also included is information on other FPL resources including purchased power, demand side management, and FPL's transmission system.

Chapter II – Forecast of Electric Power Demand

FPL's load forecasting methodology, and its forecast of seasonal peaks and annual energy usage, is presented in Chapter II.

Chapter III – Projection of Incremental Resource Additions

This chapter discusses FPL's integrated resource planning (IRP) process and outlines FPL's projected resource additions, especially new power plants, as determined in FPL's IRP work in 2006 and early 2007.

Chapter IV – Environmental and Land Use Information

This chapter discusses environmental information as well as preferred and potential site locations for additional electric generation facilities.

Chapter V – Other Planning Assumptions and Information

This chapter addresses twelve "discussion items" which pertain to additional specific information that is to be included in a Site Plan filing.

FPL
List of Abbreviations
Used in FPL Forms

Reference	*Abbreviation*	*Definition*
Unit Type	BIT	Bituminous Coal
	CC	Combined Cycle
	CT	Combustion Turbine
	GT	Gas Turbine
	IC	Internal Combustion
	NP	Nuclear Power
	ST	Steam Unit
Fuel Type	UR	Uranium
	BIT	Bituminous Coal
	FO2	#1, #2 or Kerosene Oil (Distillate)
	FO6	#4,#5,#6 Oil (Heavy)
	NG	Natural Gas
	No	None
	Pet	Petroleum Coke
Fuel Transportation	No	None
	PL	Pipeline
	RR	Railroad
	TK	Truck
	WA	Water
Unit/Site Status	OT	Other
	P	Planned Unit
	T	Regulatory approval received but not under construction
	U	Under construction, less than or equal to 50% Complete
	V	Under construction, more than 50% Complete

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Executive Summary

Florida Power & Light Company's (FPL) 2007 Ten Year Power Plant Site Plan (Site Plan) addresses FPL's plans to increase its electric generation capability (owned or purchased) as part of its efforts to meet its projected incremental resource needs for the 2007-2016 time period.

In response to continued strong population growth, FPL's total generation capability is required to increase significantly during the 2007-2016 time period as shown in Table ES.1. The table reflects FPL's planned changes to existing generation units (due to unit overhauls, etc.), projected changes in the delivered amounts of purchased power, and the planned additions of new generating units. Although not explicitly shown in this table, FPL's demand side management (DSM) resources are included. These resources incorporate the approved DSM Goals (that are assumed to be implemented on schedule) and approximately 684 MW of additional DSM that FPL projects will be implemented through 2016. This represents approximately 1,486 MW of cost-effective DSM beyond the significant amount of DSM achieved by FPL through 2006. After accounting for FPL's 20% reserve margin requirement, these 1,486 MW of additional DSM will avoid the need for approximately 1,780 MW of additional generating capacity that otherwise would be needed.

In 2007, FPL will be adding a new 1,144 MW (Summer) combined cycle (CC) unit, Turkey Point Unit #5, at its existing Turkey Point plant site. In 2009, and again in 2010, FPL will be adding one 1,219 MW (Summer) CC unit in western Palm Beach County. The site is named the West County Energy Center (WCEC) and these units are identified as West County Energy Center Units #1 and #2 (WCEC #1 and # 2). All three of these CC units were approved by the Florida Public Service Commission (FPSC). The Turkey Point unit was approved by the FPSC in June 2004 and the two WCEC units were approved in June 2006. FPL's applications for site certification under the Florida Electric Power Plant Siting Act were approved by the Governor and Siting Board in February 2005 for the Turkey Point unit and in December 2006 for the WCEC units. The addition of these three highly efficient units will meet FPL's capacity needs through 2010.

FPL plans to address its capacity needs in years 2013 and 2014 with two new ultra-supercritical pulverized coal (USCPC) units. For planning purposes, these units are projected to be in service by June 2013 and June 2014, respectively. However, FPL intends to bring these advanced technology coal units in service as quickly as possible in order to maintain system fuel diversity and reduce system fuel costs. It is likely that the in-service date of the first USCPC unit will occur in late 2012 or early 2013 and likewise, that the in-service date of the second USCPC unit will likely occur in late 2013 or early 2014. The new units will be located in FPL Glades Power Park

(FGPP) located in Glades County and are identified as FGPP Units #1 and #2. FPL filed a petition with the FPSC for a determination of need for the two FGPP coal units on February 1, 2007 and a decision is expected from the FPSC by July 2007.

In addition to the capacity needs to be met by the addition of Turkey Point Unit #5, WCEC Units #1 and #2, and FGPP Units #1 and #2, FPL currently projects capacity needs in 2011 (167 MW), in 2012 (777 MW), in 2013 (214 MW), in 2015 (323 MW), and in 2016 (1,327 MW). These capacity needs will be met by a combination of resources including: additional cost-effective DSM, power purchases, enhancements to existing generating units, and new power plant construction.[1] At the time this document is filed, no decision is needed regarding how these additional capacity needs will be met. FPL will continue to analyze alternatives that could be implemented to meet its projected capacity needs as part of its on-going resource planning work in 2007 and subsequent years. This future analysis work will take into account a number of factors including: the outcome of FPL's petition for need determination and site certification for FGPP Units #1 and #2, changes in forecasts of load, fuel costs, and environmental compliance costs to the extent reasonably ascertainable, and changes in both supply and demand side options.

For purposes of this planning document, FPL anticipates that the remaining projected capacity needs for the years 2011, 2012, and 2013 will be met by short-term firm power purchases of 167

MW, 800 MW, and 200 MW, respectively. Power purchases of these magnitudes are currently projected to be available for these years. FPL also projects, for purposes of this planning document, the addition of a new 1,219 MW CC unit similar to the WCEC CC units in 2015. A specific site for this potential addition has not yet been determined and the unit is referred to in this document as South Florida CC #1. The addition of this unit, or an equivalent amount of capacity, would meet FPL's capacity needs in 2015 and 2016.

FPL's ongoing resource planning efforts will continue to be influenced by two recurrent issues. Those two issues are: (1) maintaining fuel diversity in the FPL system; and (2) maintaining a balance between load and generating capacity in Southeast Florida. In regard to the first issue, the addition of the FGPP Units #1 and #2 coal units will maintain fuel diversity on FPL's system by maintaining the contribution of coal generation and limiting the increase in reliance on natural gas. FPL is also actively investigating the potential for renewable energy in Florida to contribute to system fuel diversity.

[1] Repowering of existing FPL sites remains an alternative to new construction and FPL will continue to examine this option.

Also in regard to the first issue, FPL is undertaking steps to investigate the next generation of nuclear generation facilities. Although the feasible in-service date for new nuclear generation is beyond the planning horizon of this Site Plan, FPL is actively pursuing the possibility of new nuclear generation. In regard to the second issue, the addition of Turkey Point Unit #5, and WCEC Units #1 and #2, will help maintain a balance of generation located in the Southeast area with that region's load, and contribute to overall system reliability.

Table ES.1: Projected Capacity Changes and Reserve Margins for FPL [1]

Projected Capacity Changes and Reserve Margins for FPL [1]					
		Net Capacity Changes (MW)		FPL Reserve Margin (%)	
		Winter [2]	Summer [3]	Winter	Summer
2007	Turkey Point Unit #5 [5]	---	1,144	26.4%	22.6%
	Changes to Existing Units	16	(2)		
	Changes to Existing Purchases [4]	657	(387)		
2008	Turkey Point Unit #5 [5]	1,181	---	26.5%	20.5%
	Changes to Existing Units	28	27		
	Changes to Existing Purchases [4]	(836)	---		
2009	West County Unit #1 [5]	---	1,219	22.8%	20.9%
	Changes to Existing Units	28	1		
	Changes to Existing Purchases [4]	(326)	(482)		
2010	West County Unit #1 [5]	1,335	---	24.3%	22.1%
	West County Unit #2 [5]	---	1,219		
	Changes to Existing Purchases [4]	(512)	(405)		
2011	West County Unit #2 [5]	1,335	---	27.7%	20.0%
	Power Purchase in 2011		167		
	Changes to Existing Purchases [4]	(94)	(45)		
2012	Changes to Existing Purchases [4]	---	(156)	25.5%	20.1%
	Changes to Power Purchase in 2011	---	(167)		
	Power Purchase in 2012	---	800		
2013	FGPP Unit # 1 [5]	---	980	22.6%	19.9%
	Changes to Power Purchase in 2012	---	(800)		
	Power Purchase in 2013	---	200		
	Changes to Existing Purchases [4]	(180)	---		
2014	FGPP Unit # 1 [5]	990	---	24.9%	21.3%
	FGPP Unit # 2 [5]	---	980		
	Changes to Power Purchase in 2013	---	(200)		
2015	FGPP Unit # 2 [5]	990	---	26.1%	23.7%
	South Florida CC #1 [5]	---	1,219		
2016	South Florida CC #1 [5]	1,335	---	27.1%	19.6%
	Changes to Existing Purchases [4]	(390)	(381)		
	TOTALS =	**5,557**	**4,931**		

(1) Additional information about these resulting reserve margins and capacity changes are found on Schedules 7 & 8 respectively.
(2) Winter values are values for January of year shown.
(3) Summer values are values for August of year shown.
(4) These are firm capacity and energy contracts with QF, Utilities and other purchases. See Table I.B.1 and Table I.B.2 for more details.
(5) All new unit additions are scheduled to be in-service in June of the year shown. Consequently, they are included in the Summer reserve margin calculation for the in-service year and in both the Summer and Winter reserve margin calculations for subsequent years.

CHAPTER I

Description of Existing Resources

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I. Description of Existing Resources

FPL's service area contains approximately 27,650 square miles and has a population of approximately 8.6 million people. FPL served an average of 4,409,563 customer accounts in thirty-five counties during 2006. These customers were served from a variety of resources including: FPL-owned fossil and nuclear generating units, non-utility owned generation, demand side management, and interchange/purchased power.

I.A. FPL-Owned Resources

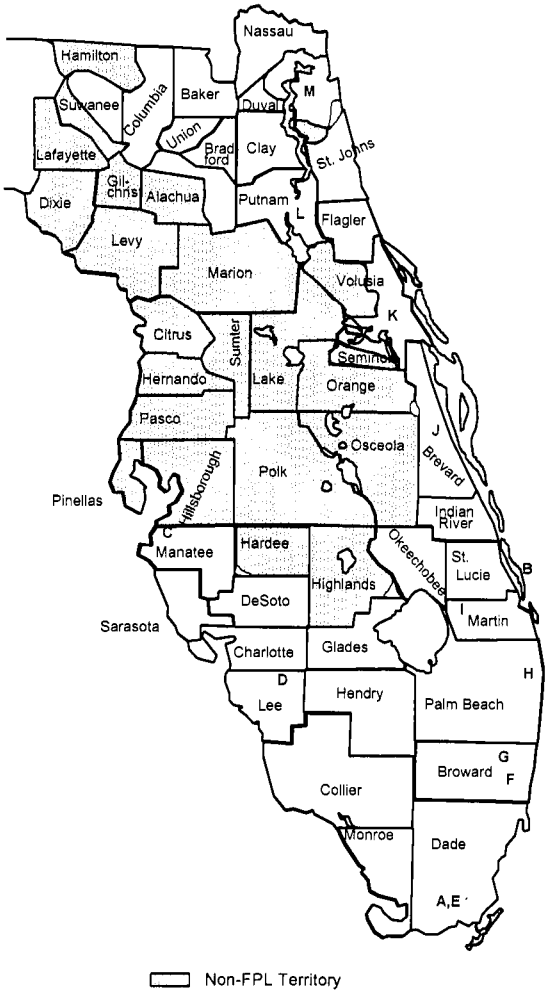
The existing FPL generating resources are located at fourteen generating sites distributed geographically around its service territory and also include partial ownership of one unit located in Georgia and two units located in Jacksonville, FL. The current generating facilities consist of four nuclear steam units, three coal units, eleven combined cycle units, seventeen fossil steam units, forty eight combustion gas turbines, one simple cycle combustion turbine, and five diesel units. The location of these units is shown on Figure I.A.1 and in Table I.A.1.

FPL's bulk transmission system is comprised of 6,620 circuit miles of transmission lines. Integration of the generation, transmission, and distribution system is achieved through FPL's 542 substations in Florida.

The existing FPL system, including generating plants, major transmission stations, and transmission lines, is shown on Figure I.A.2. In addition, Figure I.A.3 shows FPL's interconnection ties with other utilities.

FPL Generating Resources by Location

Location/ Map Key	Plant Name	Number of Units	Summer MW
A	Turkey Point	4	2,174
B	St. Lucie *	2	1,553
C	Manatee	3	2,742
D	Fort Myers	2	1,764
E	Cutler	2	205
F	Lauderdale	2	872
G	Port Everglades	4	1,219
H	Riviera	2	565
I	Martin	5	3,738
J	Cape Canaveral	2	792
K	Sanford	3	2,044
L	Putnam	2	498
M	SJRPP **	2	250
	Scherer ***	1	646
	Gas Turbines	48	1,908
	Internal Combustion Turbines	5	12
	FPL Generation =	**89**	**20,981**



* Represents FPL's ownership share: St Lucie nuclear: 100% unit 1, 85% unit 2: St. Johns River: 20% of two units.

** SJRPP = St. John's River Power Park

*** The Scherer unit is located in Georgia and is not shown on this map.

Figure I.A.1: Capacity Resources by Location (as of December 31, 2006)

Table I.A.1: Capacity Resource by Unit Type (as of December 31, 2006)

Unit Type/ Plant Name	Location	Number of Units	Fuel	Summer MW
Combined-Cycle				
Lauderdale	Dania, FL	2	Gas/Oil	872
Martin	Indiantown,FL	2	Gas	956
Martin	Indiantown,FL	1	Gas/Oil	1,104
Sanford	Lake Monroe, FL	2	Gas	1,906
Putnam	Palatka, FL	2	Gas/Oil	498
Fort Myers	Fort Myers, FL	1	Gas	1,440
Manatee	Parrish,FL	1	Gas	1,104
Total Combined Cycle		**11**		**7,879**
Combustion Turbines				
Fort Myers *	Fort Myers, FL	1	Gas/Oil	324
Total Combustion Turbines		**1**		**324**
Nuclear				
Turkey Point	Florida City, FL	2	Nuclear	1,386
St. Lucie **	Hutchinson Island, FL	2	Nuclear	1,553
Total Nuclear		**4**		**2,939**
Coal Steam				
SJRPP ***	Jacksonville, FL	2	Coal	250
Scherer	Monroe County, Ga	1	Coal	646
Total Coal Steam		**3**		**896**
Oil/Gas Steam				
Cape Canaveral	Cocoa, FL	2	Oil/Gas	792
Cutler	Miami, FL	2	Gas	205
Manatee	Parrish, FL	2	Oil/Gas	1,638
Martin	Indiantown,FL	2	Oil/Gas	1,678
Port Everglades	Port Everglades, FL	4	Oil/Gas	1,219
Riviera	Riviera Beach, FL	2	Oil/Gas	565
Sanford	Lake Monroe, FL	1	Oil/Gas	138
Turkey Point	Florida City, FL	2	Oil/Gas	788
Total Oil/Gas Steam		**17**		**7,023**
Gas Turbines(GT)/Diesels(IC)				
Lauderdale (GT)	Dania, FL	24	Gas/Oil	840
Port Everglades (GT)	Port Everglades, FL	12	Gas/Oil	420
Fort Myers (GT)	Fort Myers, FL	12	Oil	648
Turkey Point (IC)	Florida City, FL	5	Oil	12
Total Gas Turbines/Diesels		**53**		**1,920**
Total Units:		**89**		
Total Net Generating Capability:				**20,981**

* Each unit consists of two combustion turbines totaling approximately 300 MW.

** Total capability of each unit is 853/839 MW. FPL's ownership share of St. Lucie 1 and 2 is 100% and 85% respectively. Capabilities shown represent FPL's output share from each of the units (approx. 92.5% and exclude the Orlando Utilities Commission (OUC) and Florida Municipal Power Agency (FMPA) combined portion of approximately 7.44776% per unit.

*** Represents FPL's ownership share: SJRPP coal: 20% of two units

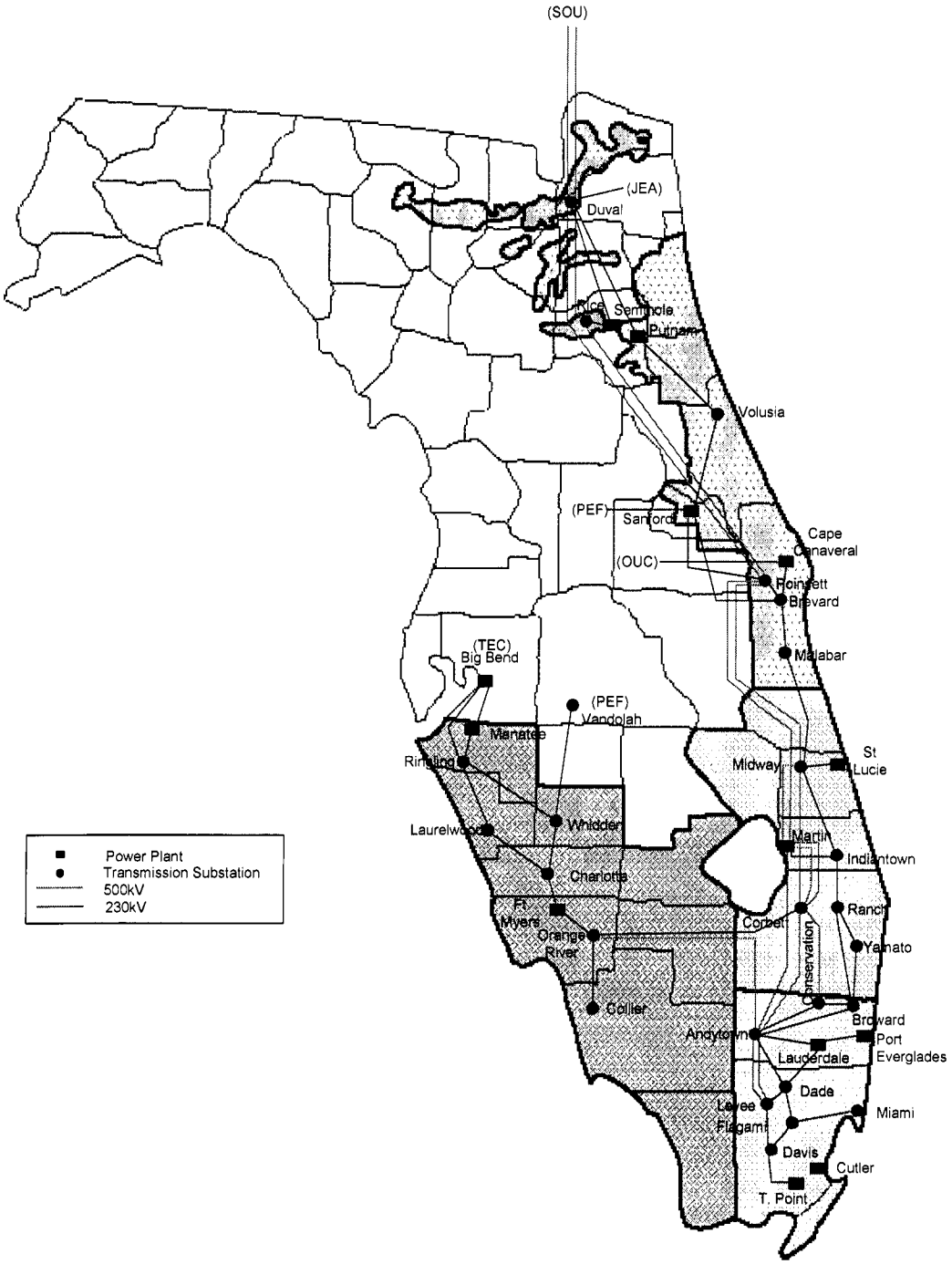


Figure I.A.2: FPL Substation and Transmission System Configuration

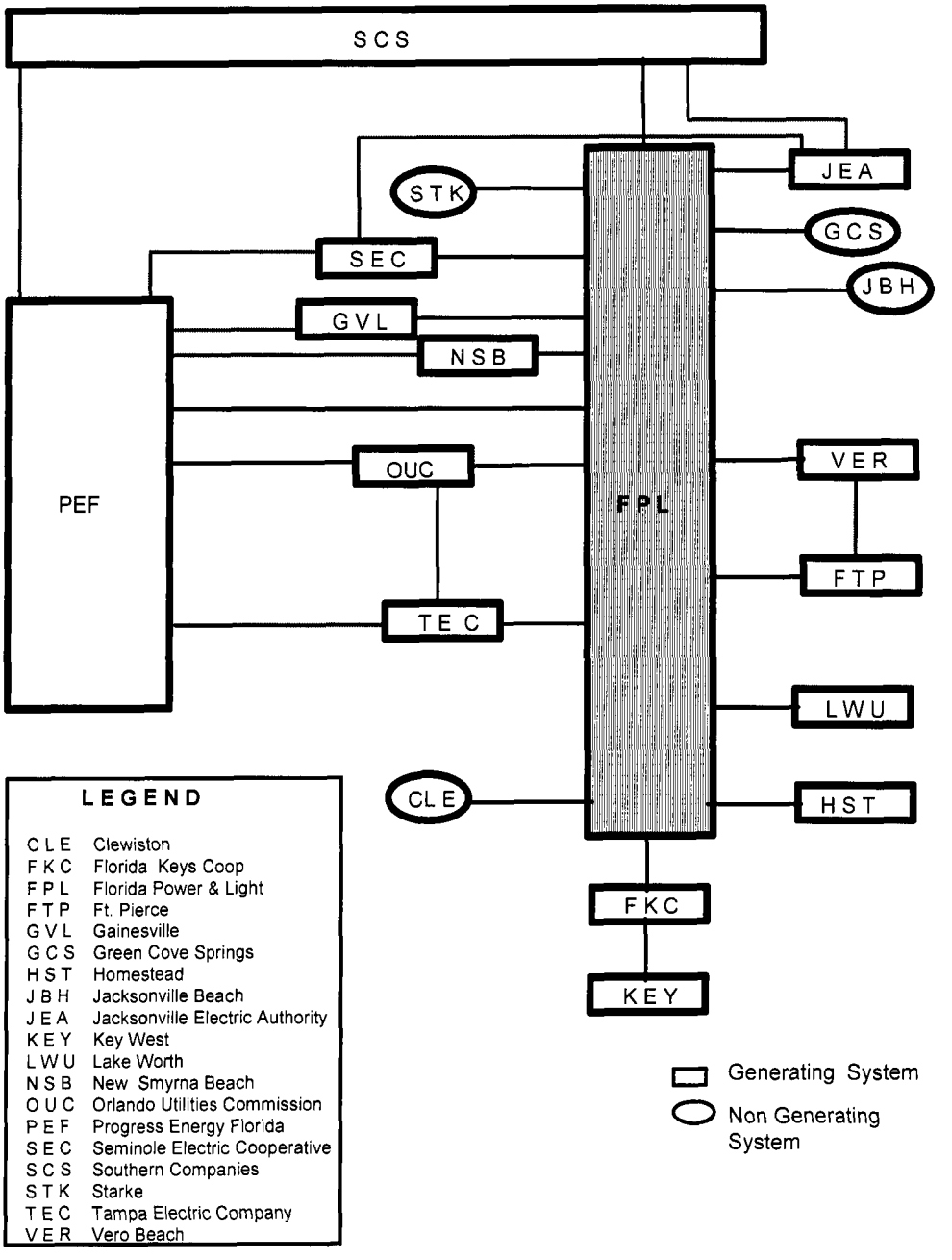


Figure I.A.3: FPL Interconnection Diagram

I.B Firm Capacity Power Purchases

Purchases from Qualifying Facilities (QF):

Firm capacity power purchases are an important part of FPL's resource mix. FPL currently has contracts with five qualifying facilities; i.e., cogeneration/small power production facilities, to purchase firm capacity and energy.

A cogeneration facility is one which simultaneously produces electrical and thermal energy, with the thermal energy (e.g., steam) being used for industrial, commercial, or cooling and heating purposes. A small power production facility is one which does not exceed 80 MW (unless it is exempted from this size limitation by the Solar, Wind, Waste, and Geothermal Power Production Incentives Act of 1990) and uses as its primary energy source (at least 50%) solar, wind, waste, geothermal, or other renewable resources.

Purchases from Utilities:

FPL has a Unit Power Sales (UPS) contract to purchase 931 MW, with a minimum of 381 MW, of coal-fired generation from the Southern Company (Southern). through May, 2010. An additional contract with Southern will result in FPL receiving 930 MW from June 2010 through the end of 2015. This capacity will be supplied by Southern from a mix of gas-fired and coal-fired units. For planning purposes, FPL is projecting a subsequent purchase of the same amount of MW from north of Florida starting in 2016.

In addition, FPL has contracts with the Jacksonville Electric Authority (JEA) for the purchase of 381 MW (Summer) and 390 MW (Winter) of coal-fired generation from the St. John's River Power Park (SJRPP) Units No. 1 and No. 2. (FPL also has ownership interest in these units. The ownership amount is reflected in FPL's installed capacity shown on Figure I.A.1, in Table I.A.1, and on Schedule 1.)

Other Purchases:

FPL has other firm capacity purchase contracts through 2009 with a variety of Non-QF suppliers. These purchases are generally near-term in nature. Table I.B.1 and I.B.2 present the Summer and Winter MW, respectively, resulting from all firm purchased power contracts discussed above through the year 2016 as well as other purchases in 2011 – 2013 assumed in this document for planning purposes.

Table I.B.1: FPL's Firm Purchased Power Summer MW

Summary of FPL's Firm Capacity Purchases: Summer MW (for August of Year Shown)

I. Purchases from QF's:

Cogeneration Small Power Production Facilities	Start Date	End Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Broward South	04/01/91	08/01/09	50.6	50.6	0	0	0	0	0	0	0	0
2. Broward South	01/01/93	12/31/26	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
3. Broward South	01/01/95	12/31/26	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
4. Broward South	01/01/97	12/31/26	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
5. Broward North	04/01/92	12/31/10	45.0	45.0	45.0	45.0	0	0	0	0	0	0
6. Broward North	01/01/93	12/31/26	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
7. Broward North	01/01/95	12/31/26	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
8.Broward North	01/01/97	12/31/26	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
9. Cedar Bay Generating Co.	01/25/94	12/31/24	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
10. Indiantown Cogen., LP	12/22/95	12/01/25	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0
11. Palm Beach SWA	04/01/92	03/31/10	47.5	47.5	47.5	0	0	0	0	0	0	0
QF Purchases Sub Total:			**738**	**738**	**687**	**640**	**595**	**595**	**595**	**595**	**595**	**595**

II. Purchases from Utilities:

	Start Date	End Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. UPS from Southern Co.	07/20/88	05/31/10	931	931	931	0	0	0	0	0	0	0
2. UPS Replacement	06/01/10	12/31/15	0	0	0	930	930	930	930	930	930	930
3. SJRPP	04/02/82	10/31/15	381	381	381	381	381	381	381	381	381	0
Utility Purchases Sub Total:			**1312**	**1312**	**1312**	**1311**	**1311**	**1311**	**1311**	**1311**	**1311**	**930**

III. Other Purchases:

	Start Date	End Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Reliant/Indian River	01/01/06	12/31/09	354	576	250	0	0	0	0	0	0	0
2. Indian River (Additional)	05/01/06	12/31/09	222	0	0	0	0	0	0	0	0	0
3. Progress Energy Ventures/Desoto (Put option)	06/01/05	05/31/07	0	0	0	0	0	0	0	0	0	0
4. Oleander/Southern Co (Put option)	06/01/05	05/31/07	0	0	0	0	0	0	0	0	0	0
5. Oleander (Extension)	06/01/07	05/31/12	156	156	156	156	156	0	0	0	0	0
6. Williams	03/01/06	12/31/09	106	106	106	0	0	0	0	0	0	0
7. Progress Energy Ventures	04/01/06	03/31/09	105	105	0	0	0	0	0	0	0	0
8. Other Short-Term Purchases	May-Sept of Year Shown		0	0	0	0	167	800	200	0	0	0
Other Purchases Sub Total			**943**	**943**	**512**	**156**	**323**	**800**	**200**	**0**	**0**	**0**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Summer Firm Capacity Purchases Total MW:	**2993**	**2993**	**2511**	**2107**	**2229**	**2706**	**2106**	**1906**	**1906**	**1525**

Table I.B.2: FPL's Firm Purchased Power Winter MW

Summary of FPL's Firm Capacity Purchases: Winter MW (for January of Year Shown)

I. Purchases from QF's:

Cogeneration Small Power Production Facilities	Start Date	End Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Broward South	04/01/91	08/01/09	50.6	50.6	50.6	0	0	0	0	0	0	0
2. Broward South	01/01/93	12/31/26	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
3. Broward South	01/01/95	12/31/26	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
4. Broward South	01/01/97	12/31/26	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
5. Broward North	04/01/92	12/31/10	45.0	45.0	45.0	45.0	0	0	0	0	0	0
6. Broward North	01/01/93	12/31/26	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
7. Broward North	01/01/95	12/31/26	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
8.Broward North	01/01/97	12/31/26	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
9. Cedar Bay Generating Co.	01/25/94	12/31/24	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
10. Indiantown Cogen., LP	12/22/95	12/01/25	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0	330.0
11. Palm Beach SWA	04/01/92	03/31/10	47.5	47.5	47.5	47.5	0	0	0	0	0	0
	QF Purchases Sub Total:		**738**	**738**	**738**	**687**	**595**	**595**	**595**	**595**	**595**	**595**

II. Purchases from Utilities:

	Start Date	End Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. UPS from Southern Co.	07/20/88	05/31/10	931	931	931	931	0	0	0	0	0	0
2. UPS Replacement	06/01/10	12/31/15	0	0	0	0	930	930	930	930	930	930
3. SJRPP	04/02/82	10/31/15	390	390	390	390	390	390	390	390	390	0
	Utility Purchases Sub Total:		**1321**	**1321**	**1321**	**1321**	**1320**	**1320**	**1320**	**1320**	**1320**	**930**

III. Other Purchases:

	Start Date	End Date	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
3. Reliant/Pasco/Shady Hills	02/28/02	02/28/07	474	0	0	0	0	0	0	0	0	0
4. Reliant/Indian River	01/01/06	12/31/09	354	576	250	0	0	0	0	0	0	0
4a. Indian River (Additional)	05/01/06	12/31/09	222	0	0	0	0	0	0	0	0	0
5. Progress Energy Ventures/Desoto (Put option)	06/01/05	05/31/07	362	0	0	0	0	0	0	0	0	0
6. Oleander/Southern Co (Put option)	06/01/05	05/31/07	180	0	0	0	0	0	0	0	0	0
6a. Oleander (Extension)	06/01/07	05/31/12	0	180	180	180	180	180	0	0	0	0
7. Williams	03/01/06	12/31/09	106	106	106	0	0	0	0	0	0	0
8. Progress Energy Ventures	04/01/06	03/31/09	105	105	105	0	0	0	0	0	0	0
9. Other Short-Term Purchases	May-Sept of Year Shown		0	0	0	0	0	0	0	0	0	0
	Other Purchases Sub Total		**1803**	**967**	**641**	**180**	**180**	**180**	**0**	**0**	**0**	**0**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Winter Firm Capacity Purchases Total MW:	**3862**	**3026**	**2700**	**2188**	**2095**	**2095**	**1915**	**1915**	**1915**	**1525**

I.C Non-Firm (As Available) Energy Purchases

FPL purchases non-firm (as-available) energy from several cogeneration and small power production facilities. Table I.C.1 shows the amount of energy purchased in 2006 from these facilities.

Table I.C.1: As Available Energy Purchases From Non-Utility Generators in 2006

Project	*County*	*Fuel*	*In-Service Date*	*Energy (MWH) Delivered to FPL in 2006*
US Sugar-Bryant	Palm Beach	Bagassee	2/80	2,455
Tropicana	Manatee	Natural Gas	2/90	16,329
Okeelanta	Palm Beach	Bagassee/Wood	11/95	360,364
Tomoka Farms	Volusia	Landfill Gas	7/98	17,681
Georgia Pacific	Putnam	Paper By-Product	2/94	9,161
Elliot	Palm Beach	Natural Gas	7/05	412

I.D. Demand Side Management (DSM)

FPL has sought out and implemented cost-effective DSM programs since 1978. These programs include both conservation initiatives and load management. FPL's DSM efforts through 2006 have resulted in a cumulative Summer peak reduction of approximately 3,659 MW at the generator and an estimated cumulative energy saving of approximately 38,169 Gigawatt Hour (GWh) at the generator. Accounting for reserve margin requirements, FPL's DSM efforts through 2006 have eliminated the need to construct the equivalent approximately 11 new 400 MW generating units.

Table I.D.1 presents FPL's approved DSM Goals for Summer MW reduction. These DSM Goals are over and above the significant levels of DSM implementation FPL achieved before the year 2005. FPL's current DSM Plan was approved by the Commission in 2004 and was designed to achieve the DSM Goals for the 2005–2014 time periods.

In addition, FPL recently received approval from the Commission to modify 8 existing DSM programs and to introduce two new DSM programs. These additional efforts will result in a projected increase of 564 Summer MW at the generator of additional DSM beyond FPL's DSM Goals by 2015 as is also presented in Table I.D.1. The table shows

that when these additional 564 MW of DSM are added to the 802 MW of DSM Goals at the generator from 2006 – 2015, FPL is adding 1,366 MW at the generator of cost-effective DSM by 2015.

For planning purposes, FPL is also assuming a continuation of DSM implementation in 2016 and projects the addition of approximately 120 MW of incremental DSM in that year so that through 2016 FPL currently projects 1,486 MW of cost-effective DSM beyond the significant amount of DSM achieved by FPL through 2006.

Table I.D.1. : FPL's DSM Goals and Additional DSM: 2006 – 2015 (Summer MW)

Year	(1) DSM Goals 2005 - 2015 Summer MW at Meter (1)	(2) = (1) /(1-0.0923) DSM Goals 2005 - 2015 Summer MW at Generator (2)	(3) DSM Goals 2006 - 2015 Summer MW at Generator (3)	(4) Additional DSM 2006 - 2015 Summer MW at Generator (4)	(5) = (3) + (4) 2006 - 2015 Total Projected Summer MW at Generator (5)
2005	74.0	82	---	---	---
2006	141.7	156	75	39	114
2007	211.9	233	152	229	381
2008	287.2	316	235	289	524
2009	365.9	403	322	334	656
2010	447.9	493	412	372	784
2011	532.1	586	505	413	918
2012	618.8	682	600	456	1,056
2013	707.9	780	698	501	1,199
2014	801.7	883	802	548	1,350
2015	801.7	883	802	564	1,366

Notes: (1) The Commission-approved DSM Goals address 2005 - 2014 and represent DSM MW at the meter.

(2) The DSM Summer MW at the Generator are approximate values based on a 9.23% line loss factor.

(3) These values represent DSM Goals values from 2006 through 2015 and omit the 2005 Goals values.

(4) The values shown above for 2006 through 2008 were originally presented in FPL's 2006 Ten Year Site Plan in Table III.D.2 on page 62. Those values represented the additional DSM MW contribution through 2008 at the time the Site Plan was filed. The 2009 - on values represent a current projection of additional DSM due to FPSC approval in mid-2006 of modifications to existing FPL DSM programs and of new DSM programs.

Schedule 1

Existing Generating Facilities
As of December 31, 2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
						Fuel		Alt. Fuel	Commercial	Expected	Gen.Max.	Net Capability 1/	
Plant Name	Unit No.	Location	Unit Type	Fuel Pri.	Fuel Alt.	Transport Pri.	Transport Alt.	Days Use	In-Service Month/Year	Retirement Month/Year	Nameplate KW	Winter MW	Summer MW
Cape Canaveral		Brevard County 19/24S/36F									804,100	796	792
	1		ST	FO6	NG	WA	PL	Unknown	Apr-65	Unknown	402,050	398	396
	2		ST	FO6	NG	WA	PL	Unknown	May-69	Unknown	402,050	398	396
Cutler		Miami Dade County 27/55S/40E									236,500	207	205
	5		ST	NG	No	PL	No	Unknown	Nov-54	Unknown	75,000	69	68
	6		ST	NG	No	PL	No	Unknown	Jul-55	Unknown	161,500	138	137
Fort Myers		Lee County 35/43S/25E									2,822,390	2,740	2,412
	2		CC	NG	No	PL	No	Unknown	Jun-02	Unknown	1,701,890	1,599	1,440
	3A & B		CT	NG	FO2	PL	PL	Unknown	Jun-01	Unknown	376,380	372	324
	1-12		GT	FO2	No	PL	No	Unknown	May-74	Unknown	744,120	769	648
Lauderdale		Broward County 30/50S/42E									1,873,968	1,946	1,712
	4		CC	NG	FO2	PL	PL	Unknown	May-93	Unknown	526,250	464	436
	5		CC	NG	FO2	PL	PL	Unknown	Jun-93	Unknown	526,250	464	436
	1-12		GT	NG	FO2	PL	PL	Unknown	Aug-70	Unknown	410,734	509	420
	13-24		GT	NG	FO2	PL	PL	Unknown	Aug-72	Unknown	410,734	509	420
Manatee		Manatee County 18/33S/20E									2,951,110	2,859	2,742
	1		ST	FO6	NG	WA	PL	Unknown	Oct-76	Unknown	863,300	831	819
	2		ST	FO6	NG	WA	PL	Unknown	Dec-77	Unknown	863,300	831	819
	3		CC	NG	No	PL	No	Unknown	Jun-05	Unknown	1,224,510	1,197	1,104

1/ These ratings are peak capability.

Schedule 1

Existing Generating Facilities
As of December 31, 2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
						Fuel		Alt. Fuel	Commercial	Expected	Gen.Max.	Net Capability 1/	
Plant Name	Unit No.	Location	Unit Type	Fuel Pri.	Fuel Alt.	Transport Pri.	Transport Alt.	Days Use	In-Service Month/Year	Retirement Month/Year	Nameplate KW	Winter MW	Summer MW
Martin		Martin County 29/29S/38E									4,317,510	3,874	3,738
	1		ST	FO6	NG	PL	PL	Unknown	Dec-80	Unknown	934,500	844	839
	2		ST	FO6	NG	PL	PL	Unknown	Jun-81	Unknown	934,500	844	839
	3		CC	NG	No	PL	No	Unknown	Feb-94	Unknown	612,000	503	478
	4		CC	NG	No	PL	No	Unknown	Apr-94	Unknown	612,000	503	478
	8		CC	NG	FO2	PL	PL	Unknown	Jun-01	Unknown	1,224,510	1,180	1,104
Port Everglades		City of Hollywood 23/50S/42E									1,710,384	1,736	1,639
	1		ST	FO6	NG	WA	PL	Unknown	Jun-60	Unknown	247,775	222	220
	2		ST	FO6	NG	WA	PL	Unknown	Apr-61	Unknown	247,775	222	220
	3		ST	FO6	NG	WA	PL	Unknown	Jul-64	Unknown	402,050	389	387
	4		ST	FO6	NG	WA	PL	Unknown	Apr-65	Unknown	402,050	394	392
	1-12		GT	NG	FO2	PL	PL	Unknown	Aug-71	Unknown	410,734	509	420
Putnam		Putnam County 16/10S/27E									580,008	566	498
	1		CC	NG	FO2	PL	WA	Unknown	Apr-78	Unknown	290,004	283	249
	2		CC	NG	FO2	PL	WA	Unknown	Aug-77	Unknown	290,004	283	249
Riviera		City of Riviera Beach 33/42S/43E									620,840	571	565
	3		ST	FO6	NG	WA	PL	Unknown	Jun-62	Unknown	310,420	280	277
	4		ST	FO6	NG	WA	PL	Unknown	Mar-63	Unknown	310,420	291	288
Sanford		Volusia County 16/19S/30E									2,534,050	2,264	2,044
	3		ST	FO6	NG	WA	PL	Unknown	May-59	Unknown	156,250	140	138
	4		CC	NG	No	PL	No	Unknown	Oct-03	Unknown	1,188,900	1,067	958
	5		CC	NG	No	PL	No	Unknown	Jun-02	Unknown	1,188,900	1,057	948

1/ These ratings are peak capability.

Schedule 1

Existing Generating Facilities
As of December 31, 2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
						Fuel Transport		Alt. Fuel	Commercial	Expected	Gen.Max.	Net Capability 1/	
Plant Name	Unit No.	Location	Unit Type	Fuel Pri.	Fuel Alt.	Pri.	Alt.	Days Use	In-Service Month/Year	Retirement Month/Year	Nameplate KW	Winter MW	Summer MW
Scherer 2/		Monroe, GA									680,368	652	646
	4		BIT	BIT	No	RR	No	Unknown	Jul-89	Unknown	680,368	652	646
St. Johns River Power Park 3/		Duval County 12/15/28E (RPC4)									271,836	250	250
	1		BIT	BIT	Pet	RR	WA	Unknown	Mar-87	Unknown	135,918	125	125
	2		BIT	BIT	Pet	RR	WA	Unknown	May-88	Unknown	135,918	125	125
St. Lucie		St. Lucie County 16/36S/41E									1,573,775	1,579	1,553
	1		NP	UR	No	TK	No	Unknown	May-76	Unknown	850,000	790	777
	2	4/	NP	UR	No	TK	No	Unknown	Jun-83	Unknown	723,775	790	777
Turkey Point		Miami Dade County 27/57S/40E									2,336,138	2,238	2,186
	1		ST	FO6	NG	WA	PL	Unknown	Apr-67	Unknown	402,050	398	396
	2		ST	FO6	NG	WA	PL	Unknown	Apr-68	Unknown	402,050	394	392
	3		NP	UR	No	TK	No	Unknown	Nov-72	Unknown	760,000	717	693
	4		NP	UR	No	TK	No	Unknown	Jun-73	Unknown	759,900	717	693
	1-5		IC	FO2	No	TK	No	Unknown	Dec-67	Unknown	12,138	12	12
										Total System as of December 31, 2006 =		**22,278**	**20,981**

1/ These ratings are peak capability.

2/ These ratings represent Florida Power & Light Company's share of Scherer Unit No. 4, adjusted for transmission losses.

3/ The net capability ratings represent Florida Power & Light Company's share of St. Johns River Park Unit No. 1 and No. 2, excluding Jacksonville Electric Authority (JEA) share of 80%.

4/ Total capability of each unit is 853/839 MW. FPL's ownership share of St. Lucie 1 and 2 is 100% and 85% respectively.Capabilities shown represent FPL's share of capacity from each of the units (approx. 92.5%) and exclude the Orlando Utilities Commission (OUC) and Florida Municipal Power Agency (FMPA) combined portion of approximately 7.44776% per unit.

CHAPTER II

Forecast of Electric Power Demand

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II. Forecast of Electric Power Demand

Long-term (20-year) forecasts of sales, net energy for load (NEL), and peak loads are developed on an annual basis for resource planning work at FPL. These forecasts are a key input to the models used to develop FPL's Integrated Resource Plan. The following pages describe how forecasts are developed for each component of the long-term forecast: sales, NEL, and peak loads.

The primary drivers to develop these forecasts are demographic trends, weather, economic conditions, and prices of electricity. In addition, the resulting forecasts are an integration of economic evaluations, inputs of local economic development boards, weather assessments from the National Oceanic and Atmospheric Administration (NOAA), and inputs from FPL's own customer service planning areas. In the area of demographics, population trends by county, plus housing characteristics such as housing starts, housing size, and vintage of homes are assessed.

Forecasts for electric usage in the residential and commercial classes include end-use information such as appliance saturation studies, efficiencies, and intensity of energy use. In addition to these inputs, residential forecasts also make use of household characteristics such as ages of members in households, number of members in households, and income distributions.

The projections for the national and Florida economy are obtained from Global Insight. Population projections for the counties served by FPL are obtained from the Bureau of Economic and Business Research (BEBR) of the University of Florida. In addition, FPL actively participates with local development councils and universities to obtain their assessments of the local economy, specifically in the area of expansion of new businesses and retention of the current business base. These inputs are quantified and qualified using statistical models in terms of their impact on the future demand for electricity.

Weather is always a key factor that affects the company's sales and peak demand. Weather variables are used in the forecasting models for energy sales and peak demand. There are two sets of weather variables developed and used in forecasting models:

1. Cooling and Heating Degree-Days are used to forecast energy sales.
2. Temperature data is used to forecast Summer and Winter peaks.

The Cooling and Heating Degree-Days are used to capture the changes in the electric usage of weather-sensitive appliances such as air conditioners and electric space heaters. A composite temperature hourly profile is derived using hourly temperatures across FPL's service territory (Miami, Ft. Myers, Daytona Beach, and West Palm Beach are the locations from which temperatures are obtained) weighted by regional energy sales. This composite temperature is used to derive Cooling and Heating Degree-Days which are based, respectively, on starting point temperatures of 65°F and an additional cooling degree variable based on a temperature of 75°F degrees. Similarly, composite temperature and hourly profile of temperature are used for the Summer and Winter peak models.

II.A. Long-Term Sales Forecasts

Long-term forecasts of electricity sales were developed for each revenue class for the forecasting period of 2006-2025 and are adjusted to match the Net Energy for Load (NEL) forecast. The results of these sales forecasts for the years 2007-2016 are presented in Schedules 2.1 - 2.3 which appear at the end of this chapter. Econometric models are developed for each revenue class using the statistical software package MetrixND. The methodologies used to develop energy sales forecasts for each jurisdictional revenue class and Net Energy for Load forecast are outlined below.

1. **Residential Sales**

   Residential electric usage per customer is estimated by using a regression model which contains the real residential price of electricity, real Florida personal income, Cooling and Heating Degree-Days as explanatory variables, as well as a dummy variable for hurricanes and other outliers. The price of electricity plays a role in explaining electric usage since electricity, like all other goods and services, will be used in greater or lesser quantities depending upon its price. To capture economic conditions, the model includes Florida's Real Personal Income. The degree of economic prosperity can, and does, affect residential electricity sales. The impact of weather is captured by the Heating Degree-Days and Cooling Degree-Days. Residential energy sales are forecast by multiplying the residential use per customer forecast by the number of residential customers forecasted.

2. **Commercial Sales**

The commercial sales forecast is also developed using a regression model. Commercial sales are a function of the following variables: Real Gross Domestic Product, commercial real price of electricity, Cooling Degree-Days, as well as dummy variables for hurricanes and outliers. The price of electricity is also included as an explanatory variable in the model because it has an impact on customer usage. Cooling Degree-Days are used to capture weather-sensitive load in the commercial sector.

3. **Industrial Sales**

Industrial sales were forecasted using a linear multiple regression model. The linear multiple regression model utilizes the following variables: Gross Domestic Product, Cooling Degree-Days, and several dummy variables for outliers, hurricanes, and months. The Cooling Degree-Day term is used to capture the weather-sensitive load in the industrial class.

4. **Other Public Authority Sales**

The sales for other public authority sales are developed using an econometric model with Cooling Degree-Days and several dummy variables for outliers.

5. **Street & Highway Sales and Railroad & Railways Sales**

The forecast for street and highway sales is developed using an econometric model with Real Domestic Gross Product as the primary driver and several variables for outliers. Similarly the forecast of sales to railroad & railways is developed using an econometric model with the Florida population as the primary driver and several monthly dummy variables to capture seasonality. This class consists solely of the Miami-Dade County's Metrorail system.

6. **Sales for Resale**

Sales for resale (wholesale) customers are composed of municipalities and/or electric cooperatives. These customers differ from jurisdictional customers in that they are not the ultimate users of the electricity they buy. Instead, they resell this electricity to their own customers.

Currently, there are four customers in this class: the Florida Keys Electric Cooperative (Florida Keys), City Electric System of the Utility Board of Key West,

Florida (City of Key West), Miami-Dade County, and the Florida Municipal Power Agency (FMPA)[2]. Sales to the Florida Keys are forecasted using a regression model. Forecasted sales to the City of Key West are based on assumptions regarding their contract demand and expected load factor. Miami-Dade County sells 60 MW to Progress Energy. Line losses are billed to Miami-Dade under a wholesale contract. FMPA has contracted for delivery of 75 MW from FPL through October, 2007.

7. **Total Sales**

Sales forecasts by revenue class are summed to produce a total sales forecast. After an estimate of annual total sales is obtained, an expansion factor is applied to generate a forecast of annual Net Energy for Load (NEL).

II.B. Net Energy for Load

An econometric model is developed to produce a net energy for load (NEL) forecast. The key inputs to the model are: the real price of electricity, Heating and Cooling Degree-Days, and Florida Real Personal Income.

Once the NEL forecast is obtained using the above-mentioned methodology, the results are then compared for reasonableness to the NEL forecast generated using the total sales forecast. The sales by class forecasts previously discussed are then adjusted to match the NEL from the annual NEL model.

The forecasted NEL values for 2007 – 2016 are presented in Schedule 3.3 that appears at the end of this chapter.

II.C. System Peak Forecasts

The rate of absolute growth in FPL system load has been a function of a growing customer base, varying weather conditions, continued economic growth, changing patterns of customer behavior (including an increased stock of electricity-consuming appliances), and more efficient heating and cooling appliances. FPL developed the peak forecast models to capture these behavioral relationships.

[2] At the time this document is being prepared, FPL is in discussion with Lee County Electric Co-Operative (Lee County) regarding potential wholesale service by FPL to Lee County. If such an agreement is reached, FPL will list the agreement and incorporate its impacts in future Site Plans.

The forecasting methodology of Summer, Winter, and monthly system peaks is discussed below. The forecasted values for Summer and Winter peak loads for the years 2007–2016 are presented in Schedules 3.1 and 3.2 as well as in Schedules 7.1 and 7.2.

System Summer Peak

The Summer peak forecast is developed using an econometric regression model. This econometric model utilizes the following explanatory variables: total average customers, the real price of electricity, Florida Real Personal Income, average temperature on peak day, and a heat buildup weather factor consisting of the sum of the Cooling Degree - Hours during the peak day and three prior days.

System Winter Peak

The Winter peak forecast is developed using the same econometric regression methodology as is used for Summer peak forecasts. The Winter peak model is a per customer model which contains the following explanatory variables: the square of the minimum temperature on the peak day and Heating Degree-Hours for the prior day as well as for the morning of the Winter peak day. The model also includes an economic variable: Florida Real Personal Income.

Monthly Peak Forecasts

Monthly peaks for the 2006-2025 period are forecasted to provide information for the scheduling of maintenance for power plants and fuel budgeting. The forecasting process is basically the same as for the monthly NEL forecast and consists of the following actions:

a. Develop the historical seasonal factor for each month by using ratios of historical monthly peaks to seasonal peaks (Summer = April-October, Winter = November-March.)

b. Apply the monthly ratios to their respective seasonal peak forecast to derive the peak forecast by month. This process assumes that the seasonal factors remain unchanged over the forecasting period.

II.D. The Hourly Load Forecast

Forecasted values for system hourly load for the period 2006-2025 are produced using a System Load Forecasting "shaper" program. This model uses sixteen years of historical FPL hourly system load data to develop load shapes for weekdays, weekend days, and holidays. The model allows calibration of hourly values where the peak is maintained or where both the peak and minimum load-to-peak ratio is maintained.

Schedule 2.1
History and Forecast of Energy Consumption
And Number of Customers by Customer Class

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			Rural & Residential			Commercial		
Year	Population 1/	Members per Household	GWH 2/	Average 3/ No. of Customers	Average KWH Consumption Per Customer	GWH 2/	Average 3/ No. of Customers	Average KWH Consumption Per Customer
1997	7,105,592	2.21	41,849	3,209,298	13,040	32,942	388,906	84,703
1998	7,249,627	2.22	45,482	3,266,011	13,926	34,618	396,749	87,255
1999	7,412,744	2.22	44,187	3,332,422	13,260	35,524	404,942	87,725
2000	7,603,964	2.23	46,320	3,414,002	13,568	37,001	415,295	89,096
2001	7,754,846	2.22	47,588	3,490,541	13,633	37,960	426,573	88,989
2002	7,898,628	2.21	50,865	3,566,167	14,263	40,029	435,313	91,955
2003	8,079,316	2.21	53,485	3,652,663	14,643	41,425	444,650	93,163
2004	8,247,442	2.20	52,502	3,744,915	14,020	42,064	458,053	91,832
2005	8,469,602	2.21	54,348	3,828,374	14,196	43,468	469,973	92,490
2006	8,620,855	2.21	54,570	3,906,201	13,970	44,487	478,930	92,889
2007	8,802,732	2.21	56,487	3,990,266	14,156	46,626	485,886	95,960
2008	8,989,254	2.21	58,895	4,074,544	14,454	49,044	494,614	99,156
2009	9,177,066	2.21	60,744	4,160,072	14,602	51,011	503,762	101,260
2010	9,361,268	2.21	62,719	4,244,343	14,777	52,956	511,556	103,519
2011	9,539,356	2.20	64,719	4,326,923	14,957	54,899	518,549	105,870
2012	9,711,719	2.20	66,691	4,407,802	15,130	56,709	524,700	108,080
2013	9,880,048	2.20	68,288	4,487,318	15,218	58,145	530,966	109,509
2014	10,044,669	2.20	70,136	4,564,281	15,366	59,857	537,801	111,299
2015	10,207,278	2.20	72,023	4,639,626	15,523	61,679	545,099	113,152
2016	10,368,782	2.20	74,025	4,713,544	15,705	63,627	552,946	115,068

1/ Population represents only the area served by FPL.

2/ Actual energy sales include the impacts of existing conservation. Forecasted energy sales do not include the impact of incremental conservation.

3/ Average No. of Customers is the annual average of the twelve month values.

Schedule 2.2
History and Forecast of Energy Consumption
And Number of Customers by Customer Class

(1)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Industrial			Railroads	Street &	Other Sales to	Total 4/ Sales to
		Average 3/ No. of	Average KWH Consumption	& Railways	Highway Lighting	Public Authorities	Ultimate Consumers
Year	GWH 2/	Customers	Per Customer	GWH	GWH 2/	GWH	GWH
1997	3,894	14,761	263,803	85	383	702	79,855
1998	3,951	15,126	261,206	81	373	625	85,130
1999	3,948	16,040	246,135	79	473	465	84,676
2000	3,768	16,410	229,616	81	408	381	87,960
2001	4,091	15,445	264,875	86	419	67	90,212
2002	4,057	15,533	261,186	89	420	63	95,523
2003	4,004	17,029	235,128	93	425	64	99,496
2004	3,964	18,512	214,139	93	413	58	99,095
2005	3,913	20,392	191,873	95	424	49	102,296
2006	4,036	21,216	190,232	94	422	49	103,659
2007	3,956	18,706	211,476	100	456	49	107,673
2008	3,965	18,002	220,269	102	465	49	112,519
2009	3,992	16,420	243,111	104	475	49	116,375
2010	4,024	15,971	251,964	106	483	49	120,337
2011	4,056	15,672	258,807	108	492	49	124,322
2012	4,088	15,672	260,827	110	500	49	128,147
2013	4,121	15,266	269,963	112	509	49	131,224
2014	4,153	15,146	274,210	113	519	49	134,827
2015	4,188	15,090	277,503	115	529	49	138,583
2016	4,224	15,089	279,911	117	540	49	142,582

2/ Actual energy sales include existing conservation. Forecasted energy sales do not include the impact of incremental conservation.

3/ Average No.of Customers is the annual average of the twelve month values.

4/ GWH Col. (16) = Col. (4) + Col. (7) + Col. (10) + Col. (13) + Col. (14) + Col. (15).

Schedule 2.3
History and Forecast of Energy Consumption
And Number of Customers by Customer Class

(1)	(17)	(18)	(19)	(20)	(21)
Year	Sales for Resale GWH	Utility Use & Losses GWH	Net 5/ Energy For Load GWH 2/	Average 3/ No. of Other Customers	Total Average 3/,6/ Number of Customers
1997	1,228	5,771	86,853	2,520	3,615,485
1998	1,326	6,206	92,662	2,584	3,680,470
1999	953	5,829	91,458	2,605	3,756,009
2000	970	7,059	95,989	2,694	3,848,401
2001	970	7,222	98,404	2,722	3,935,281
2002	1,233	7,443	104,199	2,792	4,019,805
2003	1,511	7,386	108,393	2,879	4,117,221
2004	1,531	7,464	108,091	3,029	4,224,509
2005	1,506	7,498	111,301	3,157	4,321,896
2006	1,569	7,909	113,137	3,216	4,409,563
2007	1,477	8,401	117,551	3,311	4,498,169
2008	1,004	8,501	122,024	3,402	4,590,561
2009	1,019	8,877	126,270	3,495	4,683,749
2010	1,034	9,128	130,499	3,589	4,775,460
2011	1,034	9,410	134,766	3,687	4,864,831
2012	1,034	9,857	139,038	3,783	4,951,957
2013	1,034	10,121	142,379	3,878	5,037,427
2014	1,034	10,396	146,257	3,971	5,121,200
2015	1,034	10,675	150,291	4,063	5,203,878
2016	1,034	10,940	154,556	4,154	5,285,732

2/ Actual energy sales include existing conservation. Forecasted energy sales do not include the impact of incremental conservation and agrees to Col. (2) on Schedule 3.3.

3/ Average No.of Customers is the annual average of the twelve month values.

5/ GWH Col. (19) = Col. (16) + Col. (17) + Col. (18). Actual NEL include the impacts of existing conservation and agrees to Col. (8) on schedule 3.3.

6/ Total Col. (21) = Col. (5) + Col. (8) + Col. (11) + Col. (20).

Schedule 3.1
History and Forecast of Summer Peak Demand: Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Year	Total	Wholesale	Retail	Interruptible	Res. Load Management	Residential Conservation	C/I Load Management	C/I Conservation	Net Firm Demand
1997	16,613	380	16,233	0	582	440	435	343	15,596
1998	17,897	426	17,471	0	628	526	458	385	16,811
1999	17,615	169	17,446	0	673	592	452	420	16,490
2000	17,808	161	17,647	0	719	645	467	451	16,622
2001	18,754	169	18,585	0	737	697	488	481	17,529
2002	19,219	261	18,958	0	770	755	489	517	17,960
2003	19,668	253	19,415	0	781	799	577	554	18,310
2004	20,545	258	20,287	0	783	847	588	578	19,174
2005	22,361	264	22,097	0	790	895	600	611	20,971
2006	21,819	256	21,563	0	809	948	635	640	18,787
2007	22,259	230	22,029	0	932	85	701	50	20,491
2008	22,770	155	22,615	0	966	129	738	75	20,862
2009	23,435	155	23,280	0	997	174	760	103	21,401
2010	24,003	155	23,848	0	1016	221	776	133	21,857
2011	24,612	155	24,457	0	1037	270	791	166	22,348
2012	25,115	155	24,960	0	1,059	322	806	201	22,727
2013	25,590	110	25,480	0	1,083	375	822	236	23,074
2014	26,100	110	25,990	0	1,110	430	837	274	23,449
2015	26,772	110	26,662	0	1,139	486	852	312	23,982
2016	27,410	110	27,300	0	1,175	505	884	347	24,499

Historical Values (1997 - 2006):

Col. (2) - Col. (4) are actual values for historical summer peaks. As such, they incorporate the effects of conservation (Col. 7 & Col. 9), and may incorporate the effects of load control if load control was operated on these peak days. Therefore, Col. (2) represents the actual Net Firm Demand.

Col. (5) - Col. (9) for 1997 through 2006 represent actual DSM capabilities starting from January 1988 and are annual (12-month) values. Note that the values for FPL's former Interruptible Rate are incorporated into Col. (8), which also includes Business On Call (BOC) and Commercial /Industrial Demand Reduction (CDR). Col.(5) - Col.(9) for year 2004 are "estimated actuals" and are August values.

Col. (10) represents a HYPOTHETICAL "Net Firm Demand" if the load control values had definitely been exercised on the peak. Col. (10) is derived by the formula:Col. (10) = Col.(2) - Col.(6) - Col.(8).

Projected Values (2007 - 2016):

Col. (2) - Col.(4) represent FPL's forecasted peak w/o incremental conservation or cumulative load control. The effects of conservation implemented prior to 2004 are incorporated into the load forecast.

Col. (5) - Col. (9) represent all incremental conservation and cumulative load control. These values are projected August values and the conservation values are based on projections with a 1/2006 starting point for use with the 2006 load forecast.

Col. (10) represents a 'Net Firm Demand" which accounts for all of the incremental conservation and assumes all of the load control is implemented on the peak. Col. (10) is derived by using the formula: Col. (10) = Col. (2) - Col. (5) - Col. (6) - Col. (7) - Col. (8) - Col. (9).

Schedule 3.2
History and Forecast of Winter Peak Demand:Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Year	Total	Firm Wholesale	Retail	Interruptible	Res. Load Management	Residential Conservation	C/I Load Management	C/I Conservation	Net Firm Demand
1997/98	13,060	239	12,821	0	641	369	426	151	11,993
1998/99	16,802	149	16,653	0	692	404	446	164	15,664
1999/00	17,057	142	16,915	0	741	434	438	176	15,878
2000/01	18,199	150	18,049	0	791	459	448	183	16,960
2001/02	17,597	145	17,452	0	811	500	457	196	16,329
2002/03	20,190	246	19,944	0	847	546	453	206	18,890
2003/04	14,752	211	14,541	0	857	570	532	230	13,363
2004/05	18,108	225	17,883	0	862	583	542	233	16,704
2005/06	19,683	225	19,458	0	870	600	550	240	18,263
2006/07	16,815	223	16,592	0	894	620	577	249	15,344
2007/08	22,627	230	22,397	0	902	27	618	8	21,072
2008/09	23,115	155	22,960	0	935	54	644	17	21,466
2009/10	23,587	155	23,432	0	972	82	670	27	21,837
2010/11	24,047	155	23,892	0	989	109	678	38	22,233
2011/12	24,498	155	24,343	0	1,009	137	686	51	22,615
2012/13	24,952	155	24,797	0	1,030	166	694	65	22,998
2013/14	25,416	155	25,261	0	1,052	194	702	79	23,388
2014/15	26,048	110	25,938	0	1,077	224	711	95	23,942
2015/16	26,692	110	26,582	0	1,105	253	719	112	24,504
2016/17	27,342	110	27,232	0	1,131	280	726	127	25,078

Historical Values (1997 - 2006):

Col. (2) - Col. (4) are actual values for historical winter peaks. As such, they incorporate the effects of conservation (Col. 7 & Col. 9), and may incorporate the effects of load control if load control was operated on these peak days. Therefore, Col. (2) represents the actual Net Firm Demand.

Col. (5) - Col.(9) for 1996/97 through 2005/06 represent actual DSM capabilities starting from January 1988 and are annual (12-month) values. Note that the values for FPL's former Interruptible Rate are incorporated into Col. (8), which also includes Business On Call (BOC) and Commercial/Industrial Demand Reduction (CDR).Col.(5) - Col.(9) for year 2004/05 are "estimated actuals" and are January values.

Col. (10) represents a HYPOTHETICAL "Net Firm Demand" if the load control values had definitely been exercised on the peak. Col. (10) is *derived by the formula:* Col. (10) = Col. (2) - Col. (6) - Col. (8).

Projected Values (2007/08- 2015/16):

Col. (2) - Col.(4) represent FPL's forecasted peak w/o incremental conservation or cumulative load control. The effects of conservation implemented prior to 2004 are incorporated into the load forecast.

Col. (5) - Col.(9) represent all incremental conservation and cumulative load control. These values are projected January values and the conservation values are based on projections with a 1/2004 starting point for use with the 2004 load forecast.

Col. (10) represents a 'Net Firm Demand" which accounts for all of the incremental conservation and assumes all of the load control is implemented on the peak. Col. (10) is derived by using the formula: Col. (10) = Col. (2) - Col. (5) - Col. (6) - Col. (7) - Col. (8) - Col. (9).

Schedule 3.3
History and Forecast of Annual Net Energy for Load - GWH: Base Case

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Year	Total	Residential Conservation	C/I Conservation	Retail	Sales for Resale GWH	Utility Use & Losses	Net Energy For Load	Load Factor(%)
1997	89,243	1,213	1,177	88,015	1,228	5,771	86,853	59.7%
1998	95,318	1,374	1,282	93,992	1,326	6,206	92,662	59.1%
1999	94,365	1,542	1,365	93,412	953	5,829	91,458	59.3%
2000	99,097	1,674	1,434	98,127	970	7,059	95,989	61.5%
2001	101,739	1,789	1,545	100,768	970	7,222	98,404	59.9%
2002	107,755	1,917	1,639	106,522	1,233	7,443	104,199	61.9%
2003	112,160	2,008	1,759	110,648	1,511	7,386	108,393	62.9%
2004	112,031	2,106	1,834	110,500	1,531	7,464	108,091	60.1%
2005	115,440	2,205	1,934	113,934	1,506	7,498	111,301	56.8%
2006	117,490	2,312	2,041	115,921	1,569	7,909	113,137	59.2%
2007	117,551	162	134	116,074	1,477	8,401	117,255	60.3%
2008	122,024	253	176	121,021	1,004	8,501	121,596	61.2%
2009	126,270	343	220	125,251	1,019	8,877	125,707	61.3%
2010	130,499	437	268	129,465	1,034	9,128	129,794	62.1%
2011	134,766	535	319	133,732	1,034	9,410	133,912	62.5%
2012	139,038	637	372	138,005	1,034	9,857	138,029	63.2%
2013	142,379	742	429	141,345	1,034	10,121	141,208	63.3%
2014	146,257	850	488	145,223	1,034	10,396	144,918	64.0%
2015	150,291	959	548	149,258	1,034	10,675	148,785	64.1%
2016	154,556	963	550	153,522	1,034	10,940	153,042	64.4%

Historical Values (1997 - 2006):

Col. (2) represents derived "Total Net Energy For Load w/o DSM". The values are calculated using the formula: Col. (2) = Col. (3) + Col. (4) + Col. (8).

Col.(3) & Col.(4) for 1997 through 2006 are DSM values starting in January 1988 and are annual (12-month) values.Col. (3) and Col. (4) for 2006 are "estimated actuals" and are also annual (12-month) values. The values represent the total GWH reductions actually experienced each year .

Col. (5) & Col. (6) are a breakdown of Net Energy For Load in Col (2) into Retail and Wholesale.

Col. (9) is calculated using Col. (8) from this page and Col. (2), "Total", from Schedule 3.1 using the formula: Col. (9) = ((Col. (8)*1000) / ((Col.(2) * 8760)

Projected Values (2007 - 2016):

Col. (2) represents Net Energy for Load w/o DSM values. The values are extracted from Schedule 2.3, Col. (19).

Col. (3) & Col. (4) are forecasted values of the reduction on sales from incremental conservation and are mid-year (6-month) values. The effects of conservation implemented prior to 2006 are incorporated into the load forecast.

Col. (5) & Col. (6) are a breakdown of Net Energy For Load in Col (2) , into Retail and Wholesale.

Col. (8) NEL projected values shown here do include the impact of conservation in Col. (3) and Col. (4). Therefore, these NEL values **do not match** those shown on schedule 2.3 because those values do not account for incremental conservation.

Col. (9) is calculated using Col. (2) from this page and Col. (2), "Total", from Schedule 3.1. Col. (9) = ((Col. (2)*1000) / ((Col. (2) * 8760)
Adjustments are made for leap years.

Schedule 4
Previous Year Actual and Two-Year Forecast of
Retail Peak Demand and Net Energy for Load (NEL) by Month

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	2006 ACTUAL		2007* FORECAST		2008* FORECAST	
Month	Total Peak Demand MW	NEL GWH	Total Peak Demand MW	NEL GWH	Total Peak Demand MW	NEL GWH
JAN	14,800	8,059	22,247	8,439	22,627	8,811
FEB	19,683	7,473	18,338	7,615	18,652	8,240
MAR	16,946	8,179	17,303	8,757	17,599	9,042
APR	18,975	9,296	18,531	9,212	18,956	9,533
MAY	19,321	9,458	20,558	9,692	21,030	10,033
JUN	21,123	11,031	21,395	11,221	21,886	11,568
JUL	21,493	10,690	21,805	11,192	22,305	11,592
AUG	21,819	11,634	22,259	11,819	22,770	12,251
SEP	20,580	10,926	21,607	11,633	22,103	11,981
OCT	19,440	9,746	20,104	10,024	20,565	10,369
NOV	17,260	8,382	18,748	9,106	19,152	9,519
DEC	15,798	8,263	19,139	8,839	19,552	9,086
TOTALS		113,137		117,551		122,024

* Forecasted Peaks & NEL do not include the impacts of cumulative load management and incremental conservation and are consistent with values shown in Col. (19) of Schedule 2.3 and Col (2) of Schedule 3.3.

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CHAPTER III

Projection of Incremental Resource Additions

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III. Projection of Incremental Resource Additions

III.A FPL's Resource Planning:

FPL developed an integrated resource planning (IRP) process in the early 1990s and has since utilized the process to determine when new resources are needed, what the magnitude of the needed resources are, and what type of resources should be added. The timing and type of potential new power plants, the primary subjects of this document, are determined as part of the IRP process work. This section discusses how FPL applied this process in its 2006 and early 2007 resource planning work.

Four Fundamental Steps of FPL's Resource Planning:

There are 4 fundamental "steps" to FPL's resource planning. These steps can be described as follows:

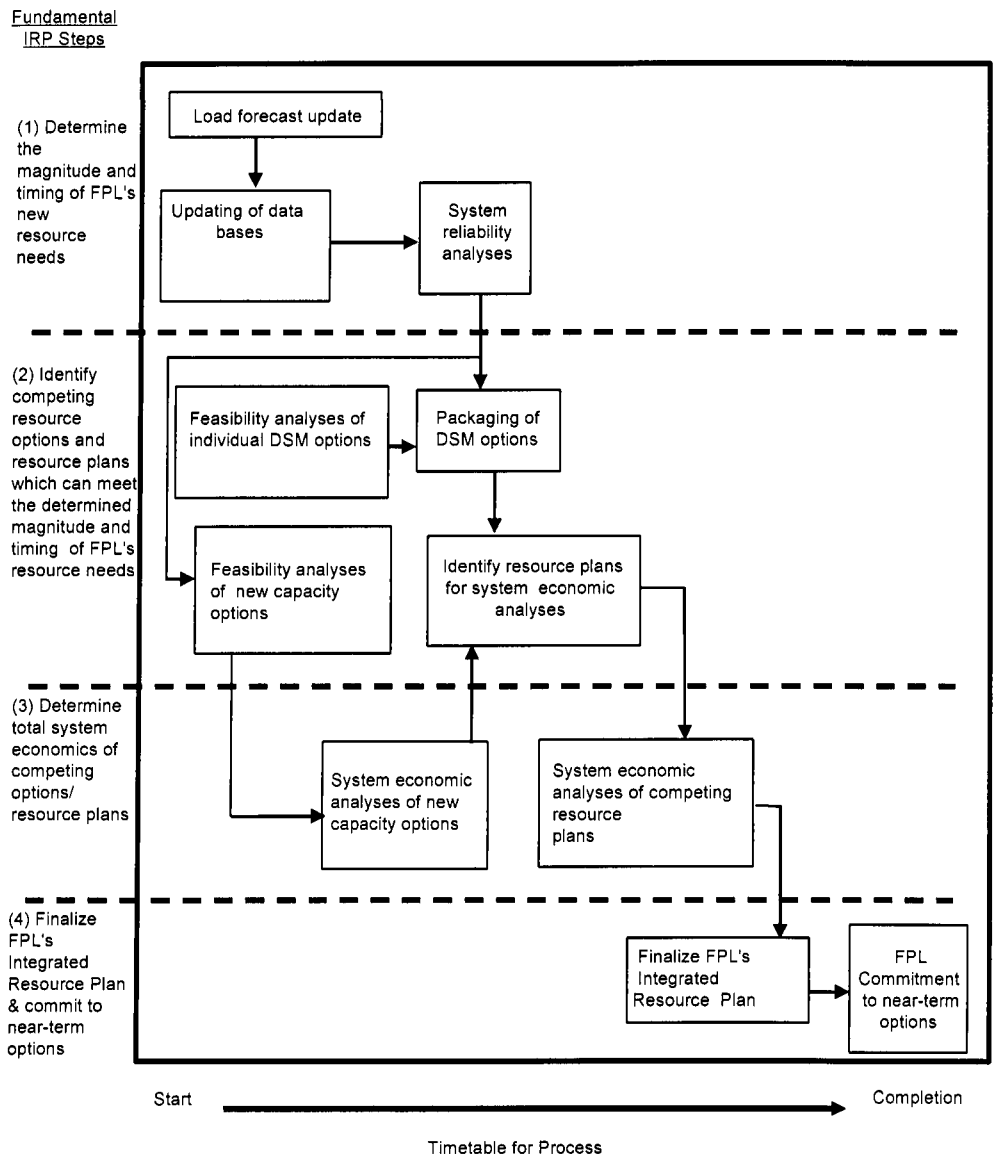
Step 1: Determine the magnitude and timing of FPL's new resource needs;

Step 2: Identify which resource options and resource plans can meet the determined magnitude and timing of FPL's resource needs (i.e., identify competing options and resource plans);

Step 3: Determine the economics for the total utility system with each of the competing options and resource plans; and,

Step 4: Select a resource plan and commit, as needed, to near-term options.

Figure III.A.1 graphically outlines the 4 steps.



(Normal time period: approx. 6-7 months)

Figure III.A.1: Overview of FPL's IRP Process

Step 1: Determine the Magnitude and Timing of FPL's New Resource Needs:

The first of these four resource planning steps, determining the magnitude and timing of FPL's resource needs, is essentially a determination of the amount of capacity or megawatts (MW) of load reduction, new capacity additions, or a combination of both load reduction and new capacity additions that are needed. Also determined in this step is when the MW are needed to meet FPL's planning criteria. This step is often referred to as a reliability, or resource adequacy, assessment for the utility system.

Step 1 typically starts with an updated load forecast. Several databases are also updated in this first fundamental step, not only with the new information regarding forecasted loads, but also with other information that is used in many of the fundamental steps in resource planning. Examples of this new information include: delivered fuel price projections, current financial and economic assumptions, and power plant capability and reliability assumptions. FPL also includes key assumptions regarding three specific resource areas: (1) near-term construction capacity additions, (2) firm capacity power purchases, and (3) DSM implementation.

The first of these assumptions is based on FPL's ongoing engineering and construction activities to add near-term capacity. These construction activities include three new combined cycle (CC) units: one at FPL's Turkey Point site scheduled to come in-service by mid-2007 and two at FPL's West County Energy Center (WCEC) site scheduled to come in-service by mid-2009 and mid-2010 respectively. FPL selected these CC options after conducting separate Request for Proposals (RFP) solicitations and evaluating the options received in response to the RFPs. These additions were subsequently approved by the FPSC and the Governor and Siting Board.

The second of these assumptions involves firm capacity power purchases. These firm capacity purchases are from a combination of utility and independent power producers. Details, including the annual total capacity values for these purchases are presented in Tables I.B.1 and I.B.2. These purchased capacity amounts were incorporated in FPL's recent resource planning work.

The third of these assumptions involves DSM. Since 1994, FPL's resource planning work has assumed that the DSM MW called for in FPL's approved DSM Goals will be achieved per plan. This was again the case in FPL's most recent planning work as its new DSM

Goals that address the years 2005 through 2014, and that were approved by the FPSC in August 2004, are assumed to be achieved per plan.

In addition, FPL recently received approval from the Commission to modify 8 existing DSM programs and to introduce two new DSM programs. These efforts will result in a projected increase of 564 Summer MW at the generator of additional DSM and curtailable beyond FPL's DSM Goals by 2015. In addition, FPL is also assuming a continuation of DSM implementation in 2016 and projects the additions of approximately 120 MW of incremental DSM in that year so that through 2016 FPL currently projects 1,486 MW of cost-effective DSM beyond the significant amount of DSM achieved by FPL through 2006. These additional MW of DSM were also accounted for prior to making projections of new resource needs.

These key assumptions, plus the other updated information, are then applied in the first fundamental step: the determination of the magnitude and the timing of FPL's resource needs. This determination is accomplished by system reliability analyses which are typically based on a dual planning criteria of a minimum peak period reserve margin of 20% (FPL applies this to both Summer and Winter peaks) and a maximum loss-of-load probability (LOLP) of 0.1 day per year. Both of these criteria are commonly used throughout the utility industry.

Historically, two types of methodologies, deterministic and probabilistic, have been employed in system reliability analysis. The calculation of excess firm capacity at the annual system peaks (reserve margin) is the most common method, and this relatively simple deterministic calculation can be performed on a spreadsheet. It provides an indication of the adequacy of a generating system's capacity resources compared to its native load during peak periods. However, deterministic methods do not take into account probabilistic-related elements such as the impact of individual unit failures. For example: two 50 MW units which can be counted on to run 90% of the time are more valuable in regard to utility system reliability than is one 100 MW unit which can also be counted on to run 90% of the time. Probabilistic methods also recognize the value of being part of an interconnected system with access to multiple capacity sources.

For this reason, probabilistic methodologies have been used to provide an additional perspective on the generation resource adequacy of a generating system. There are a number of probabilistic methods that are being used to perform system reliability analyses. Of these, the most widely used is loss–of-load probability or LOLP. Simply stated, LOLP

is an index of how well a generating system may be able to meet its demand (i.e., a measure of how often load may exceed available resources). In contrast to reserve margin, the calculation of LOLP looks at the daily peak demands for each year, while taking into consideration such probabilistic events as the unavailability of individual generators due to scheduled maintenance or forced outages.

LOLP is expressed in units of the "number of times per year" that the system demand could not be served. The standard for LOLP accepted throughout the industry is a maximum of 0.1 day per year. This analysis requires a more complicated calculation methodology than does the reserve margin analysis. LOLP analyses are typically carried out using computer software models such as the Tie Line Assistance and Generation Reliability (TIGER) program used by FPL.

The result of the first fundamental step of resource planning is a projection of how many new MW of resources are needed to meet both reserve margin and LOLP criteria, and thus maintain system reliability, and of when the MW are needed. Information regarding the timing and magnitude of these resource needs is used in the second fundamental step: identifying resource options and resource plans that can meet the determined magnitude and timing of FPL's resource needs.

Step 2: Identify Resource Options and Plans That Can Meet the Determined Magnitude and Timing of FPL's Resource Needs:

The initial activities associated with this second fundamental step of resource planning generally proceed concurrently with the activities associated with Step 1. During Step 2, feasibility analyses of new capacity options are conducted to determine which new capacity options appear to be the most competitive on FPL's system. These analyses also establish capacity size (MW) values, projected construction/permitting schedules, and operating parameters and costs. In similar analyses, feasibility analyses of new DSM options and/or continued growth in existing DSM options, are conducted.

The individual new resource options emerging from these feasibility options are then typically "packaged" into different resource plans which are designed to meet the system reliability criteria. In other words, resource plans are created by combining individual resource options so that the timing and magnitude of FPL's new resource needs are met. The creation of these competing resource plans is frequently carried out using dynamic programming techniques.

At the conclusion of the second fundamental resource planning step, a number of different combinations of new resource options (i.e., resource plans) of a magnitude and timing necessary to meet FPL's resource needs are identified.

Step 3: Determining the Total System Economics:

At the completion of fundamental steps 1 & 2, the most viable new resource options have been identified, and these resource options have been combined into a number of resource plans which meet the magnitude and timing of FPL's resource needs. The stage is set for comparing the system economics of these resource plans. In its 2006 resource planning work, FPL performed some of this work of combining resource options into resource plans using the EGEAS (Electric Generation Expansion Analysis System) computer model from the Electric Power Research Institute (EPRI). The EGEAS model was also used to perform basic economic analyses of resource plans. For various analyses, including the analyses of the advanced technology coal option, FPL utilized the P-MArea production cost model and a Fixed Cost Spreadsheet to develop a more detailed perspective of costs for the various resource plans developed to analyze the advanced technology coal option. The P-MArea model is the model used by FPL to develop the Fuel Cost Budget and to conduct other production cost-related analyses.

In 2006, FPL also utilized several other models in its resource planning work. For DSM analyses, FPL used its DSM cost-effectiveness model; an FPL spreadsheet model utilizing the FPSC's approved methodology for analyzing the cost-effectiveness of individual DSM measures/programs, and its non-linear programming model for analyzing the potential for lowering system peak loads through additional load management capacity.

The basic economic analyses of the competing resource plans focus on total system economics. The standard basis for comparing the economics of competing resource plans is their relative impact on FPL's electricity rate levels, with the intent of minimizing FPL's leveled system average rate (i.e., a Rate Impact Measure or RIM methodology). However, in cases in which the DSM contribution was assumed as a given and the only competing options were new generating units and/or purchase options, comparisons of competing resource plans' impacts on electricity rates and on system revenue requirements are equivalent. Consequently, the competing options and plans were evaluated on a cumulative present value revenue requirement (CPVRR) basis.

Step 4: Finalizing FPL's Current Resource Plan

The results of the previous three fundamental steps were used to develop the future generation plan. This plan is presented in the following section.

III.B Incremental Resource Additions

FPL's projected incremental generation capacity additions/changes for 2007 through 2016 are depicted in Table III.B.1 (the planned DSM additions through 2015 were shown previously in Table I.D.1). These capacity additions/changes result from a variety of actions including: changes to existing units (which are frequently achieved as a result of plant component replacements during major overhauls), changes in the amounts of purchased power being delivered under existing contracts as per the contract schedules or by entering into new purchase contracts, and by projected construction of new generating units.

As shown in Table III.B.1, the capacity additions are largely made up of committed new construction, new purchases, and proposed self-build alternatives. (The additional DSM MW are not presented in this table but have been accounted for prior to making these new capacity option projections.) FPL included its previously committed generation construction projects in its 2006 reliability assessment. These committed construction projects are the new 1,144 MW combined cycle (CC) unit at FPL's existing Turkey Point plant site (Turkey Point Unit #5) that will be placed into service in mid-2007, the new 1,219 MW CC unit at the West County Energy Center (WCEC) that is scheduled to be placed into service in mid-2009 (WCEC Unit #1), and a second 1,219 MW CC unit at WCEC (WCEC Unit #2) that is scheduled to be placed into service in mid-2010.

FPL also projects the construction of two new advanced technology coal units; one each by 2013 and 2014 at FPL's Glades Power Park (FGPP) site in Glades County. These two units will use ultra-supercritical pulverized coal (USCPC) technology in concert with advanced emissions controls to address FPL's resource needs for 2013 and 2014 and to maintain fuel diversity on FPL's system. FPL filed for FPSC approval of these two advanced technology coal units on February 1, 2007. The FPSC is expected to render its decision by July 2007.

These additions of the Turkey Point, WCEC, and FGPP units will meet a significant portion of FPL's projected resource needs through 2016 and will maintain fuel diversity on FPL's system. After accounting for these capacity additions, FPL projects a remaining small (167 MW) resource need in 2011 and more significant resource needs in 2012 (777 MW), 2013 (214 MW), 2015 (323 MW), and 2016 (1,327). No decisions are currently needed in regard to how FPL will meet those needs and FPL will consider additional cost-effective DSM, power purchases, enhancements to FPL's existing units, and new generation construction as options with which to meet those needs.

For purposes of this planning document, FPL projects short-term firm capacity purchases of 167 MW in 2011, 800 MW in 2012, and 200 MW in 2013 to meet the remaining capacity needs in those years. Also projected is the addition of a new 1,219 MW unsited CC unit (labeled as "South Florida CC") similar to the WCEC CC units in 2015 to meet the remaining capacity need in 2015 and 2016.

Table III.B.1: Projected Capacity Changes for FPL [1]

Projected Capacity Changes for FPL [1]			
		Net Capacity Changes (MW)	
		Winter [2]	Summer [3]
2007	Turkey Point Unit #5 [5]	---	1,144
	Changes to Existing Units	16	(2)
	Changes to Existing Purchases [4]	657	(387)
2008	Turkey Point Unit #5 [5]	1,181	---
	Changes to Existing Units	28	27
	Changes to Existing Purchases [4]	(836)	---
2009	West County Unit #1 [5]	---	1,219
	Changes to Existing Units	28	1
	Changes to Existing Purchases [4]	(326)	(482)
2010	West County Unit #1 [5]	1,335	---
	West County Unit #2 [5]	---	1,219
	Changes to Existing Purchases [4]	(512)	(405)
2011	West County Unit #2 [5]	1,335	---
	Power Purchase in 2011		167
	Changes to Existing Purchases [4]	(94)	(45)
2012	Changes to Existing Purchases [4]	---	(156)
	Changes to Power Purchase in 2011	---	(167)
	Power Purchase in 2012	---	800
2013	FGPP Unit # 1 [5]	---	980
	Changes to Power Purchase in 2012	---	(800)
	Power Purchase in 2013	---	200
	Changes to Existing Purchases [4]	(180)	---
2014	FGPP Unit # 1 [5]	990	---
	FGPP Unit # 2 [5]	---	980
	Changes to Power Purchase in 2013	---	(200)
2015	FGPP Unit # 2 [5]	990	---
	South Florida CC #1 [5]	---	1,219
2016	South Florida CC #1 [5]	1,335	---
	Changes to Existing Purchases [4]	(390)	(381)
	TOTALS =	**5,557**	**4,931**

(1) Additional information about these resulting reserve margins and capacity changes are found on Schedules 7 & 8 respectively.
(2) Winter values are values for January of year shown.
(3) Summer values are values for August of year shown.
(4) These are firm capacity and energy contracts with QF, Utilities and other purchases. See Table I.B.1 and Table I.B.2 for more details.
(5) All new unit additions are scheduled to be in-service in June of the year shown. Consequently, they are included in the Summer reserve margin calculation for the in-service year and in both the Summer and Winter reserve margin calculations for subsequent years.

III.C Issues Impacting FPL's Recent Planning Work

FPL's 2006 and early 2007 planning efforts have continued to address two issues that were identified in previous Site Plans as being items of on-going importance. Those two issues are: (1) the need to maintain fuel diversity in the FPL system and (2) the need to address the imbalance between regional load and generating capacity located in Southeast Florida.

1. System Fuel Diversity

FPL's plans to add the two advanced technology coal FGPP units by 2013 and 2014, respectively, is a key and integral part of FPL's plan to maintain fuel diversity on FPL's system. After these coal units come on-line, the role of natural gas in FPL's projected fuel mix will be no greater than 61% through 2016.

FPL has also begun the process to review the prospect for new nuclear generation and the advisability of initiating significant financial commitments in the face of schedule, cost, and regulatory uncertainties to do so. FPL will be taking necessary and appropriate steps in the near future to preserve new nuclear generation as an option for the latter half of the next decade in order to maintain and enhance fuel diversity in the FPL system.

FPL also has been involved in activities to investigate adding or maintaining renewable resources as a part of its generation supply. One of these activities is a variety of discussions with existing facilities aimed at maintaining or extending current agreements. In addition, and as a direct result of FPL's Sunshine Energy® Program, photovoltaic installations are being made. These include a 250 kw photovoltaic site in Sarasota County as well other smaller installations throughout FPL's service territory. Additionally, FPL is actively investigating a site for a demonstration wind generation project in the 10 MW range.

FPL maintains its interest in new and developing technologies, such as solar photovoltaic, solar thermal, and ocean current turbine technology. It is possible that renewable technologies may become more cost-effective over the next ten years and may be feasible additions to provide some diversity to the system fuel supply. FPL shares, with others, the objective of fostering the development and operation of additional cost-effective renewable sources of generation. Based upon available information, however, FPL does not believe

that renewable resources are likely to contribute more than a modest amount to satisfying the annual electric load growth in FPL's territory.

In the future, FPL will continue to identify and evaluate alternatives that may maintain or enhance fuel diversity in its capacity resource mix including purchasing power from coal-fired facilities when such power becomes available. FPL also plans to maintain the ability to utilize fuel oil at those existing units that have that capability, although cost factors currently limit the expected use of these facilities.

2. Southeast Florida Imbalance

There currently is an imbalance between regionally installed generation and peak load in Southeast Florida. A significant amount of energy required in the Southeast Florida region during peak periods is provided through the transmission system from plants located outside the region. Based on the forecast for continued load growth in this region, the imbalance between generation and load is projected to increase unless additional generation capacity is periodically located within this region.

FPL's prior planning work concluded that either additional installed capacity in this region, or transmission capacity capable of delivering additional electricity from outside the region, would be required to address this imbalance.

Partly because of the lower transmission-related costs resulting from their location, Turkey Point Unit #5 and WCEC Units #1 and #2 were evaluated as the most cost-effective options to meet FPL's 2007 and 2009-2010 capacity needs, respectively. Adding Turkey Point Unit #5 and WCEC Units #1 and #2 will significantly reduce the imbalance between generation and load in Southeast Florida. Furthermore, the addition of the proposed FGPP units will also help address this imbalance by the addition of new transmission lines connecting Southeast Florida and the FGPP units.

Together these unit additions will help address the imbalance for at least much of the 2007-2016 reporting period addressed in this document. However, the Southeast Florida imbalance will remain a consideration in FPL's on-going resource planning work.

III.D Demand Side Management (DSM)

1. Currently Approved Programs and Goals:

FPL's currently approved DSM programs are summarized as follows:

Residential Conservation Service: This is an energy audit program designed to assist residential customers in understanding how to make their homes more energy-efficient through the installation of conservation measures/practices.

Residential Building Envelope: This program encourages the installation of energy-efficient ceiling insulation, reflective roofs, and roof membranes in residential dwellings that utilize whole-house electric air conditioning.

Duct System Testing and Repair: This program encourages demand and energy conservation through the identification of air leaks in whole-house air conditioning duct systems and by the repair of these leaks by qualified contractors.

Residential Air Conditioning: This is a program to encourage customers to purchase higher efficiency central cooling and heating equipment.

Residential Load Management (On-Call): This program offers load control of major appliances/household equipment to residential customers in exchange for monthly electric bill credits.

New Construction (BuildSmart): This program encourages the design and construction of energy-efficient homes that cost-effectively reduce coincident peak demand and energy consumption.

Residential Low Income Weatherization: This program addresses the needs of low-income housing retrofits by providing monetary incentives to various housing authorities, including weatherization agency providers (WAPS), non-weatherization agency providers (non-WAPS), and other providers approved by FPL. The incentives are used by these providers to leverage their funds to increase the overall energy efficiency of the homes they are retrofitting.

Business Energy Evaluation: This program encourages energy efficiency in both new and existing businesses by identifying DSM opportunities and providing recommendations to business customers.

Business Heating, Ventilating and Air Conditioning: This program encourages the use of high-efficiency heating, ventilation, and air conditioning (HVAC) systems for business customers.

Business Efficient Lighting: This program encourages the installation of energy-efficient lighting measures for business customers.

Business Custom Incentive: This program encourages business customers to implement unique energy conservation measures or projects not covered by other FPL programs.

Commercial/Industrial Load Control: This program reduces peak demand by controlling customer loads of 200 kW or greater during periods of extreme demand or capacity shortages in exchange for monthly electric bill credits. (This program was closed to new participants in 2000).

Commercial Demand Reduction: This program, which started in 2002, is similar to the Commercial/Industrial Load Control program mentioned above in continuing the objective to reduce peak demand by controlling customer loads of 200 kW or greater during periods of extreme demand or capacity shortages in exchange for monthly electric bill credits.

Business Building Envelope: This program encourages the installation of energy-efficient building envelope measures, such as roof/ceiling insulation, reflective roof coatings, and window treatments for business customers.

Business On Call: This program offers load control of central air conditioning units to both small non–demand-billed and medium demand-billed business customers in exchange for monthly electric bill credits.

Business Water Heating: This program encourages the installation of energy-efficient water heating equipment such as heat pump water heaters and heat recovery units for business customers.

Business Refrigeration: This program encourages the installation of qualifying controls and equipment that reduce electric strip heater usage in refrigeration equipment for business customers.

FPL's approved DSM Goals for Summer MW reduction from these programs are presented in Table III.D.1.

Year	Goal Cumulative Summer MW
2005	74
2006	142
2007	212
2008	287
2009	366
2010	448
2011	532
2012	619
2013	708
2014	802

Table III.D.1: FPL's Summer MW Reduction Goals for DSM (At the Meter)

Table III.D.1 reflects FPL's DSM Goals for 2005–2014 as approved by the Florida Public Service Commission in June, 2004. These annual cumulative values assume a 1/1/05 starting point.

2. Research and Development

FPL continues to support research and development activities. Historically, FPL has performed extensive DSM research and development. FPL will continue such activities, not only through its Conservation Research and Development program, but also through individual research projects. These efforts will examine a wide variety of technologies that build on prior FPL research where applicable and will expand the research to new and promising technologies as they emerge.

Conservation Research and Development Program

FPL's Conservation Research and Development Program is designed to evaluate emerging conservation technologies to determine which are worthy of pursuing for program development and approval. FPL has researched a wide variety of technologies such as condenser coil cleaner and coating, ultraviolet lights for evaporator coils, Energy Recovery Ventilators (ERV), fuel cell demonstrations, CO_2 ventilation control, two-speed air handlers, and duct plenum repair. Many of the technologies examined have resulted in enhancements to existing programs or the development of new programs such as Residential New Construction, Commercial/Industrial Building Envelope, and Business On Call.

On Call Incentive Reduction Pilot

In March 2003, FPL received FPSC approval to perform a pilot for its On Call Program. Under the pilot FPL is offering to new participants a residential load control service similar to the On Call Program at a reduced incentive level. The offering of this pilot is allowing FPL to test its market research data and gauge whether FPL can repackage its current residential load control service, minimize customer attrition, achieve current goals for residential load control, and, ultimately, change On Call incentive levels without damaging FPL system reliability.

3. Additional DSM Contributions

Since FPL's current DSM Goals were established, FPL has continued to evaluate the potential for additional cost-effective DSM. Increases in FPL's forecasted peak growth, and the corresponding increase in projected resource needs, has resulted in FPL increasing its projection of cost-effective DSM by 564 MW at the generator from 2006-2015, and by another 120 MW at the generator in 2016. Therefore, FPL projects the implementation of an additional 684 MW at the generator of cost-effective DSM beyond FPL's DSM Goals.

III.E Transmission Plan

The transmission plan will allow for the reliable delivery of the required capacity and energy for FPL's retail and wholesale customers. The following table presents FPL's proposed future additions of 230 kV bulk transmission lines that must be certified under the Transmission Line Siting Act.

(1) Line Ownership	(2) Terminals (To)	(3) Terminals (From)	(4) Line Length CKT. Miles	(5) Commercial In-Service Date (Mo/Yr)	(6) Nominal Voltage (KV)	(7) Capacity (MVA)
FPL	St. Johns [1]	Pringle	26	Dec-08	230	759
FPL	Manatee	BobWhite	30	Dec-11	230	1190
FPL	Grove Area (TBD)	Sweatt	25	Jun-12	230	759

(1) Final order certifying the corridor was issued on April 21, 2006.

Table III.E.1: List of Proposed Power Lines

In addition, there will be transmission facilities needed to connect several of FPL's committed and projected capacity additions to the system transmission grid. These transmission facilities for the committed capacity additions at the Turkey Point and the WCEC sites, plus for the projected capacity additions at the FGPP site, are described on the following pages. Because the projected combined cycle capacity addition for 2015 is as-yet unsited, no transmission facilities information is provided for this unit.

III.E.1 Transmission Facilities for Turkey Point Unit #5

The work required to connect Turkey Point Unit #5 in 2007 with the FPL grid is projected to be as follows:

I. Substation:

1. Build new collector yard containing two collector busses with 5 breakers to connect the four combustion turbines (CTs) and one steam turbine (ST).
2. Construct two string busses to connect the collector busses and main switchyard.
3. Add five main step-up transformers (4-225 MVA, 1-560 MVA), one for each CT and one for the ST.
4. Add a new two breaker bay to connect the collector bus at the Turkey Point switchyard.
5. Add a second two breaker bay at the Turkey Point switchyard to connect the other collector bus.
6. Add relays and other protective equipment.
7. Expand site and relay vault for two new line terminals at Turkey Point switchyard.

II. Transmission:

1. Upgrade the Turkey Point-Galloway Tap 230kV transmission line section to 1430 Amps.
2. Upgrade the Turkey Point–McGregor-Florida City 230kV transmission line section to 1495 Amps.
3. Upgrade the Turkey Point-Miller 230kV transmission line section to 1430 Amps.
4. Upgrade the Miller-Killian 230kV transmission line section to 1430 Amps.

III.E.2 Transmission Facilities for West County Energy Center (WCEC) Unit #1

The work required to connect West County Energy Center (WCEC) Unit #1 in 2009 with the FPL grid is projected to be as follows:

I. Substation:

1. Build new collector yard containing two collector busses with 4 breakers to connect the three CTs and one ST.
2. Construct two string busses to connect the collector busses and main switchyard to Corbett 230 kV Substation.
3. Add four main step-up transformers (3-370 MVA, 1-580 MVA), one for each CT and one for the ST.
4. Add a new Bay #4 with 3 breakers at the Corbett 230 kV main switchyard. Connect one string buss from the collector yard and relocate the Alva 230 kV terminal from Bay #3 to new Bay #4.
5. Connect second collector string buss to Bay #3.
6. Add relays and other protective equipment.
7. Breaker replacements:
   Corbett Sub – Replace eight (8) 230 kV breakers
   Ranch Sub – Replace five (5) 138 kV breakers
   Midway Sub – Replace one (1) 230 kV breaker
   Levee Sub – Replace one (1) 230 kV breaker
   Dade Sub – Replace two (2) 138 kV breakers

II. Transmission:

1. No upgrades expected to be necessary at this time.

III.E.3 Transmission Facilities for West County Energy Center (WCEC) Unit #2

The work required to connect West County Energy Center (WCEC) Unit #2 in 2010 with the FPL grid is projected to be as follows:

I. Substation:

1. Build new collector yard containing two collector busses with 4 breakers to connect the three CTs, and one ST.
2. Construct two string busses to connect the collector busses and main switchyard to Corbett 500kV Substation.
3. Add four main step-up transformers (3-370 MVA, 1- 580 MVA) one for each CT, and one for the ST.
4. At Corbett Sub, install one breaker and relocate Martin #2 500 kV line from Bay 2S to Bay 2N. Install one West County 500 kv string bus into Bay 2S.
5. At Corbett Sub, install one breaker and second West County 500 kV string bus into Bay 1S.
6. Add relays and other protective equipment.
7. Breaker replacements:
   Dade Sub – Replace one (1) 138 kV breaker
   Levee Sub – Replace four (4) 230 kV breakers
   Midway Sub – Replace three (3) 230 kV breakers
   Ranch Sub – Replace one (1) 230 kV breaker

II. Transmission:

1. No upgrades expected to be necessary at this time.

III.E.4 Transmission Facilities for FGPP Unit #1

The work required to connect FGPP Unit #1 by 2013 with the FPL grid is projected to be as follows:

II. Substation:

1. Build new 500kV switchyard containing two bays with six breakers to connect the steam turbine and startup transformer.
2. Add two main step-up transformers (660 MVA each).
3. Build a new switching station with two 500kV bays, one 230kV bay, seven 500kV breakers and three 230kV breakers.
4. Add one 500/230kV, 750 MVA autotransformer bank.
5. Add relays and other protective equipment.

II. Transmission:

1. Build two 25 mile 500kV transmission lines connecting the switchyard to the switching station.
2. Build an additional 48 miles of 500kV transmission line to loop the existing Andytown-Orange River 500kV line into the new switching station.
3. Build an additional one mile of 230 kV transmission line to loop the Alva-Corbett 230 kV line into the new switching station.

III.E.5 Transmission Facilities for FGPP Unit #2

The work required to connect FGPP Unit #2 by 2014 with the FPL grid is projected to be as follows:

III. Substation:

1. Build new 500kV bay at the existing switchyard with 2 additional breakers to connect the coal unit and add a bus breaker to connect to connect the startup transformer.
2. Add two main step-up transformers (660 MVA each).
3. Build a new 500 kV bay at the existing switching station with two additional breakers to connect the new Levee 500 kV line
4. Andytown Substation – Remove the existing Levee #2 500 kV line terminal equipment
5. Add relays and other protective equipment.

II. Transmission:

1. Build an additional 74 miles of 500kV transmission line from the new switching station to Andytown 500kV station and disconnect the existing Andytown-Levee #2 500kV line from Andytown and connect to the new switching station.

III.F. Renewable Resources

FPL has been the leading Florida utility in examining ways to utilize renewable energy technologies to meet its customers' current and future needs. FPL has been involved since 1976 in renewable energy research and development and in facilitating the implementation of various technologies.

FPL assisted the Florida Solar Energy Center (FSEC) in the late 1970s in demonstrating the first residential solar photovoltaic (PV) system east of the Mississippi. This PV installation at FSEC's Brevard County location was in operation for over 15 years and provided valuable information about PV performance capabilities in Florida on both a daily and annual basis. FPL later installed a second PV system at the FPL Flagami substation in Miami. This 10-Kilowatt (kW) system was placed into operation in 1984. (The system was removed in 1990 to make room for substation expansion after the testing of this PV installation was completed.)

For a number of years, FPL maintained a thin-film PV test facility located at the FPL Martin Plant Site. The FPL PV test facility was used to test new thin-film PV technologies and to identify design, equipment, or procedure changes necessary to accommodate direct current electricity from PV facilities into the FPL system. Although this testing has ended, the site is now the home for PV capacity which was installed as a result of FPL's recent Green Pricing effort (which is discussed below).

In terms of utilizing renewable energy sources to meet its customers' needs, FPL initiated the first utility-sponsored conservation program in Florida designed to facilitate the implementation of solar technologies by its customers. FPL's Conservation Water Heating Program, first implemented in 1982, offered incentive payments to customers choosing solar water heaters. Before the program was ended (due to the fact that it was no longer projected to be cost-effective), FPL paid incentives to approximately 48,000 customers who installed solar water heaters.

In the mid-1980's, FPL introduced another renewable energy program, FPL's Passive Home Program. This program was created in order to broadly disseminate information about passive solar building design techniques which are most applicable in Florida's climate. As part of this program, three Florida architectural firms created complete construction blueprints for 6 passive homes with the assistance of the FSEC and FPL. These designs and blueprints were available to customers at a low cost. During its

existence, this program was popular and received a U.S. Department of Energy award for innovation. The program was eventually phased out due to a revision of the Florida Model Energy Building Code (Code). This revision was brought about in part by FPL's Passive Home Program. The revision incorporated into the Code one of the most significant passive design techniques highlighted in the program: radiant barrier insulation.

In early 1991, FPL received approval from the Florida Public Service Commission to conduct a research project to evaluate the feasibility of using small PV systems to directly power residential swimming pool pumps. This research project was completed with mixed results. Some of the performance problems identified in the test may be solvable, particularly when new pools are constructed. However, the high cost of PV, the significant percentage of sites with unacceptable shading, and various customer satisfaction issues remain as significant barriers to wide acceptance and use of this particular solar application.

More recently, FPL has analyzed the feasibility of encouraging utilization of PV in another, potentially much larger way. FPL's basic approach does not require all of its customers to bear PV's high cost, but allows customers who are interested in facilitating the use of renewable energy the means to do so. FPL's initial effort to implement this approach allowed customers to make voluntary contributions into a separate fund that FPL used to make PV purchases in bulk quantities. PV modules were then installed and delivered PV-generated electricity directly into the FPL grid. Thus, when sunlight is available, the PV-generated electricity displaces an equivalent amount of fossil fuel-generated electricity.

FPL's basic approach for this program, which has been termed Green Pricing, was initially discussed with the FPSC in 1994. FPL's efforts to implement this approach were then formally presented to the FPSC as part of FPL's DSM Plan in 1995 and FPL received approval from the FPSC in 1997 to proceed. FPL began the effort in 1998 and received approximately $89,000 in contributions (that significantly exceeded the goal of $70,000). FPL purchased the PV modules and installed them at FPL's Martin Plant site.

FPL initiated two new renewable efforts in 2000. FPL's first new initiative in 2000 was FPL's Photovoltaic Research, Development, and Education Project. This demonstration project's objectives were to: increase the public awareness of roof tile PV technologies, provide data to determine the durability of this technology and its impact on FPL's electric system, collect demand and energy data to better understand the coincidence between PV roof tile system output and FPL's system peaks (as well as the total annual energy

capabilities of roof tile PV systems), and assess the homeowner's financial benefits and costs of PV roof tile systems. This project was completed in 2003.

The second effort initiated in 2000 was the Green Energy Project. The objectives of this Project were to: determine customer interest in an on–going renewable energy program, determine their price responsiveness and views on the different renewable technologies, and identify potential renewable energy supply sources that would meet the forecasted customer demand for this type of product. FPL conducted both customer research and issued a Request for Proposals (RFP) in 2001 to solicit proposals to potentially supply energy only from new renewable sources. This Project formed the basis for FPL's Green Power Pricing Research Project, and then led to FPL's Business Green Energy Research Project.

Both the Green Power Pricing Research Project and the Business Green Energy Research Project examined the feasibility of purchasing tradable renewable energy credits generated from new renewable resources including solar-powered technologies, biomass energy, landfill methane, wind energy, low impact hydroelectric energy, and/or other renewable sources. Customers who participate are charged higher premiums for purchasing the tradable renewable energy credits associated with electric energy generated by these sources.

Development of the Green Pricing Research Project was completed and filed with the FPSC in August 2003. As part of this process, a supply contract was put into place that allows FPL to match supply with demand for green energy. Tradable renewable energy credits are used to supply the renewable benefits required of this project. The FPSC approved the program on December 2, 2003 with program implementation during the first quarter of 2004. The project was marketed to customers as FPL's Sunshine Energy® program. As part of the project, FPL made a commitment that 150 kW of solar capacity would be put in place for every 10,000 program participants. The Business Green Energy Research Project focused on determining the interest and needs for business customers in this area. In 2006 FPL petitioned the FPSC for approval to make the Green Pricing Research Project a permanent program and expand eligibility to business customers. This approval was granted in the fourth quarter of 2006.

As of the end of 2006, FPL had 28,742 participants in the program. FPL has selected Rothenbach Park in Sarasota as the location to develop its first PV facility as a direct result of FPL's Sunshine Energy® renewable program. The 250 kilowatt FPL Solar Array

at Rothenbach Park will be the largest solar facility in the state of Florida and one of the largest in the southeast.

The solar array will be mounted on the ground and will be visible from the road. The solar facility will be built with 1,200 photovoltaic solar panels and will be more than 28,000 square feet, about half the size of a football field. Each panel will be about 31 inches wide and 63 inches long. Construction on the new solar facility is scheduled to be completed in Summer 2007. FPL is currently investigating locations for additional solar sites when the next 150 kW PV commitment level in the Sunshine Energy® program is reached.

Several additional solar initiatives are currently under development. A residential community in the Naples/Ft Myers area is building 90 homes with 2 kW solar PV units on each home. A 2 kW demonstration site at the Miami Science Museum will be completed by 1st quarter 2007. In connection with SunSmart Schools, 2 kW PV systems are being installed in 4 schools by the end of March 2007. This activity is a continuation of previous FPL activities involving PV installations at schools. In 2003 as part of the State of Florida's PV for Schools program, FPL worked with three schools to install 4.8 kW PV systems. These schools were:

- A.D. Henderson Elementary & Middle School in Boca Raton
- Harlee Middle School in Bradenton
- Florida Gulf Coast University in Ft. Myers

FPL has also facilitated renewable energy projects (facilities which burn bagasse, waste wood, municipal waste, etc.). Firm capacity and energy and as-available energy have been purchased by FPL from these developers. (Please refer to Tables I.B.1, I.B.2, and Table I.C.1). With recent legislative initiatives and new FPSC rules, FPL is seeing a renewed interest in the development of additional renewable energy projects and is actively working with developers on a number of potential projects.

Additionally, FPL is actively investigating a site for a demonstration wind generation project in Florida. FPL has conducted a survey of wind resources and is considering potential sites in both the Canaveral and Sarasota areas. The project size is estimated to be in the 10 MW range. FPL is also an active supporter of the recently established Center for Ocean Energy Engineering at Florida Atlantic University which aims to study the potential for ocean current energy conversion.

FPL has been investigating fuel cell technologies through monitoring of industry trends, discussions with manufacturers, and direct field trials. From 2002 through the end of 2005, FPL conducted field trials and demonstration projects of Proton Exchange Membrane (PEM) fuel cells with the objectives of serving customer end-uses while evaluating the technical performance, reliability, economics, and relative readiness of the PEM technology. The demonstration projects were conducted in partnership with customers and included 5 locations. The research projects were useful to FPL in identifying specific issues that can occur in field applications and the current commercial viability of this technology. FPL will continue to monitor the progress of these technologies and conduct additional field evaluations as significant developments in the fuel cell technologies occur.

In support of Florida Administrative Code Rule 25-6.065, Interconnection of Small Photovoltaic Systems, FPL works with customers to interconnect customer-owned PV systems. Through February 2007, 29 residential customer systems and 2 business customer systems have been interconnected. The total connect kW from these 31 systems is 108 kW. The residential customer average capacity per installation is 3.38 kW and the business customer average capacity per installation is 5.15 kW.

III.G FPL's Fuel Mix and Fuel Price Forecasts

1. FPL's Fuel Mix

Until the mid-1980s, FPL relied primarily on a combination of fuel oil, natural gas, and nuclear energy to generate electricity with significant reliance on oil–fired generation. In the early 1980s FPL began to purchase "coal-by-wire." In 1987, coal was first added to the fuel mix through FPL's partial ownership and additional purchases from the St. Johns River Power Park (SJRPP). This allowed FPL to meet its customers' energy needs with a more diversified mix of energy sources. Additional coal resources were added with the partial acquisition (76%) of Scherer Unit #4 in 1989. Starting in 1997, petroleum coke was added to the fuel mix as a blend stock with coal at SJRPP.

The trend since the early 1990's has been a steady increase in the amount of natural gas that is used by FPL to provide electricity due, in part, to the introduction of highly efficient and cost-effective combined cycle generating units and the ready availability of natural gas. This planning document reflects an evolution in that trend in recognition that although efficient gas-fired generation continues to provide significant benefits to FPL's customers, adding natural gas-fired additions exclusively would, in the long term, create an unbalanced generation portfolio. FPL will add a new gas-fired CC unit in 2007 at Turkey Point and two new gas-fired CC units at the West County Energy Center in 2009 and 2010. These CC units will provide highly efficient generation that will benefit the entire FPL system by reducing transmission-related costs, mitigate the load-to-generation imbalance in Southeast Florida, and dramatically improve the overall system generation efficiency. However, FPL plans to complement these additions with two advanced technology coal units by 2013 and 2014, respectively. The addition of coal-fueled generation will maintain fuel supply diversity and assist in stabilizing fuel cost volatility through diversification.

FPL's future resource planning work will remain focused on identifying and evaluating alternatives that would maintain and/or enhance FPL's long-term fuel diversity. These fuel diverse alternatives may include: the purchase of power from new coal-based facilities, obtaining access to diversified sources of natural gas such as liquefied natural gas (LNG), preserving FPL's ability to utilize fuel oil at its existing units, and in the longer term, increased utilization of nuclear energy options. The evaluation of the feasibility and cost-effectiveness of these, and other possible alternatives, will be an ongoing part of future planning cycles.

FPL's current use of various fuels to supply energy to customers, plus a projection of this "fuel mix" through 2016 based on the resource plan presented in this document, is presented in Schedules 5, 6.1, and 6.2 later in this chapter.

2. Fuel Price Forecasts

Fossil fuel price forecasts, and the resulting projected price differentials between fuels, are major drivers used in evaluating alternatives for meeting future generating capacity needs. FPL's forecasts are generally consistent with other published contemporary forecasts.

a) Fuel Price Forecast Methodology

Future oil and natural gas prices, and to a lesser extent, coal and petroleum coke prices, are inherently uncertain due to a significant number of unpredictable and uncontrollable drivers that influence the short- and long-term price of oil, natural gas, coal, and petroleum coke. These drivers include: (1) current and projected worldwide demand for crude oil and petroleum products; (2) current and projected worldwide refinery capacity/production; (3) expected worldwide economic growth, in particular in China and the other Pacific Rim countries; (4) Organization of Petroleum Exporting Countries (OPEC) production and the availability of spare OPEC production capacity and the assumed growth in spare OPEC production capacity; (5) non-OPEC production and expected growth in non-OPEC production; (6) the geopolitics of the Middle East, West Africa, the Former Soviet Union, Venezuela, etc., as well as, the uncertainty and impact upon worldwide energy consumption related to U. S. and worldwide environmental legislation, politics, etc.; (7) current and projected North American natural gas demand; (8) current and projected U.S., Canadian, and Mexican natural gas production; (9) the worldwide supply and demand for LNG; and (10) the growth in solid fuel generation on a U. S. and worldwide basis.

The inherent uncertainty and unpredictability in these factors today and tomorrow clearly underscores the need to develop a set of plausible oil, natural gas, and solid fuel (coal and petroleum coke) price scenarios that will bound a reasonable set of long-term price outcomes. In this light, FPL developed Low, Medium, and High price forecasts for oil, natural gas, and solid fuel, and a Shocked Medium (Shocked) price forecast for oil and natural gas which were used in the analyses of the FGPP advanced technology coal units.

FPL's Medium price forecast methodology is consistent for oil and natural gas. For oil and natural gas commodity prices, FPL's Medium price forecast applies the following methodology: (1) for 2006 through 2008, the methodology used the October 3, 2006 forward curve for New York Harbor 1% sulfur heavy oil, U. S. Gulf Coast 1% sulfur heavy oil, and Henry Hub natural gas commodity prices; (2) for the next two years (2009 and 2010), FPL used a 50/50 blend of the October 3, 2006 forward curve and monthly projections from The PIRA Energy Group; (3) for the 2011 through 2020 period, FPL used the annual projections from The PIRA Energy Group, and (4) for the period beyond 2020, recognizing that prices cannot increase indefinitely and that significantly high prices have created, and will continue to create, technological and economic opportunities for commodity substitution in the energy markets, FPL applied the annual rate of increase in the delivered price of solid fuel to the commodity cost of oil and natural gas. In addition to the development of oil and natural gas commodity prices, nominal price forecasts also were prepared for oil and natural gas transportation costs. The addition of commodity and transportation forecasts resulted in delivered price forecasts.

FPL's Medium price forecast methodology is also consistent for coal and petroleum coke prices. Coal and petroleum coke prices were based upon the following approach: (1) the price forecasts for Central Appalachian coal (CAPP), South American coal, and petroleum coke were provided by JD Energy; (2) the marine transportation rates from the loading port for coal and petroleum coke to an import terminal were also provided by JD Energy; (3) the Terminal Throughput Fee was based on a range of offers from comparable facilities throughout the Southeast U.S.; (4) the rail transportation rates from CAPP and from the import terminal facility to FGPP were based on the proposed rail transportation rates as of October 3, 2006. In order to achieve the maximum fuel supply diversity and delivery flexibility for FPL's customers, FPL assumed that the delivered price of solid fuel to the FGPP units would be a mix of 40% Central Appalachian coal, 40% South American coal, and 20% petroleum coke. The coal price forecast for FPL's existing coal plants at SJRPP and Plant Scherer assume the continuation of the existing mine-mouth and transportation contracts until expiration, along with the purchase of spot coal, to meet generation requirements.

The development of FPL's Low and High price forecasts for oil, natural gas, coal, and petroleum coke prices were based upon the historical relationship of prices realized by FPL's customers compared to the average for the 2000 through 2005 time frame. FPL developed these forecasts to account for the uncertainty which exists within each

commodity as well as across commodities. These forecasts reflect a range of reasonable forecast outcomes.

The development of the Shocked Medium (Shocked) price forecast was based on the same methodology as the Low and High price forecasts described above. The shock was applied only to the oil and natural gas prices through 2016. In 2017, FPL averaged the Medium price forecast with the Shocked price forecast. From 2018 forward, all commodity prices are the same as in the Medium price forecast. FPL developed the Shocked price forecast as a sensitivity to show the impact of what a significant price increase in oil and natural gas could have on the evaluation of the FGPP advanced technology coal units.

FPL's four long-term oil, natural gas, coal, and petroleum coke price forecasts are reasonable and necessary for the analyses of the FGPP units. FPL's set of four fuel price forecasts bound the projected range of future forecast outcomes based on the actual range of prices realized by FPL's customers during the 2000 through 2005 period. During this period of time, all commodities showed significant variability, including periods of low and high prices, and periods of low and high price differentials between commodities, on both a domestic and worldwide basis.

Schedule 5
Fuel Requirements [1/]

Fuel Requirements	Units	Actual 2/ 2005	2006	Forecasted 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
(1) Nuclear	Trillion BTU	235	258	254	273	269	268	273	270	268	273	269	269
(2) Coal	1,000 TON	3,098	3,367	4,034	3,668	3,986	3,686	3,972	3,806	5,454	8,259	9,400	9,428
(3) Residual (FO6)- Total	1,000 BBL	30,217	15,297	21,471	19,313	10,650	9,151	10,350	13,460	11,505	9,396	6,722	9,482
(4) Steam	1,000 BBL	30,217	15,297	21,471	19,313	10,650	9,151	10,350	13,460	11,505	9,396	6,722	9,482
(5) Distillate (FO2)- Total	1,000 BBL	344	40	0	4	210	1,827	2,289	2,753	2,535	1,891	1,057	1,949
(6) Steam	1,000 BBL	0	0	0	0	0	0	0	0	0	0	0	0
(7) CC	1,000 BBL	194	19	0	0	210	1798	2285	2753	2525	1889	1056	1947
(8) CT	1,000 BBL	150	21	0	4	0	28	4	0	10	2	1	2
(9) Natural Gas -Total	1,000 MCF	345,851	437,700	407,219	438,913	516,463	552,586	565,385	583,631	584,021	562,208	587,673	621,167
(10) Steam	1,000 MCF	44,167	91,555	23,856	24,583	32,439	36,804	25,072	36,944	34,937	28,802	27,683	30,608
(11) CC	1,000 MCF	296,076	341,229	380,475	410,978	480,782	514,915	539,599	544,474	548,261	532,856	559,390	588,753
(12) CT	1,000 MCF	5,608	4,916	2,888	3,352	3,242	867	714	2,213	823	549	601	1,806

1/ Reflects fuel requirements for FPL only.
2/ Source: A Schedules.

Note: As discussed on the preceding pages, FPL utilized four fuel cost forecasts in its 2006 and early 2007 resource planning work. The projected values shown on this form are based on one of these forecasts. For simplicity's sake, FPL is providing only one set of projected values in this document.

Schedule 6.1
Energy Sources

	Energy Sources	Units	Actual 1/ 2005	2006	Forecasted 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
(1)	Annual Energy Interchange 2/	GWH	10,221	10,440	11,285	11,294	11,267	10,967	10,768	10,815	10,783	10,784	10,388	7,677
(2)	Nuclear	GWH	21,406	23,533	22,754	24,455	24,110	24,042	24,467	24,192	24,043	24,467	24,121	24,114
(3)	Coal	GWH	5,765	6,168	7,610	6,953	7,530	7,011	7,504	7,223	11,885	19,793	23,014	23,084
(4)	Residual(FO6) -Total	GWH	19,069	9,586	14,328	12,890	7,081	6,071	6,852	8,909	7,612	6,214	4,445	6,269
(5)	Steam	GWH	19,069	9,586	14,328	12,890	7,081	6,071	6,852	8,909	7,612	6,214	4,445	6,269
(6)	Distillate(FO2) -Total	GWH	186	26	0	1	164	1,401	1,782	2,181	1,975	1,471	820	1,558
(7)	Steam	GWH	0	0	0	0	0	0	0	0	0	0	0	0
(8)	CC	GWH	123	9	0	0	164	1,393	1,781	2,181	1,971	1,470	820	1,558
(9)	CT	GWH	63	17	0	1	0	8	1	0	3	1	0	0
(10)	Natural Gas -Total	GWH	47,114	56,985	55,578	60,042	70,337	75,578	78,058	79,917	80,135	77,424	81,208	85,757
(11)	Steam	GWH	4,253	8,689	2,322	2,398	3,133	3,546	2,406	3,559	3,369	2,776	2,676	2,948
(12)	CC	GWH	42,422	47,871	52,941	57,281	66,850	71,953	75,585	76,152	76,690	74,596	78,476	82,640
(13)	CT	GWH	439	424	315	363	354	79	67	206	77	51	57	169
(14)	Other 3/	GWH	7,541	6,399	5,995	6,390	5,781	5,430	5,335	5,802	5,946	6,105	6,296	6,096
	Net Energy For Load 4/	GWH	111,301	113,137	117,551	122,024	126,270	130,499	134,766	139,038	142,379	146,257	150,291	154,556

1/ Source: A Schedules
2/ The projected figures are based on estimated energy purchases from SJRPP and the Southern Companies.
3/ Represents a forecst of energy expected to be purchased from Qualifying Facilities, Independent Power Producers, net of Economy and other Power Sales.
4/ Net Energy For Load is also shown in Schedule 2.3.

Note: As discussed on the preceding pages, FPL utilized four fuel cost forecasts in its 2006 and early 2007 resource planning work. The projected values shown on this form are based on one of these forecasts. For simplicity's sake, FPL is providing only one set of projected values in this document.

Schedule 6.2
Energy Sources % by Fuel Type

	Energy Source	Units	Actual 1/ 2005	Actual 1/ 2006	Forecasted 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
(1)	Annual Energy Interchange 2/	%	9.2	9.2	9.6	9.3	8.9	8.4	8.0	7.8	7.6	7.4	6.9	5.0
(2)	Nuclear	%	19.2	20.8	19.4	20.0	19.1	18.4	18.2	17.4	16.9	16.7	16.0	15.6
(3)	Coal	%	5.2	5.5	6.5	5.7	6.0	5.4	5.6	5.2	8.3	13.5	15.3	14.9
(4)	Residual (FO6) -Total	%	17.1	8.5	12.2	10.6	5.6	4.7	5.1	6.4	5.3	4.2	3.0	4.1
(5)	Steam	%	17.1	8.5	12.2	10.6	5.6	4.7	5.1	6.4	5.3	4.2	3.0	4.1
(6)	Distillate (FO2) -Total	%	0.2	0.0	0.0	0.0	0.1	1.1	1.3	1.6	1.4	1.0	0.5	1.0
(7)	Steam	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(8)	CC	%	0.1	0.0	0.0	0.0	0.1	1.1	1.3	1.6	1.4	1.0	0.5	1.0
(9)	CT	%	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(10)	Natural Gas -Total	%	42.3	50.4	47.3	49.2	55.7	57.9	57.9	57.5	56.3	52.9	54.0	55.5
(11)	Steam	%	3.8	7.7	2.0	2.0	2.5	2.7	1.8	2.6	2.4	1.9	1.8	1.9
(12)	CC	%	38.1	42.3	45.0	46.9	52.9	55.1	56.1	54.8	53.9	51.0	52.2	53.5
(13)	CT	%	0.4	0.4	0.3	0.3	0.3	0.1	0.0	0.1	0.1	0.0	0.0	0.1
(14)	Other 3/	%	6.8	5.7	5.1	5.2	4.6	4.2	4.0	4.2	4.2	4.2	4.2	3.9
			100	100	100	100	100	100	100	100	100	100	100	100

1/ Source: A Schedules.
2/ The projected figures are based on estimated energy purchases from SJRPP and the Southern Companies.
3/ Represents a forecast of energy expected to be purchased from Qualifying Facilities, Independent Power Producers, etc.

Note: As discussed on the preceding pages, FPL utilized four fuel cost forecasts in its 2006 and early 2007 resource planning work. The projected values shown on this form are based on one of these forecasts. For simplicity's sake, FPL is providing only one set of projected values in this document.

Schedule 7.1
Forecast of Capacity, Demand, and Scheduled Maintenance At Time Of Summer Peak

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Total Installed [1/] Capacity MW	Firm Capacity Import MW	Firm Capacity Export MW	Firm QF MW	Total Capacity Available [2/] MW	Total Peak [3/] Demand MW	DSM [4/] MW	Firm Summer Peak Demand MW	Reserve Margin Before Maintenance [5/] MW	Reserve Margin Before Maintenance [5/] % of Peak	Scheduled Maintenance MW	Reserve Margin After Maintenance [6/] MW	Reserve Margin After Maintenance [6/] % of Peak
2007	22,123	2,255	0	738	25,116	22,259	1,768	20,491	4,625	23	0	4,625	22.6
2008	22,150	2,255	0	738	25,143	22,770	1,908	20,862	4,281	21	0	4,281	20.5
2009	23,370	1,824	0	687	25,881	23,435	2,034	21,401	4,480	21	0	4,480	20.9
2010	24,589	1,467	0	640	26,696	24,003	2,146	21,857	4,839	22	0	4,839	22.1
2011	24,589	1,634	0	595	26,818	24,612	2,264	22,348	4,470	20	0	4,470	20.0
2012	24,589	2,111	0	595	27,295	25,115	2,388	22,727	4,568	20	0	4,568	20.1
2013	25,569	1,511	0	595	27,675	25,590	2,516	23,074	4,601	20	0	4,601	19.9
2014	26,549	1,311	0	595	28,455	26,100	2,651	23,449	5,006	21	0	5,006	21.3
2015	27,768	1,311	0	595	29,674	26,772	2,790	23,982	5,692	24	0	5,692	23.7
2016	27,768	930	0	595	29,293	27,410	2,910	24,500	4,793	20	0	4,793	19.6

1/ Capacity additions and changes projected to be in-service by June 1st are considered to be available to meet Summer peak loads which are forecasted to occur during August of the year indicated. All values are Summer net MW.

2/ Total Capacity Available = Col.(2) + Col.(3) - Col.(4) + Col.(5).

3/ These forecasted values reflect the 2006 load forecast without DSM.

4/ The DSM MW shown represent cumulative load management capability plus incremental conservation from 1/2006-on for use with the 2006 load forecast. They are not included in total additional resources but reduce the peak load upon which Reserve Margin calculations are based.

5/ Margin (%) Before Maintenance = Col.(10) / Col.(9)

6/ Margin (%) After Maintenance = Col.(13) / Col.(9)

Schedule 7.2
Forecast of Capacity , Demand, and Scheduled Maintenance At Time of Winter Peak

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Total Installed [1/] Capability MW	Firm Capacity Import MW	Firm Capacity Export MW	Firm QF MW	Total Capacity Available [2/] MW	Total Peak [3/] Demand MW	DSM [4/] MW	Firm Winter Peak Demand MW	Reserve Margin Before Maintenance [5/] MW	% of Peak	Scheduled Maintenance MW	Reserve Margin After Maintenance [6/] MW	% of Peak
2006/07	22,294	3,124	0	738	26,156	22,247	1,555	20,692	5,464	26.4	0	5,464	26.4
2007/08	23,503	2,288	0	738	26,529	22,627	1,649	20,978	5,551	26.5	0	5,551	26.5
2008/09	23,531	1,962	0	738	26,231	23,115	1,750	21,365	4,866	22.8	0	4,866	22.8
2009/10	24,866	1,501	0	687	27,054	23,587	1,814	21,773	5,281	24.3	0	5,281	24.3
2010/11	26,201	1,500	0	595	28,296	24,047	1,883	22,164	6,132	27.7	0	6,132	27.7
2011/12	26,201	1,500	0	595	28,296	24,498	1,954	22,544	5,752	25.5	0	5,752	25.5
2012/13	26,201	1,320	0	595	28,116	24,952	2,028	22,924	5,192	22.6	0	5,192	22.6
2013/14	27,191	1,320	0	595	29,106	25,416	2,106	23,310	5,796	24.9	0	5,796	24.9
2014/15	28,181	1,320	0	595	30,096	26,048	2,188	23,860	6,236	26.1	0	6,236	26.1
2015/16	29,516	930	0	595	31,041	26,692	2,264	24,428	6,613	27.1	0	6,613	27.1

1/ Capacity additions and changes projected to be in-service by January 1st are considered to be available to meet Winter peak loads which are forecast to occur during January of the "second" year indicated. All values are Winter net MW.

2/ Total Capacity Available = Col.(2) + Col.(3) - Col.(4) + Col.(5).

3/ These forecasted values reflect the 2006 load forecast without DSM.

4/ The DSM MW shown represent cumulative load management capability plus incremental conservation from 1/2006-on for use with the 2006 load forecast. They are not included in total additional resources but reduce the peak load upon which Reserve Margin calculations are based.

5/ Margin (%) Before Maintenance = Col.(10) / Col.(9)

6/ Margin (%) After Maintenance = Col.(13) / Col.(9)

Schedule 8
Planned And Prospective Generating Facility Additions And Changes

(1)	(2)	(3)	(4)	(5)	(5)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Fuel		Fuel Transport		Const.	Comm.	Expected	Gen. Max.	Net Capability		
Plant Name	Unit No.	Location	Unit Type	Pri.	Alt.	Pri.	Alt.	Start Mo./Yr.	In-Service Mo./Yr.	Retirement Mo./Yr.	Nameplate KW	Winter MW	Summer MW	Status
ADDITIONS/ CHANGES														
2007														
Cape Canaveral	1	Brevard County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	402,050	5	3	OT
Cape Canaveral	2	Brevard County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	402,050	5	3	OT
Cutler	5	Miami Dade County	ST	NG	No	PL	No	Unknown	Jun-07	Unknown	75,000	(2)	(3)	OT
Cutler	6	Miami Dade County	ST	NG	No	PL	No	Unknown	Jun-07	Unknown	161,500	(29)	(32)	OT
Ft. Myers	2	Lee County	CC	NG	No	PL	No	Unknown	Jun-07	Unknown	1,701,890	11	1	OT
Ft. Myers	3	Lee County	CT	NG	FO2	PL	PL	Unknown	Jun-07	Unknown	376,380	8	2	OT
Lauderdale	4	Broward County	CC	NG	FO2	PL	PL	Unknown	Jun-07	Unknown	526,250	(2)	(8)	OT
Lauderdale	5	Broward County	CC	NG	FO2	PL	PL	Unknown	Jun-07	Unknown	526,250	(2)	(8)	OT
Port Everglades	1	City of Hollywood	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	247,775	(2)	(1)	OT
Port Everglades	2	City of Hollywood	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	247,775	(2)	(1)	OT
Port Everglades	3	City of Hollywood	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	402,050	7	6	OT
Port Everglades	4	City of Hollywood	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	402,050	6	3	OT
Riveria	3	City of Riviera Beach	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	310,420	(2)	(1)	OT
Riveria	4	City of Riviera Beach	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	310,420	(5)	(4)	OT
Manatee	1	Manatee County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	863,300	1	6	OT
Manatee	2	Manatee County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	863,300	1	6	OT
Manatee	3	Manatee County	CC	NG	No	PL	No	Unknown	Jun-07	Unknown	1,224,510	7	10	OT
Martin	1	Martin County	ST	FO6	NG	PL	PL	Unknown	Jun-07	Unknown	934,500	(4)	(1)	OT
Martin	2	Martin County	ST	FO6	NG	PL	PL	Unknown	Jun-07	Unknown	934,500	(5)	(8)	OT
Martin	3	Martin County	CC	NG	No	PL	No	Unknown	Jun-07	Unknown	612,000	(20)	(18)	OT
Martin	4	Martin County	CC	NG	No	PL	No	Unknown	Jun-07	Unknown	612,000	(19)	(17)	OT
Martin	8	Martin County	CC	NG	FO2	PL	PL	Unknown	Jun-07	Unknown	1,224,510	25	11	OT
Putnam	1	Putnam County	CC	NG	FO2	PL	WA	Unknown	Jun-07	Unknown	290,004	3	--	OT
Putnam	2	Putnam County	CC	NG	FO2	PL	WA	Unknown	Jun-07	Unknown	290,004	3	--	OT
Sanford	3	Volusia County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	156,250	2	--	OT
Sanford	4	Volusia County	CC	NG	No	PL	No	Unknown	Jun-07	Unknown	1,188,900	(8)	8	OT
Sanford	5	Volusia County	CC	NG	No	PL	No	Unknown	Jun-07	Unknown	1,188,900	(2)	14	OT
SJRPP	1	Duval County	BIT	BIT	Pet	RR	WA	Unknown	Jun-07	Unknown	135,918	5	2	OT
SJRPP	2	Duval County	BIT	BIT	Pet	RR	WA	Unknown	Jun-07	Unknown	135,918	5	2	OT
Scherer	4	Monroe, GA	BIT	BIT	No	RR	No	Unknown	Jun-07	Unknown	680,368	14	12	OT
Turkey Point	1	Miami Dade County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	402,050	3	2	OT
Turkey Point	2	Miami Dade County	ST	FO6	NG	WA	PL	Unknown	Jun-07	Unknown	402,050	9	8	OT
Turkey Point CC	5	Miami Dade County	CC	NG	FO2	PL	PL	Jan-05	Jun-07	Unknown	1,223,000	---	1,144	V
									2007 Changes/Additions Total:			**16**	**1,142**	
2008														
Cape Canaveral	1	Brevard County	ST	FO6	NG	WA	PL	Unknown	Apr-65	Unknown	402,050	(1)	(1)	OT
Cape Canaveral	2	Brevard County	ST	FO6	NG	WA	PL	Unknown	May-69	Unknown	402,050	(1)	(1)	OT
Cutler	5	Miami Dade County	ST	NG	No	PL	No	Unknown	Nov-54	Unknown	75,000	3	3	OT
Cutler	6	Miami Dade County	ST	NG	No	PL	No	Unknown	Jul-55	Unknown	161,500	21	21	OT
Martin	3	Martin County	CC	NG	No	PL	No	Unknown	Feb-94	Unknown	612,000	12	11	OT
Martin	4	Martin County	CC	NG	No	PL	No	Unknown	Apr-94	Unknown	612,000	12	11	OT
Riviera	4	City of Riviera Beach	ST	FO6	NG	WA	PL	Unknown	Mar-63	Unknown	310,420	(2)	(3)	OT
Scherer	4	Monroe, GA	BIT	BIT	No	RR	No	Unknown	Jul-89	Unknown	680,368	(10)	(10)	OT
Turkey Point	2	Miami Dade County	ST	FO6	NG	WA	PL	Unknown	Apr-68	Unknown	402,050	(6)	(4)	OT
Turkey Point CC	5	Miami Dade County	CC	NG	FO2	PL	PL	Jan-05	Jun-07	Unknown	1,223,000	1,181	---	V
									2008 Changes/Additions Total:			**1,209**	**27**	

Note 1: The Winter Total MW value consists of all generation additions and changes achieved by January. The Summer Total MW value consists of all generation additions and changes achieved by June. All other MW will be picked up in the following year.

Note 2: Changes shown include different ratings than shown in Schedule 1 due solely to ambient temperature consistent with those in FPL 's peak load forecast to maintain consistency in Reserve Margin calculation.

Schedule 8

Planned And Prospective Generating Facility Additions And Changes

(1)	(2)	(3)	(4)	(5)	(5)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
				Fuel		Fuel Transport		Const.	Comm.	Expected	Gen. Max.	Net Capability		
Plant Name	Unit No.	Location	Unit Type	Pri.	Alt.	Pri.	Alt.	Start Mo./Yr.	In-Service Mo./Yr.	Retirement Mo./Yr.	Nameplate KW	Winter MW	Summer MW	Status
ADDITIONS/ CHANGES														
2009														
Cutler	5	Miami Dade County	ST	NG	No	PL	No	Unknown	Nov-54	Unknown	75,000	(1)	--	OT
Port Everglades	3	City of Hollywood	ST	FO6	NG	WA	PL	Unknown	Jul-64	Unknown	402,050	3	--	OT
Riviera	3	City of Riviera Beach	ST	FO6	NG	WA	PL	Unknown	Jun-62	Unknown	310,420	1	--	OT
Martin	1	Martin County	ST	FO6	NG	PL	PL	Unknown	Dec-80	Unknown	934,500	5	--	OT
Martin	2	Martin County	ST	FO6	NG	PL	PL	Unknown	Jun-81	Unknown	934,500	5	--	OT
Martin	3	Martin County	CC	NG	No	PL	No	Unknown	Feb-94	Unknown	612,000	1	1	OT
Manatee	1	Manatee County	ST	FO6	NG	WA	PL	Unknown	Dec-77	Unknown	863,300	7	--	OT
Manatee	2	Manatee County	CC	NG	No	PL	No	Unknown	Jun-05	Unknown	1,224,510	7	--	OT
West County Combined Cycle	1	Palm Beach County	CC	NG	FO2	PL	PL	Jan-07	Jun-09	Unknown	Unknown	---	1,219	U
									2009 Changes/Additions Total:			**28**	**1,220**	
2010														
West County Combined Cycle	1	Palm Beach County	CC	NG	FO2	PL	PL	Jan-07	Jun-09	Unknown	Unknown	1,335	---	U
West County Combined Cycle	2	Palm Beach County	CC	NG	FO2	PL	PL	Jan-08	Jun-10	Unknown	Unknown	---	1,219	U
									2010 Changes/Additions Total:			**1,335**	**1,219**	
2011														
West County Combined Cycle	2	Palm Beach County	CC	NG	FO2	PL	PL	Jan-08	Jun-10	Unknown	Unknown	1,335	---	U
									2011 Changes/Additions Total:			**1,335**	**0**	
2012														
									2012 Changes/Additions Total:			**0**	**0**	
2013														
Glades Power Park	1	Glades County	BIT	BIT	No	RR	No	Jan-09	Jun-13	Unknown	Unknown	---	980	P
									2013 Changes/Additions Total:			**0**	**980**	
2014														
Glades Power Park	1	Glades County	BIT	BIT	No	RR	No	Jan-09	Jun-13	Unknown	Unknown	990	---	P
Glades Power Park	2	Glades County	BIT	BIT	No	RR	No	Jan-10	Jun-14	Unknown	Unknown	---	980	
									2014 Changes/Additions Total:			**990**	**980**	
2015														
Glades Power Park	2	Glades County	BIT	BIT	No	RR	No	Jan-10	Jun-14	Unknown	Unknown	990	---	P
South Florida 3x1 G CC	1	Unknown	CC	NG	FO2	PL	PL	Jan-13	Jun-15	Unknown	Unknown	---	1,219	P
									2015 Changes/Additions Total:			**0**	**1,219**	
2016														
South Florida 3x1 G CC	1	Unknown	CC	NG	FO2	PL	PL	Jan-13	Jun-15	Unknown	Unknown	1,335	---	P
									2016 Changes/Additions Total:			**1,335**	**0**	

Note 1: The Winter Total MW value consists of all generation additions and changes achieved by January. The Summer Total MW value consists of all generation additions and changes achieved by June. All other MW will be picked up in the following year.

Note 2: Changes shown include different ratings than shown in Schedule 1 due solely to ambient temperature consistent with those in FPL 's peak load forecast to maintain consistency in Reserve Margin calculation.

Schedule 9
Status Report and Specifications of Proposed Generating Facilities

(1) **Plant Name and Unit Number:** Turkey Point Combined Cycle Unit # 5

(2) **Capacity**
a. Summer 1,144 MW
b. Winter 1,181 MW

(3) **Technology Type:** Combined Cycle

(4) **Anticipated Construction Timing**
a. Field construction start-date: 2005
b. Commercial In-service date: 2007

(5) **Fuel**
a. Primary Fuel: Natural Gas
b. Alternate Fuel: Distillate

(6) **Air Pollution and Control Strategy:** Natural Gas, Dry Low No_x Combustors, SCR 0.0015% S. Distillate, & Water Injection on Distillate

(7) **Cooling Method:** Cooling Tower

(8) **Total Site Area:** 11,000 Acres

(9) **Construction Status:** V Under Construction, more than 50% complete

(10) **Certification Status:** Certified

(11) **Status with Federal Agencies:** Certified

(12) **Projected Unit Performance Data:**

Planned Outage Factor (POF):	2%	
Forced Outage Factor (FOF):	1%	
Equivalent Availability Factor (EAF):	97%	(Base & Duct Firing Operation)
Resulting Capacity Factor (%):	Approx. 97%	(First Base OperationYear)
Average Net Operating Heat Rate (ANOHR): Base Operation 75F,100%	6,835 Btu/kWh	(Base Operation)

(13) **Projected Unit Financial Data *,****

Book Life (Years):	25 years
Total Installed Cost (2007 $/kW):	507
Direct Construction Cost ($/kW):	
AFUDC Amount ($/kW):	
Escalation ($/kW):	
Fixed O&M ($/kW -Yr.): (2007 $kW-Yr)	10.06
Variable O&M ($/MWH): (2007 $/MWH)	0.13
K Factor:	1.5699

* $/kW values are based on Summer capacity.
** Fixed O&M cost includes capital replacement, but not firm gas transportation costs.

NOTE: Total installed cost includes gas expansion, transmission interconnection and integration, escalation, and AFUDC.

Schedule 9

Status Report and Specifications of Proposed Generating Facilities

(1) **Plant Name and Unit Number:** West County Energy Center Combined Cycle Unit # 1

(2) **Capacity**
- a. Summer 1,219 MW
- b. Winter 1,335 MW

(3) **Technology Type:** Combined Cycle

(4) **Anticipated Construction Timing**
- a. Field construction start-date: 2007
- b. Commercial In-service date: 2009

(5) **Fuel**
- a. Primary Fuel: Natural Gas
- b. Alternate Fuel: Distillate

(6) **Air Pollution and Control Strategy:** Natural Gas, Dry Low No_x Combustors, SCR 0.0015% S. Distillate, & Water Injection on Distillate

(7) **Cooling Method:** Cooling Tower

(8) **Total Site Area:** 220 Acres

(9) **Construction Status:** U (Under construction, less than or equal to 50% complete)

(10) **Certification Status:** U (Under construction, less than or equal to 50% complete)

(11) **Status with Federal Agencies:** U (Under construction, less than or equal to 50% complete)

(12) **Projected Unit Performance Data:**

Planned Outage Factor (POF):	2.1%	
Forced Outage Factor (FOF):	1.1%	
Equivalent Availability Factor (EAF):	96.8%	(Base & Duct Firing Operation)
Resulting Capacity Factor (%):	Approx. 97%	(First Year Base Operation)
Average Net Operating Heat Rate (ANOHR): Base Operation 75F,100%	6,582 Btu/kWh	(Base Operation)

(13) **Projected Unit Financial Data *,****

Book Life (Years):	25 years
Total Installed Cost (2009 $/kW):	565
Direct Construction Cost ($/kW):	
AFUDC Amount ($/kW):	
Escalation ($/kW):	
Fixed O&M ($/kW -Yr.): (2009 $kW-Yr)	11.65
Variable O&M ($/MWH): (2009 $/MWH)	0.138
K Factor:	1.5834

* $/kW values are based on Summer capacity.

** Fixed O&M cost includes capital replacement, but not firm gas transportation costs.

NOTE: Total installed cost includes gas expansion, transmission interconnection and integration, escalation, and AFUDC.

Schedule 9
Status Report and Specifications of Proposed Generating Facilities

(1) **Plant Name and Unit Number:** West County Energy Center Combined Cycle Unit # 2

(2) **Capacity** *
a. Summer 1,219 MW
b. Winter 1,335 MW

(3) **Technology Type:** Combined Cycle

(4) **Anticipated Construction Timing**
a. Field construction start-date: 2008
b. Commercial In-service date: 2010

(5) **Fuel**
a. Primary Fuel Natural Gas
b. Alternate Fuel Distillate

(6) **Air Pollution and Control Strategy:** Natural Gas, Dry Low No_x Combustors, SCR 0.0015% S. Distillate, & Water Injection on Distillate

(7) **Cooling Method:** Cooling Tower

(8) **Total Site Area:** 220 Acres

(9) **Construction Status:** U (Under construction, less than or equal to 50% complet

(10) **Certification Status:** U (Under construction, less than or equal to 50% complet

(11) **Status with Federal Agencies:** U (Under construction, less than or equal to 50% complet

(12) **Projected Unit Performance Data:**

Planned Outage Factor (POF):	2.1%	
Forced Outage Factor (FOF):	1.1%	
Equivalent Availability Factor (EAF):	96.8%	(Base & Duct Firing Operation)
Resulting Capacity Factor (%):	Approx. 94%	(First Year Base Operation)
Average Net Operating Heat Rate (ANOHR): Base Operation 75F,100%	6,582 Btu/kWh	(Base Operation)

(13) **Projected Unit Financial Data** **,***

Book Life (Years):	25 years
Total Installed Cost (2010 $/kW):	519
Direct Construction Cost ($/kW):	
AFUDC Amount ($/kW):	
Escalation ($/kW):	
Fixed O&M ($/kW -Yr.): (2010 $kW-Yr)	10.11
Variable O&M ($/MWH): (2010 $/MWH)	0.138
K Factor:	1.5873

* $/kW values are based on Summer capacity.
** Fixed O&M cost includes capital replacement, but not firm gas transportation costs.

NOTE: Total installed cost includes gas expansion, transmission interconnection and integration, escalation, and AFUDC.
(Note: Costs shown are based on the constuction of Unit 1 first.)

Schedule 9
Status Report and Specifications of Proposed Generating Facilities

(1) **Plant Name and Unit Number:** FGPP Unit # 1

(2) **Capacity**
a. Summer 980 MW
b. Winter 990 MW

(3) **Technology Type:** Ultra-Supercritical Steam Generator

(4) **Anticipated Construction Timing**
a. Field construction start-date: 2008
b. Commercial In-service date: 2013

(5) **Fuel**
a. Primary Fuel: Coal
b. Alternate Fuel: Up to 20% Petroleum Coke

(6) **Air Pollution and Control Strategy:** Low No_x Burners, Over-fired Air, SCR, Baghouse Wet Flue Gas Desulfurization, Wet Electric Static Precipatator

(7) **Cooling Method:** Cooling Tower

(8) **Total Site Area:** 4,900 Acres

(9) **Construction Status:** P (Planned)

(10) **Certification Status:** P (Planned)

(11) **Status with Federal Agencies:** P (Planned)

(12) **Projected Unit Performance Data:**

Planned Outage Factor (POF):	5.0%
Forced Outage Factor (FOF):	3.0%
Equivalent Availability Factor (EAF):	92%
Resulting Capacity Factor (%):	Approx. 90% (First Year Operation)
Average Net Operating Heat Rate (ANOHR): Base Operation 75F,100%	8,800 Btu/kWh

(13) **Projected Unit Financial Data *,****

Book Life (Years):	40 years
Total Installed Cost (2013 $/kW):	3,526
Direct Construction Cost ($/kW):	
AFUDC Amount ($/kW):	
Escalation ($/kW):	
Fixed O&M ($/kW -Yr.): (2013 $kW-Yr)	35.61
Variable O&M ($/MWH): (2013$/MWH)	1.744
K Factor:	1.6017

* $/kW values are based on Summer capacity.
** Fixed O&M cost includes capital replacement.

NOTE: Total installed cost includes transmission interconnection and transmission integration,escalation, and AFUDC.

Schedule 9
Status Report and Specifications of Proposed Generating Facilities

(1) **Plant Name and Unit Number:** FGPP Unit # 2

(2) **Capacity**
a. Summer 980 MW
b. Winter 990 MW

(3) **Technology Type:** Ultra-Supercritical Steam Generator

(4) **Anticipated Construction Timing**
a. Field construction start-date: 2008
b. Commercial In-service date: 2014

(5) **Fuel**
a. Primary Fuel: Coal
b. Alternate Fuel: Up to 20% Petroleum Coke

(6) **Air Pollution and Control Strategy:** Low No_x Burners, Over-fired Air, SCR, Baghouse Wet Flue Gas Desulfurization, Wet Electric Static Precipatator

(7) **Cooling Method:** Cooling Tower

(8) **Total Site Area:** 4,900 Acres

(9) **Construction Status:** P (Planned)

(10) **Certification Status:** P (Planned)

(11) **Status with Federal Agencies:** P (Planned)

(12) **Projected Unit Performance Data:**

Planned Outage Factor (POF):	5.0%
Forced Outage Factor (FOF):	3.0%
Equivalent Availability Factor (EAF):	92%
Resulting Capacity Factor (%):	Approx. 90% (First Year Operation)
Average Net Operating Heat Rate (ANOHR):	8,800 Btu/kWh
Base Operation 75F,100%	

(13) **Projected Unit Financial Data *,****

Book Life (Years):	40 years
Total Installed Cost (2014 $/kW):	2,290
Direct Construction Cost ($/kW):	
AFUDC Amount ($/kW):	
Escalation ($/kW):	
Fixed O&M ($/kW -Yr.): (2014 $kW-Yr)	26.42
Variable O&M ($/MWH): (2014 $/MWH)	1.76
K Factor:	1.5955

* $/kW values are based on Summer capacity.
** Fixed O&M cost includes capital replacement.

NOTE: Total installed cost includes transmission interconnection and transmission integration,escalation, and AFUDC.

Schedule 9
Status Report and Specifications of Proposed Generating Facilities

(1) **Plant Name and Unit Number:** South Florida (unsited) Combined Cycle #1

(2) **Capacity**
a. Summer 1,219 MW
b. Winter 1,335 MW

(3) **Technology Type:** Combined Cycle

(4) **Anticipated Construction Timing**
a. Field construction start-date: 2013
b. Commercial In-service date: 2015

(5) **Fuel**
a. Primary Fuel: Natural Gas
b. Alternate Fuel: Distillate

(6) **Air Pollution and Control Strategy:** Dry Low No_x Burners, SCR, Natural Gas, 0.0015% S. Distillate and Water Injection on Distillate

(7) **Cooling Method:** Cooling Tower

(8) **Total Site Area:** Unknown Acres

(9) **Construction Status:** P (Planned)

(10) **Certification Status:** P (Planned)

(11) **Status with Federal Agencies:** P (Planned)

(12) **Projected Unit Performance Data:**

Planned Outage Factor (POF):	2.1%
Forced Outage Factor (FOF):	1.1%
Equivalent Availability Factor (EAF):	96.8%
Resulting Capacity Factor (%):	Approx. 97% (First Year Operation)
Average Net Operating Heat Rate (ANOHR): Base Operation 75F,100%	6,582 Btu/kWh

(13) **Projected Unit Financial Data *,****

Book Life (Years):	25 years
Total Installed Cost (2015 $/kW):	746
Direct Construction Cost ($/kW):	
AFUDC Amount ($/kW):	
Escalation ($/kW):	
Fixed O&M ($/kW -Yr.): (2015 $kW-Yr)	11.11
Variable O&M ($/MWH): (2015 $/MWH)	0.52
K Factor:	1.543

* $/kW values are based on Summer capacity.
** Fixed O&M cost includes capital replacement.

NOTE: Total installed cost includes transmission interconnection and transmission integration,escalation, and AFUDC.

Schedule 10
Status Report and Specifications of Proposed Transmission Lines

Turkey Point Combined Cycle Unit #5

The new Turkey Point CC unit that is scheduled to come in-service in 2007 does not require any "new" transmission lines.

Schedule 10
Status Report and Specifications of Proposed Transmission Lines

West County Energy Center Unit #1

The new West County Energy Center Unit #1 that is scheduled to come in-service in 2009 does not require any "new" transmission lines.

Schedule 10
Status Report and Specifications of Proposed Transmission Lines

West County Energy Center Unit #2

The new West County Energy Center Unit #2 that is scheduled to come in-service in 2010 does not require any "new" transmission lines.

Schedule 10
Status Report and Specifications of Proposed Transmission Lines

FGPP Unit #1 by 2013

(1)	Point of Origin and Termination:	New switchyard – New switching station
(2)	Number of Lines:	2
(3)	Right-of-way	FPL Owned & New acquisitions
(4)	Line Length:	25 miles each
(5)	Voltage:	500 kV
(6)	Anticipated Construction Timing:	Start date: March 2009 End date: November 2011
(7)	Anticipated Capital Investment: (Trans. and Sub.)	$200,881,000
(8)	Substations:	New switchyard and new switching station
(9)	Participation with Other Utilities:	None

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(1)	Point of Origin and Termination:	Andytown-Orange River – New switching station
(2)	Number of Lines:	2
(3)	Right-of-way	FPL Owned & New acquisitions
(4)	Line Length:	24 miles each
(5)	Voltage:	500 kV
(6)	Anticipated Construction Timing:	Start date: March 2009 End date: November 2011
(7)	Anticipated Capital Investment: (Trans. and Sub.)	$172,566,000
(8)	Substations:	Andytown 500kV, Orange River 500kV and new 500kV switching station
(9)	Participation with Other Utilities:	None

Schedule 10
Status Report and Specifications of Proposed Transmission Lines

FGPP Unit #2 by 2014

(1)	Point of Origin and Termination:	New switchyard – Levee 500kV
(2)	Number of Lines:	1
(3)	Right-of-way	FPL Owned & New acquisitions
(4)	Line Length:	74 miles
(5)	Voltage:	500 kV
(6)	Anticipated Construction Timing:	Start date: March 2009 End date: November 2012
(7)	Anticipated Capital Investment: (Trans. and Sub.)	$96,020,000
(8)	Substations:	Andytown 500kV, Levee 500kV and new 500kV switching station
(9)	Participation with Other Utilities:	None

Schedule 10
Status Report and Specifications of Proposed Transmission Lines

Unsited South Florida Combined Cycle Unit in 2015

No projection of a new transmission line(s) can be made until a site is selected for this unit.

Schedule 11.1

Existing FIRM and NON-FIRM Capacity and Energy by Primary Fuel Type
Actuals for the Year 2006

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Net (MW) Capability				Net Energy For Load	
	Generation by Primary Fuel	Summer (MW)	Summer (%)	Winter (MW)	Winter (%)	GWH	%
(1)	Coal	896	3.7%	902	3.5%	6,168	5.5%
(2)	Nuclear	2,939	12.1%	3,014	11.8%	23,533	20.8%
(3)	Residual	6,818	28.0%	6,876	27.0%	9,586	8.5%
(4)	Distillate	660	2.7%	781	3.1%	26	0.0%
(5)	Natural Gas	9,668	39.6%	10,706	42.0%	56,985	50.4%
(6)	***FPL Existing Units Total:***	***20,981***	***86.0%***	***22,279***	***87.4%***	***96,298***	***85.1%***
(7)	Renewables (Purchases)- Firm	157.6	0.6%	157.6	0.6%	1,253	1.1%
(8)	Renewables (Purchases)- Non-Firm	As Available		As Available		393	0.3%
(9)	Renewable (Owned)		0.0%		0.0%		0.0%
(10)	***Renewable Total:***	***157.6***	***0.6%***	***157.6***	***0.6%***	***1,646***	***1.5%***
(11)	***Purchases Other:***	***3,249.0***	***13.3%***	***3,047.0***	***12.0%***	***15,193***	***13.4%***
(12)	***Total***	***24,387.6***	***100.0%***	***25,483.6***	***100.0%***	***113,137***	***100.0%***

Note:
(1) FPL Existing Units Total matches Total System found on Schedule 1.
(2) "Renewable Purchases" - Firm are broken down in Schedule 11.2
(3) "Renewable Purchases" - Non-Firm are broken down in Schedule 11.3
(4) Net Energy for Load MWH matches Schedule 6.1

Schedule 11.2

Existing FIRM Renewable Report by Fuel Type
Actuals for the Year 2006

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Gross (MW) Capability				Net Energy For Load	
	Renewable Fuel Type	Summer (MW)	Summer (%)	Winter (MW)	Winter (%)	GWH	%
1	Biomass	157.6	100.0%	157.6	100.0%	1,253	100.0%
2	Landfill Gas						
3	Hydro						
4	Geothermal						
5	Biofuels						
6	Solar						
7	Ocean Energy						
8	Wind						
9	Other						
10	Total	157.6	100.0%	157.6	100.0%	1,253	100.0%

Note:
(1) Col (2) matches Row (7) on Schedule 11.1.
(2) Col (6) total matches Row (7) on Schedule 11.1.

Schedule 11.3

Existing NON-FIRM Renewable Report by Fuel Type
Actuals for the Year 2006

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Gross (MW) Capability				Net Energy For Load	
	Renewable Fuel Type	Summer (MW)	Summer (%)	Winter (MW)	Winter (%)	GWH	%
1	Biomass	As Available		As Available		375.5	95.5%
2	Landfill Gas	As Available		As Available		17.8	4.5%
3	Hydro						
4	Geothermal						
5	Biofuels						
6	Solar						
7	Ocean Energy						
8	Wind						
9	Other						
10	Total					393.3	100.0%

Note:
(1) Col (6) total needs to match Row (8) on Schedule 11.1.

Schedule 11.4

Existing NON-FIRM Self-Service Renewable Generation Facilities
Actuals for the Year 2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Facility Name	**Unit No.**	**Gross MW**	**Net MW**	**Fuel Type**	**Self-Service MW**	**Self-Service MWh**	**In-Service Date**
Customer owned PV< 10 kw (est)	N/A	0.100	Unk	SUN	0.100	70.8	2002 - 2006
FPL Martin PV (est)	N/A	0.011	0.0	SUN	0.011	14.4	
FPL estimates there are 42,861 solar water heaters in our system				SUN			
FPL estimates there are 34,358 solar pool heaters in our system				SUN			

Notes
(1) Provide as much data available for facilities/resources "behind the meter" (as data permits).
(2) A 'Facility Name' may include an aggregated quantity (i.e., Pool Heaters, Solar-Powered Interstate Call Boxes, Photovoltaic Lighting, etc.).
(3) Self-Service MW and MWh pertains to power and energy consumed by the entity, whether it be a named facility or aggregated quantity.

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CHAPTER IV

Environmental and Land Use Information

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IV. Environmental and Land Use Information

IV.A Protection of the Environment

FPL operates in a sensitive, temperate/sub-tropical environment containing a number of distinct ecosystems with many endangered plant and animal species. Population growth in FPL's service area is continuing, which heightens competition for air, land, and water resources that are necessary to meet the increased demand for generation, transmission, and distribution of electricity. At the same time, residents and tourists want unspoiled natural amenities, and the general public has an expectation that large corporations such as FPL will conduct their business in an environmentally responsible manner.

FPL has been recognized for many years as one of the leaders among utilities for its commitment to the environment. FPL's environmental leadership has been heralded by many outside organizations. In 2004, FPL Group earned a first place ranking among U.S. power companies and second globally in a report from the World Wildlife Fund for voluntary commitments to limit CO_2 emissions. This commitment was made to support initiatives to better manage utility impacts on climate change through use of greenhouse gas emission reductions and improvements in energy efficiency. The report stated that this was "primarily due to the company's leadership in developing wind energy and their commitment to dramatically improve their efficiency". In January 2007, FPL joined with a diverse group of U.S. based business market leaders and leading non-governmental organizations to form the U.S. Climate Action Partnership (USCAP) in recognition of the need for a national policy framework on climate change. USCAP has called upon the federal government to formulate mandatory economy-wide policies to reduce CO_2 emissions. As a further demonstration of FPL's efforts in sustainability, the EPA and the Department of Energy awarded FPL for its Sunshine Energy® program which allows customers who choose to participate to pay a premium for their electricity that is used to purchase tradable renewable energy credits associated with electric energy generated from renewable energy sources. FPL Group, the parent corporation of Florida Power & Light was also recently awarded its fourth number one rating of major electric utilities surveyed in an environmental assessment conducted by Innovest, an independent advisory group. This rating was in recognition of FPL Group's success in executing a strategy to become a clean energy provider harnessing primarily clean and renewable fuels while also boosting shareholder value. FPL Group was named one of the world's most Sustainable Corporations in Global 100 and was one of only two utilities to be so named in the United States.

FPL was awarded Edison Electric Institute's National Land Management Award for its stewardship of 25,000 acres surrounding its Turkey Point Plant. FPL won the Council for Sustainable Florida's award for its sea turtle conservation and education programs at its St. Lucie Plant. In 2001, FPL was awarded the 2001 Waste Reduction and Pollution Prevention Award from the Solid Waste Association of North America. FPL received the 2001 Program Champion Award from the Environmental Protection Agency's Wastewise Program. The Florida Department of Environmental Protection named FPL a "Partner for Ecosystem Protection" for its emission-reducing "repowering" projects at its Fort Myers and Sanford Plants. Finally, FPL has been recognized by numerous federal and state agencies for its innovative endangered species programs which include such species as manatees, crocodiles, and sea turtles.

IV.B FPL's Environmental Statement

To reaffirm its commitment to conduct business in an environmentally responsible manner, FPL developed an Environmental Statement in 1992 to clearly define its position. This statement reflects how FPL incorporates environmental values into all aspects of its activities and serves as a framework for new environmental initiatives throughout the company. FPL's Environmental Statement is:

It is the Company's intent to continue to conduct its business in an environmentally responsible manner. Accordingly, Florida Power & Light Company will:

- Comply with the spirit and intent, as well as the letter of, environmental laws, regulations, and standards.
- Incorporate environmental protection and stewardship as an integral part of the design, construction, operation, and maintenance of our facilities.
- Encourage the wise use of energy to minimize the impact on the environment.
- Communicate effectively on environmental issues.
- Conduct periodic self-evaluations, report performance, and take appropriate actions.

IV.C Environmental Management

In order to implement the Environmental Statement, FPL established an environmental management system to direct and control the fulfillment of the organization's environmental responsibilities. A key component of the system is an Environmental Assurance Program that is discussed below. Other components include: executive management support and commitment, written environmental policies and procedures, delineation of organizational responsibilities and individual accountabilities, allocation of appropriate resources for environmental compliance management (which includes reporting and corrective action when non-compliance occurs), environmental incident/emergency response, environmental risk assessment/management, environmental regulatory development and tracking, and environmental management information systems.

IV.D Environmental Assurance Program

FPL's Environmental Assurance Program consists of activities which are designed to evaluate environmental performance, verify compliance with Corporate policy as well as with legal and regulatory requirements, and communicate results to corporate management. The principal mechanism for pursuing environmental assurance is the environmental audit. An environmental audit may be defined as a management tool comprising a systematic, documented, periodic, and objective evaluation of the performance of the organization and of the specific management systems and equipment designed to protect the environment. The environmental audit's primary objectives are to facilitate management control of environmental practices and assess compliance with existing environmental regulatory requirements and Company policies.

IV.E Environmental Communication and Facilitation

FPL is involved in many efforts to enhance environmental protection through the facilitation of environmental awareness and in public education. Some of FPL's 2006 environmental outreach activities are noted in Table IV.E.1.

Table IV.E.1: 2006 FPL Environmental Outreach Activities

Activity	# of Participants
Visitors to Energy Encounter	20,000
Visitors to Manatee Park	150,000
Number of visits to FPL's Environmental Website	258,000
Number of pieces of Environmental literature distributed	>120,000

(All numbers are approximations.)

IV.F Preferred and Potential Sites

Based upon its projection of future resource needs, FPL has identified three Preferred Sites and eight Potential Sites for future generation additions. Preferred Sites are those locations where FPL has conducted significant reviews and taken action to site generation. Potential Sites are those sites that have attributes that support the siting of generation and are under consideration as a location for future generation. Some of these sites are currently in use as existing generation sites and some are not. The identification of a Potential Site does not indicate that FPL has made a definitive decision to pursue generation (or generation expansion in the case of an existing generation site) at that location, nor does this designation indicate that the size or technology of a generator has been determined. These Preferred Sites and Potential Sites are discussed in separate sections below.

IV.F.1 Preferred Sites

FPL identifies three Preferred Sites in this Site Plan: the existing Turkey Point plant site, the West County Energy Center (WCEC) adjacent to the existing Corbett FPL substation, and the FPL Glades Power Park (FGPP) located northwest of the city of Moore Haven in Glades County. The Turkey Point site is the location for a capacity addition that FPL will make in mid-2007. The West County Energy Center site is the location for capacity additions FPL will make in 2009 and 2010. The FGPP site is the projected location for advanced technology coal capacity additions by 2013 and 2014.

The capacity additions at the Turkey Point site and the WCEC site have been approved by the FPSC and by the Governor and Siting Board. FPL petitioned the FPSC for

approval of the FGPP advanced technology coal units in January 2007. A decision is expected by the FPSC by July 2007.

The three Preferred Sites are discussed below.

Preferred Site # 1: Turkey Point Plant, Miami-Dade County

The Turkey Point Plant site is located on the west side of Biscayne Bay, 25 miles south of Miami. The site is directly on the shoreline of Biscayne Bay and is geographically located approximately 9 miles east of Florida City on Palm Drive. Public access to the plant site is limited due to the nuclear units located there. The land surrounding the site is owned by FPL and acts as a buffer zone. The site is comprised of two nuclear units and two conventional boiler, fossil units, the cooling canals, an FPL-maintained natural wildlife area, and wetlands that have been set aside as the Everglades Mitigation Bank (EMB).

Units #1 and #2 are fossil fuel generating plants with approximate generating capacity of 400 MW each. Unit #1 was completed in 1967 and Unit #2 in 1968. Units #3 and #4 are nuclear generating units with approximate generating capacity of 700 MW each. Unit #3 was completed in 1972 and Unit #4 in 1973. Turkey Point also has five diesel peaking units that, in total, produce approximately 12 MW. These units are primarily used to provide emergency power, but occasionally run during the Summer to provide power during peak load demands.

The site for the new Turkey Point Unit #5, a "4-on-1" combined cycle electrical generating unit, is within the existing FPL Turkey Point facility property. The site is adjacent to the existing fossil Units #1 and #2, and includes the existing parking lot and storage areas immediately northwest of Units #1 and #2 as well as mangrove wetlands north of the facility.

a. U.S. Geological Survey (USGS) Map

A USGS map of the Turkey Point plant site is found at the end of this chapter.

b. Proposed Facilities Layout

A map of the general layout of the Turkey Point Unit #5 generating facility at the site is found at the end of this chapter.

c. **Map of Site and Adjacent Areas**

An overview map of the site and adjacent areas is also found at the end of this chapter.

d. **Existing Land Uses of Site and Adjacent Areas**

A major portion of the site consists of a self-contained cooling canal system that supplies water to condense steam used by the existing units' turbine generators. The canal system consists of 36 interconnected canals each five miles long, 200 feet wide and approximately four feet deep. The remaining developed area of the site is where the two fossil steam generating units and 5 diesel generators are located. South of, and adjacent to, the fossil plant are the two nuclear generating units. Further to the south, wetlands have been set aside as part of the Everglades Mitigation Bank (EMB) in an effort to restore these areas to historical plant communities and hydrological function.

e. **General Environment Features On and In the Site Vicinity**

1. **Natural Environment**

The majority of the site was undeveloped dwarf red mangrove swamp that is tidally inundated with waters from Biscayne Bay. Along with the dominant red mangroves, buttonwood is a common canopy component, along with occasional white mangrove. Only a few individual black mangroves were observed within the site. Biscayne Bay is a shallow, subtropical bay supporting seagrasses, sponges, coral reefs, and a variety of marine life.

2. **Listed Species**

The construction and operation of Unit #5 is not expected to adversely affect any rare, endangered, or threatened species. Listed species known to occur in the nearby Biscayne National Park that could potentially utilize the site include the peregrine falcon (Falco peregrinus), wood stork (Mycteria americana), American crocodile (Crocodylus acutus), mangrove rivulus (Rivulus marmoratus), roseate spoonbill (Ajaja ajaja), limpkin (Aramus guarauna), little blue heron (Egretta caerulea), snowy egret (Egretta thula), American oystercatcher (Haematopus palliates), least tern (Sterna antillarum), brown pelican (Pelicanus occidentalis), the white ibis (Eudocimus albus), and bald eagle (Haliaeetus leucocephalus). No bald eagle nests are known to exist in the vicinity of the site. The federally listed, endangered American Crocodile thrives at the Turkey Point site, primarily in and

around the southern end of the cooling canals which lie south of the project area. The entire site is considered crocodile habitat due to the mobility of the species and use of the site for foraging, traversing, and basking. FPL manages a program for the conservation and enhancement of the American crocodile. A project-specific crocodile management plan was developed for construction of Unit #5.

3. **Natural Resources of Regional Significance Status**

Significant features in the vicinity on the site include Biscayne National Park, the Miami-Dade County Homestead Bayfront Park, and the Everglades National Park. The portion of Biscayne Bay adjacent to the site is included within the Biscayne National Park, comprised of several miles of shoreline north of the Turkey Point facility extending offshore approximately 12 nautical miles. Biscayne National Park contains 180,000 acres, approximately 95% of which is open water interspersed with over 40 keys. The Biscayne National Park headquarters is located approximately 2 miles north of the Turkey Point plant and is adjacent to the Miami-Dade County Homestead Bayfront Park which contains a marina and day use recreational facilities.

4. **Other Significant Features**

FPL is not aware of any other significant features of the site.

f. **Design Features and Mitigation Options**

Additional generating capacity is being added to the site for operation beginning in mid-2007. The new generating unit will consist of four new combustion turbines (CT) and four new heat recovery steam generators (HRSG) and a new steam turbine that will comprise Turkey Point Unit #5. Natural gas delivered via the existing pipeline is the primary fuel type for this unit (with ultra low sulfur light oil serving as a backup fuel).

Mitigation for unavoidable wetland impacts related to construction of Unit #5 includes: on-site hydrologic improvements to enhance existing wetlands, restoration and preservation of areas overgrown with exotic plant species, creation of an on-site lagoon, transfer of some mangrove-dominated lands to South Florida Water Management District and Biscayne National Park, and the purchase of mitigation credits from the EMB that is in the same drainage basin. The use of a cooling tower

will minimize thermal discharges to the cooling canals. The facility already encompasses several preserved areas where wildlife is abundant.

g. **Local Government future Land Use Designations**

Local government future land use plan designates most of the site as IU-3 "Industrial, Unlimited Manufacturing District." There are also areas designated GU – "Interim District." Designations for the surrounding area are primarily GU – "Interim District."

h. **Site Selection Criteria Process**

For the past several years, a number of FPL's existing power plant sites have been considered as potentially suitable sites for new or repowered generation. The Turkey Point plant has been selected as a Preferred site due to consideration of various factors including system load, an imbalance in the Southeast Florida region between load and generating capacity, and economics. Environmental issues are an important factor at this site and FPL will minimize environmental impacts and mitigate where impacts are unavoidable.

i. **Water Resources**

Unique to Turkey Point plant site is the self-contained cooling canal system that supplies water to condense steam used by the plant's turbine generators. The canal system consists of 36 interconnected canals each five miles long, 200 feet wide, and approximately four feet deep. The system performs the same function as a giant radiator. The water is circulated through the canals in a two-day journey, ending at the plant's intake pumps. During the slow journey down the canals, the water cools as much as 15 degrees

j. **Geological Features of Site and Adjacent Areas**

FPL's Turkey Point site is underlain by approximately 13,000 feet of sedimentary rock strata. The strata that extends to approximately 500 feet forms the Biscayne Aquifer. The basement complex in this area consists of Paleozoic igneous and metamorphic rocks about which little is known due to their great depth.

Overlying the basement complex to the ground surface are sedimentary rocks and deposits that are primarily of marine origin. Below a depth of about 400 feet these rocks are predominantly limestone and dolomite. Above 400 feet the deposits are largely composed of sand, silt, or clay. The Tamiami formation is named for deposits composed principally of white cream-colored calcareous sandstone, sandy limestone,

and beds and pockets of quartz sand. In the Turkey Point area, Key Largo limestone is present.

The Floridan Aquifer, located approximately 1,100 feet below the land surface, is a confined aquifer. The Floridan Aquifer system is composed entirely of carbonate rocks except for minor evaporates. The water in the carbonate rock aquifer is more highly mineralized.

k. Projected Water Quantities for Various

The additional quantity of water for industrial processing will be approximately 294 gallons per minute (gpm) for plant process and service water. Water for this type of use would be supplied by an existing county water system. A new water treatment plant is installed to provide treated water for the new unit. Cooling water for new Unit #5 will be processed through a cooling tower. FPL will use approximately 14 million gallons per day (mgd) of water from the Floridan Aquifer as the source of makeup water used by the cooling tower.

l. Water Supply Sources and Type

This additional capacity at the site will utilize the cooling tower for the dissipation of heat from the cooling water. A new water treatment system will be installed to provide treated water for Unit #5. The Floridan Aquifer will supply the makeup cooling water.

m. Water Conservation Strategies

The plant will implement a Water Conservation Plan including physical features, procedures, and employee training to conserve water resources. Features in the plant's water systems design will include, when practical:

- Automatic shutoff valves
- Use of flow restrictors
- Use of low volume sanitary facilities
- Low maintenance landscaping design

An awareness program will be implemented for employees that operate the plant. The awareness program will educate employees on water conservation methods, techniques, and procedures. Procedures will be reviewed on an annual basis with the first review occurring in approximately June 2008, one year after the expected

commercial operation date. The Water Conservation Plan will be updated as necessary.

n. Water Discharges and Pollution Control

Heated water discharges are dissipated using the existing once-through cooling water system and the cooling canal system. Unit #5 cooling water will be processed through a cooling tower which will dissipate the heat prior to discharge to the cooling canal system. Storm water runoff is collected and used to recharge the surficial aquifer via a storm water management system. Design elements have been included to capture suspended sediments. Various facility permits mandate various sampling and testing activities that provide indication of any pollutant discharges.

The facility employs a Best Management Practices (BMP) plan and Spill Prevention, Control, and Countermeasure (SPCC) plan to control the inadvertent release of pollutants.

o. Fuel Delivery, Storage, Waste Disposal, and Pollution Control

The site is already serviced by multiple fuel delivery facilities. There is currently a pipeline that supplies natural gas to the facility. The facility also has oil capabilities through on-site storage tanks and accessibility to barge deliveries. Unit #5 will utilize the existing pipeline with the addition of a compression system(s). An aboveground storage tank for the ultra-low sulfur light oil backup fuel will be added. The backup fuel for Unit #5 will be delivered to the site by truck.

p. Air Emissions and Control Systems

The use of natural gas and ultra-low sulfur light oil and combustion controls will minimize air emissions from this unit and ensure compliance with applicable emission limiting standards. Using these fuels minimizes emissions of sulfur dioxide (SO_2), particulate matter, and other fuel-bound contaminates. Combustion controls minimize the formation of nitrogen oxides (NO_x) and the combustor design will limit the formation of carbon monoxide and volatile organic compounds. When firing natural gas, NO_x emissions will be controlled using dry-low NO_x combustion technology and selective catalytic reduction (SCR). Water injection and SCR will be used to reduce NO_x emissions during operations when using the ultra-low sulfur light oil as backup fuel. These design alternatives constitute the Best Available Control Technology for air emissions and minimize such emissions while balancing economic, environmental, and energy impacts. Taken together, the design of Turkey Point Unit

#5 will incorporate features that will make it one of the most efficient and cleanest power plants in the State of Florida.

q. Noise Emissions and Control Systems

A field survey and impact assessment of noise expected to be caused by unit construction at the site indicated that construction noise would be below current noise levels for the residents nearest the site. Noise from the operation of the new unit will also be within allowable levels. Similar natural gas-fired facilities in Broward, Manatee, and Martin counties have been constructed and operated without exceeding allowable noise levels.

r. Status of Applications

FPL filed the Site Certification Application (SCA) for the Turkey Point Plant Unit #5 with the Florida Department of Environmental Protection (FDEP) on November 14, 2003, and received Site Certification by the Governor and Cabinet in February 2005. The U.S. Army Corps of Engineers issued a federal Dredge and Fill permit in February 2005. FDEP issued the Prevention of Significant Deterioration (PSD) air permit in February 2005. FPL acquired all permits and authorizations needed, and commenced construction in Spring 2005 with an anticipated, in-service date of mid-2007.

Preferred Site # 2: West County Energy Center, Palm Beach County

FPL has identified the property adjacent to the existing Corbett Substation property in unincorporated western Palm Beach County as a Preferred Site for the addition of new generating capacity. The site was selected for the addition of a new greenfield combined cycle natural gas power plant project with ultra-low sulfur oil as a backup fuel. The existing site is an area accessible to both natural gas and electrical transmission through existing structures or through additional lateral connections. The proposed facility would use natural gas as the primary fuel and state-of-the-art combustion controls.

a. U.S. Geological Survey (USGS) Map

A USGS map of the West County Energy Center (WCEC) plant site is found at the end of this chapter.

b. Proposed Facilities Layout

A map of the general layout of the WCEC generating facilities at the site is found at the end of this chapter.

c. Map of Site and Adjacent Areas

An overview map of the site and adjacent areas is also found at the end of this chapter.

d. Existing Land Uses of Site and Adjacent Areas

The land on the site is currently inactive but was previously dedicated to industrial and agricultural use. The site has been excavated, back-filled, and totally re-graded to an elevation approximately 10 ft. above surrounding land surface. No structures are present on the site and vegetation is virtually non-existent.

e. General Environment Features On and In the Site Vicinity

1. Natural Environment

The plant site has been significantly altered by the construction and operation of a limestone mine where vegetation had been cleared and removed. The surrounding land use is predominantly sugar cane agriculture and limestone mining. FPL's existing Corbett substation is located north of the site. The Arthur R. Marshall Loxahatchee National Wildlife Refuge is located to the south of the proposed site.

2. Listed Species

Construction and operation of new units at the site is not expected to affect any rare, endangered, or threatened species. Wildlife utilization of the property is minimal as a result of the mining activities. Common wading birds can be observed on areas adjacent to and occasionally within the property. The property is adjacent to areas that have been identified as potential habitat for wood stork.

3. Natural Resources of Regional Significance Status

The construction and operation of a gas-fired combined cycle generating facility at the proposed location is not expected to have any adverse impacts on parks, recreation areas, or environmentally sensitive lands including the Arthur R. Marshall Loxahatchee National Wildlife Refuge. It is not anticipated that

construction will result in wetland impacts under federal, state, or local agency permitting criteria.

4. **Other Significant Features**

FPL is not aware of any other significant features of the site.

f. Design Features and Mitigation Options

The design option is to construct two new 1,200 MW (approximate) units each consisting of three new combustion turbines (CT) and three new heat recovery steam generators (HRSG) and a new steam turbine. These two new units are scheduled to be in-service in mid-2009 and mid-2010, respectively. Natural gas delivered via pipeline is the primary fuel type for this unit with ultra-low sulfur light oil serving as a backup fuel.

g. Local Government Future Land Use Designations

Local government future land use designation for the project site is "Rural Residential" according to the Palm Beach County Future Land Use Map. Designations for the area under the Palm Beach County Unified Land Development Code classified the project site and surrounding area as Special Agricultural District. The site has been granted conditional use for electrical power facilities under a General Industrial zoning district.

h. Site Selection Criteria Process

The site has been selected as a Preferred Site due to consideration of various factors including system load and economics. Environmental issues were not a deciding factor since this site does not exhibit significant environmental sensitivity or other environmental issues.

i. Water Resources

Water from the Floridan Aquifer and surface water from the L10/L12 canal will be used for cooling, service, and process water. Water from the surficial aquifer will be treated and used for potable water.

j. Geological Features of Site and Adjacent Areas

The site is underlain by approximately 13,000 feet of sedimentary rock strata. The basement complex in this area consists of Paleozoic igneous and metamorphic rocks about which little is known due to their great depth.

Overlying the basement complex to the ground surface are sedimentary rocks and deposits that are primarily marine in origin. Below a depth of about 400 feet these rocks are predominantly limestone and dolomite. Above 400 feet the deposits are largely composed of sand, silt, clay, and phosphate grains. The deepest formation in Palm Beach County on which significant published data are available is the Eocene Age Avon Park. Limited information is available from wells penetrating the underlying Oldsmar formation. The published information on the sediments comprising the formations below the Avon Park Limestone is based on projections from deep wells in Okeechobee, St. Lucie, and Palm Beach Counties.

k. Projected Water Quantities for Various Uses

The estimated quantity of water required for industrial processing for both units is approximately 450 gallons per minute (gpm) for uses such as process water and service water. Approximately 15 million gallons per day (mgd) in total of cooling water for the two generating units would be cycled through the addition of cooling towers. Water quantities needed for other uses such as potable water are estimated to be approximately 35,000 gallons per day (gpd).

l. Water Supply Sources by Type

The generating units will use available surface or ground water as the source of cooling water for the cooling towers. The cooling towers will also act as a heat sink for the facility process water. Such needs for cooling and process water will comply with the existing South Florida Water Management District (SFWMD) regulations for consumptive water use.

m. Water Conservation Strategies Under Consideration

Impacts on the surficial aquifer would be minimized and used only for potable water. Water from the Floridan Aquifer or the L10/L12 canal will be used for cooling purposes and cooling towers will be utilized. In addition, captured stormwater will be reused in the cooling tower whenever feasible. Stormwater captured in the stormwater ponds will also recharge the surficial aquifer.

n. Water Discharges and Pollution Control

Heat will be dissipated in the cooling towers. Blowdown water from the cooling towers, along with other wastestreams, will be injected into the boulder zone of the Floridan Aquifer. Non-point source discharges are not an issue since there will be none at this facility. Storm water runoff will be collected and used to recharge the

surficial aquifer via a storm water management system. Design elements will be included to capture suspended sediments. In addition, captured stormwater will be reused in the cooling towers whenever feasible The facility will employ a Best Management Practices (BMP) plan and Spill Prevention, Control, and Countermeasure (SPCC) plan to control the inadvertent release of pollutants.

o. **Fuel Delivery, Storage, Waste Disposal, and Pollution Control**

The site is not located near an existing natural gas transmission pipeline that is capable of providing a sufficient quantity of gas. Upgrades of existing pipelines and/or lateral connections to other pipelines will be made for supply of natural gas. Ultra-low sulfur light fuel oil would be received by truck and stored in above-ground storage tanks to serve as backup fuel for the new units.

p. **Air Emissions and Control Systems**

The use of natural gas and ultra-low sulfur light fuel oil and combustion controls will minimize air emissions from these units and ensure compliance with applicable emission limiting standards. Using these fuels minimizes emissions of sulfur dioxide (SO_2), particulate matter, and other fuel-bound contaminates. Combustion controls similarly minimize the formation of nitrogen oxides (NO_x) and the combustor design will limit the formation of carbon monoxide and volatile organic compounds. When firing natural gas, NO_x emissions will be controlled using dry-low NO_x combustion technology and selective catalytic reduction (SCR). Water injection and SCR will be used to reduce NO_x emissions during operations when using ultra-low sulfur light fuel oil as backup fuel. These design alternatives constitute the Best Available Control Technology for air emissions, and minimize such emissions while balancing economic, environmental, and energy impacts. Taken together, the design of the West County Energy Center units will incorporate features that will make them among the most efficient and cleanest power plants in the State of Florida.

q. **Noise Emissions and Control Systems**

Noise expected to be caused by unit construction at the site is expected to be below current noise levels for the residents nearest the site. Noise from the operation of the new unit will be within allowable levels.

r. **Status of Applications**

A Site Certification Application (SCA) for the construction and operation of the West County Energy Center project under the Florida Electrical Power Plant Siting Act was

filed on April 14, 2005 and received Site Certification by the Governor and Cabinet on December 26, 2006. Palm Beach County Planning Zoning and Building department issued approval for the project on June 28, 2006. FDEP issued a Class I Underground Injection Control Exploratory Well permit on January 11, 2006 and a Class V Exploratory Well Permit on December 6, 2006. FDEP issued a Prevention of Significant Deterioration (PSD) air permit on January 10, 2007. After acquiring these permits and authorizations, FPL initiated construction in February 2007 and anticipates an in-service date for the first unit of mid-2009. An application for the final Underground Injection Control (UIC) system permit will be submitted once the exploratory well construction is completed.

Preferred Site # 3: FPL Glades Power Park (FGPP), Glades County

FPL has identified a 4,900 acre property in unincorporated Glades County as a Preferred Site for the addition of 1,960 MW of new generating capacity. The site boundary is located approximately 2.3 miles northwest of Moore Haven, Florida. The Preferred Site was selected for the addition of a new advanced technology coal project. The existing site is adjacent to a rail line that can be used for fuel delivery. In addition, the facility can be designed to beneficially use excess storm water from the region as one of the sources of cooling water. New transmission lines in Glades and Hendry Counties, as well as a new substation in Hendry County will be required to interconnect the facility to the FPL power grid. The proposed facility would use a combination of domestic coal and/or foreign coal with up to 20% petroleum coke. The proposed generation process is a highly efficient, ultra-supercritical pulverized coal technology. The facility will feature advanced, state-of-the-art pollution control equipment to minimize emissions.

a. U.S. Geological Survey (USGS) Map

A USGS map of the FPL Glades Power Park (FGPP) site is found at the end of this chapter.

b. Proposed Facilities Layout

A map of the general layout of the proposed generating facilities at the site is found at the end of this chapter.

c. **Map of Site and Adjacent Areas**

An overview map of the site and adjacent areas is also found at the end of this chapter.

d. **Existing Land Uses of Site and Adjacent Areas**

The site is comprised of active sugar cane fields, pasture, and undeveloped land. Unpaved farm roads and irrigation ditches related to the sugar cane operations are also prevalent throughout much of the site. Land uses immediately surrounding the site are active sugar cane fields, open pasture, and undeveloped land.

e. **General Environment Features On and In the Site Vicinity**

1. **Natural Environment**

The plant will be developed on approximately 4,000 acres of the 4,900 acre site, with the balance of the site being preserved. The area to be developed has been significantly altered by agricultural activities. Specifically, the natural topography, soils, and hydrology has been altered to create an area favorable for the production of sugar cane. Natural surface water drainage features have been modified through the construction of a network of irrigation ditches. The undeveloped portion of the site will be preserved.

Nicodemus Slough is located to the north of the site. Lake Okeechobee is located approximately 1.5 miles east of the site. The Fisheating Creek Wildlife Management Area is located approximately 4 miles north of the site.

2. **Listed Species**

Construction and operation of new units at the site is not expected to adversely affect any rare, endangered, or threatened species. Wildlife utilization of the property is minimal as a result of the agricultural activities. The majority of the site is comprised of active sugar cane fields which are unsuitable habitat for most species due to the lack of native vegetation and the amount and frequency of human disturbance. However, wading birds and alligators do utilize the irrigation canals and opportunistic wildlife forage in areas of heavy machinery. Brazilian pepper/willow and marsh wetlands within the sugar can fields also provide habitat for avian species and common herpetofauna.

Three federally listed species have been observed at the site, including the wood stork, the crested caracara, and the Everglades snail kite. State-listed species observed at the site include the little blue heron, snowy egret, white ibis, tri-color heron, wood stork, sand hill crane, and American alligator. The site does not provide any critical wildlife habitat.

3. **Natural Resources of Regional Significance Status**

Construction and operation of the advanced technology coal generating facility at the proposed location is not expected to have adverse impacts on parks, recreation areas, or environmentally sensitive lands. Construction will impact approximately 300 acres of man-made irrigation/drainage ditches and 248 acres of low quality wetlands dominated by exotic vegetation. The irrigation/drainage ditches are vegetated by nuisance/exotic species of vegetation, receive agricultural runoff, and do not provide high quality aquatic habitat for fish and wildlife.

4. **Other Significant Features**

FPL is not aware of any other significant features of the site.

f. Design Features and Mitigation Options

The design option is to construct two new nominal 980 MW net advanced technology coal units with state-of-the-art pollution control equipment. These units are planned to be in-service no later than mid-2013 and mid-2014,respectively. Domestic and/or imported coal along with up to 20% petroleum coke delivered via rail is the fuel type for these units. The extensive array of pollution control equipment will make this one of the cleanest coal facilities in the U.S.

Proposed mitigation for unavoidable wetland impacts related to construction of the units includes will be accomplished through a combination of onsite freshwater marsh and forested wetland creation within the pasture portion of the site and preservation of the highest quality marsh, wet prairie, wetland scrub, and mature upland live oak/cabbage palm habitat at the site.

g. Local Government Future Land Use Designations

The site is located in unincorporated Glades County and is designated as Agricultural/Open on the Glades County Future Land Use Map.

The site is located in the Open Use Agriculture (OUA) zoning district. Power plants and ancillary facilities are listed as a permitted use in the Glades County Table of Zoning District Uses.

The use of the site for the plant and directly associated facilities is consistent with the existing land use plans and zoning ordinances.

h. Site Selection Criteria Process

The site has been selected as a Preferred Site due to consideration of various factors including, but not limited to: site size, proximity to rail service, water resources, and environmental condition of the site (already disturbed).

i. Water Resources

A number of water sources are available for plant use at this location, including: recycled stormwater, Floridan Aquifer water, excess stormwater from the C-43/Caloosahatchee River, surficial aquifer water, and reclaimed water from the City of Moore Haven Publicly Owned Treatment Works (POTW).

j. Geological Features of Site and Adjacent Areas

The site is underlain by undifferentiated surficial sands and clays, Calooshatchee and Fort Thompson Formations, Tamiami Formation, and the Peace River Formation of the Hawthorne Group. Regionally, geologic features that are encountered within 1,000 feet of the land surface in Glades County include the Avon Park Formation, Ocala Group, Suwannee Limestone, Hawthorne Group, Tamiami, Caloosahatchee, and Fort Thompson Formations, and undifferentiated surficial sediments.

k. Projected Water Quantities for Various Uses

The total water requirement for the FGPP units is expected to average about 26 million gallons per day (mgpd) for process water, service water, and cooling water. The cooling water for the two proposed units would be cycled through the addition of mechanical draft cooling towers. Potable water will be provided by the City of Moore Haven and/or surficial aquifer wells.

l. Water Supply Sources by Type

The proposed units will use recycled stormwater, available surface or ground water, and reclaimed water as sources of cooling water for the cooling towers. The cooling towers will also act as a heat sink for the facility process water. Such needs for

cooling and process water will comply with the existing South Florida Water Management District (SFWMD) regulations for consumptive water use.

m. **Water Conservation Strategies Under Consideration**

Impacts on the surficial aquifer would be minimized since it will only serve small water needs (i.e., service water). When available, excess stormwater will be used with the remainder of the water being obtained from the Floridan Aquifer for the source of cooling water. In addition, the entire plant site will capture and reuse stormwater and process water.

n. **Water Discharges and Pollution Control**

Heated water discharges will be dissipated in the cooling towers. Blowdown water from the cooling towers will be injected into the boulder zone of the Floridan Aquifer. Non-point source discharges are not an issue since there will be none at this facility. Industrial discharges will be minimized by treating and recycling equipment wash water, boiler blowdown water, and equipment area runoff. Storm water runoff will be collected and recycled in plant processes.

o. **Fuel Delivery, Storage, Waste Disposal, and Pollution Control**

Fuel will be transported to the site by rail lines located adjacent to the site. The fuel will be transferred on site to a transfer tower where the fuel is unloaded into the active and inactive storage areas. The active storage area will maintain sufficient fuel for about 7 days of full operation by both units and the inactive storage area will maintain sufficient fuel for about 60 days of full operation by both units. The inactive storage area will be sealed.

The plant will produce recyclable byproducts that can be used in cement and wallboard manufacturing and other industries (fly ash, bottom ash, and synthetic gypsum). It is the intent to market all of these byproducts for beneficial reuse. However, as a contingency, the project will include construction of a synthetically lined byproduct storage area equipped with a leachate collection system where the byproducts can be routed in the event that market conditions do not enable recycling of some or all of the byproducts.

Only small quantities of other solid wastes will be generated by the FGPP units. These wastes will be managed in accordance with all local, state, and federal regulations.

p. **Air Emissions and Control Systems**

The use combustion controls and state-of-the-art pollution control equipment will minimize air emissions from these units and ensure compliance with applicable emission limiting standards. Combustion controls minimize the formation of nitrogen oxides (NO_x), and the combustor design will limit the formation of carbon monoxide and volatile organic compounds. Post-combustion NO_x emissions will be controlled using selective catalytic reduction (SCR). Emissions of SO_2 will be controlled using wet limestone flue gas desulfurization (FGD). Particulate matter will be controlled using a fabric filter (FF). A wet electrostatic precipitator (wet ESP) will be used to control fine particulates and sulfuric acid mist. These design alternatives constitute the Best Available Control Technology for air emissions, and minimize such emissions while balancing economic, environmental, and energy impacts. Further, each of these pollution controls will enhance or remove mercury. In addition, sorbent injection technology will be used to further enhance mercury removal. Taken together, the design of the FGPP units will incorporate features that will make them among the most efficient and cleanest coal-fired units in the State of Florida and the U.S.

q. **Noise Emissions and Control Systems**

A field survey and impact assessment of noise expected to be caused by construction activities at the site was conducted. Predicted noise levels are not expected to result in adverse noise impacts in the vicinity of the site during construction or operation of the facility.

r. **Status of Applications**

A Site Certification Application (SCA) for the construction and operation of the FPL Glades Power Park project under the Florida Electrical Power Plant Siting Act was filed on December 22, 2006. A Prevention of Significant Deterioration (PSD) permit application and an Underground Injection Control permit application were submitted to the Florida Department of Environmental Protection (FDEP) on December 19, 2006. A petition for approval of a Determination of Need for these units was filed with the FPSC on February 1, 2007 and a decision by the FPSC is expected by July 2007.

IV.F.2 Potential Sites for Generating Options

Eight (8) sites are currently identified as Potential Sites for near-term future generation additions to meet FPL's capacity needs.[3] These sites have been identified as Potential Sites due to considerations of location to FPL load centers, space, infrastructure, and/or accessibility to fuel and transmission facilities. These sites are suitable for different capacity levels and technologies.

Each of these Potential Sites offer a range of considerations relative to engineering and/or costs associated with the construction and operation of feasible technologies. In addition, each Potential Site has different characteristics that will require further definition and attention. For the purpose of estimating water requirements for each site, it was assumed that either one dual-fuel (natural gas and light oil) simple cycle combustion turbine (CT) or a natural gas-fired combined cycle unit (CC) would be constructed at the Potential Sites. A simple cycle CT would require approximately 50 gallons per minute (gpm) for both process and cooling water (assuming air cooling). A CC unit would require approximately 150 gpm for service and process water and approximately 14 million gallons per day (mgd) for cooling water.

Permits are presently considered to be at least theoretically obtainable for all of these sites. No significant environmental constraints are currently known for any of these sites. The Potential Sites briefly discussed below are presented in alphabetical order. At this time FPL considers each site to be equally viable.

Potential Site # 1: Andytown Substation, Broward County

FPL has identified the Andytown Substation property in western unincorporated Broward County as a potential site for the addition of new generating capacity. Current facilities on-site include an electric substation. The existing site is an area accessible to both natural gas and electrical transmission through existing structures or through additional lateral connections.

a. U.S. Geological Survey (USGS) Map

A USGS map of the site has been included at the end of this chapter.

[3] As has been described in previous FPL Site Plans, FPL also considers a number of other sites as possible sites for future generation additions. These include the remainder of FPL's existing generation sites.

b. **Land Uses**

The land uses for the potential site were designated as industrial or agricultural use.

c. **Environmental Features**

Extensive low-quality wetlands are adjacent to the site. Construction and operation of a new facility on this site would not be expected to adversely affect any rare, endangered, or threatened species.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

Groundwater from the shallow aquifer or a local source of gray water have been identified as potential water sources. The Floridan Aquifer has also been identified as a potential cooling water source.

Potential Site # 2: Cape Canaveral Plant, Brevard County

This site is located on the FPL Cape Canaveral Plant property in unincorporated Brevard County. The city of Port St. Johns is located less than a mile away. The site has direct access to a four-lane highway (US 1). A rail line is located near the plant. The existing facility consists of two 400 MW (approximate) steam boiler type generating units.

a. **U.S. Geological Survey (USGS) Map**

A USGS map of the site is found at the end of this chapter.

b. **Land Uses**

The land is primarily dedicated to industrial use; i.e., FPL's existing Cape Canaveral power plant Units #1 and #2. It is surrounded by grassy areas and a few acres of remnant pine forest. The land adjacent to the site is dedicated to light commercial and residential use.

c. **Environmental Features**

There are no significant environmental features on the site.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

Existing on-site wells, reclaimed water, public supply water, and the existing once-through cooling water system are potential water supply sources.

Potential Site # 3: Desoto County Greenfield Site

This site is a "Greenfield" undeveloped site located on a 13,515 acre property in unincorporated Desoto County. The site is adjacent to portions of the Peace River and lies on both the east and west sides of US Hwy 17 approximately 3 to 5 miles north of the City of Arcadia. There are currently no facilities on the site.

a. **U.S. Geological Survey (USGS) Map**

A USGS map of the site is found at the end of this chapter.

b. **Land Uses**

The land on the site is currently dedicated to agricultural use (sod farming, cattle grazing, and truck crops).

c. **Environmental Features**

Developed portions of the adjacent properties are primarily agricultural (sod farms, citrus groves, and cattle grazing). Undeveloped portions include mixed scrub with some hardwoods and a few small isolated wetlands.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

Groundwater from the upper and lower Floridan Aquifer, or if available and practicable, a local source of gray water are potential water sources.

Potential Site # 4: Fort Myers Plant Site, Lee County

This site is located on FPL's existing 460-acre Fort Myers property. The existing facilities on the site include one 1,440 MW (approximate) combined cycle unit, 12 gas turbines, each with an approximate capacity of 54 MW, and 2 combustion turbines, each with an approximate capacity of 160 MW.

a. U.S. Geological Survey (USGS) Map

A USGS map of the Fort Myers plant site is found at the end of this chapter.

b. Land Uses

The land on the site is currently dedicated to industrial use with surrounding grassy and landscaped areas. Much of the site has been used in recent years for direct plant construction activities. The adjacent land uses include light commercial and retail to the east of the property, plus some residential areas located toward the west.

c. Environmental Features

Mixed scrub with some hardwoods can be found to the east and further south.

d. Water Quantities

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. Supply Sources

The available water source is the Caloosahatchee River and the available groundwater source is the sandstone aquifer.

Potential Site # 5: Lauderdale Plant, Broward County

The Lauderdale site is located in Eastern Broward County approximately 5 miles inland from Dania Beach and less than 2 miles west of Ft. Lauderdale International Airport. The site is bounded on the south by Dania Cutoff Canal, the east by SW 30th Avenue, and the North by I-595.

The existing approximately 1,700 MW of generating capacity at FPL's Lauderdale site occupies a portion of the approximately 210 acres that are wholly owned by FPL. The generating capacity is made up of two combined cycle units (Units #4 and #5), and 24 simple cycle gas turbine (GT) units.

a. **U.S. Geological Survey (USGS) Map**

A USGS map of the site is found at the end of this chapter.

b. **Land Uses**

The existing power plant facilities are located on approximately 130 acres. The existing site has been in use since the 1920s and is adjacent to a county resource recovery project.

c. **Environmental Features**

To the north of the power plant is an area of mixed uplands with a scattering of small wetlands.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

Existing groundwater or the municipal water supply are potential water sources.

Potential Site # 6: Martin Plant, Martin County

The Martin site is located approximately 40 miles northwest of West Palm Beach, 5 miles east of Lake Okeechobee, and 7 miles northwest of Indiantown in Martin County, Florida. The site is bounded on the west by the Florida East Coast Railway (FEC) and the adjacent South Florida Water Management District (SFWMD) L-65 Canal, on the south by the St. Lucie Canal (C-44 or Okeechobee Waterway), and on the northeast by SR 710 and the adjacent CSX Railroad.

The existing approximately 3,700 MW of generating capacity at FPL's Martin site occupies a portion of the approximately 11,300 acres that are wholly owned by FPL. The generating capacity is made up of two steam units (Units #1 and #2), plus three

combined cycle units (Units #3, #4, and #8). The site includes a 6,800-acre cooling pond (6,500 acres of water surface and 300 acres of dike area) and approximately 300 acres for the existing power plant units and related facilities.

a. **U.S. Geological Survey (USGS) Map**

A USGS map for the site is found at the end of this chapter.

b. **Land Uses**

A major portion of the site consists of a 6,800-acre cooling pond. The existing power plant facilities are located on approximately 300 acres.

c. **Environmental Features**

To the east of the power plant there is an area of mixed pine flat wood with a scattering of small wetlands. To the north of the cooling pond there is a 1,200-acre area which has been set aside as a mitigation area. There is a peninsula of wetland forest on the West Side of the reservoir that is named the Barley Barber Swamp. The Barley Barber Swap encompasses 400 acres and is preserved as a natural area. There is also a 10-kilowatt (kW) photovoltaic energy facility at the south end of this site.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

Surface water resources currently used at the Martin facility include the cooling pond which takes its water from the St. Lucie canal. The available ground water resource is the surficial aquifer system which is used as a source of potable and service water.

Potential Site # 7: Port Everglades Plant, Broward County

This site is located on the 94-acre FPL Port Everglades plant site in Port Everglades, Broward County. The site has convenient access to State Road (SR) 84 and I- 595. Rail line is located near the plant. The existing plant consists of four steam boiler generating units: two 200 MW (approximate) and two 400 MW (approximate) sized units. The four steam boilers are capable of firing residual fuel oil, natural gas, or a combination

of both. The site also is home to twelve simple cycle gas turbine (GT) peaking units of 30 MW (approximate) each. The GT's are part of the Gas Turbine Power Park that is made up of 24 GT's at the Lauderdale Plant site and the twelve GTs at the Port Everglades site. The GT's are capable of firing either natural gas or liquid fuel.

a. **U.S. Geological Survey (USGS) Map**

A map of the site is found at the end of this chapter.

b. **Land Uses**

The land on this site is primarily industrial. The adjacent land uses are port facilities and associated industrial activities, oil storage, cruise ships, and light commercial.

c. **Environmental Features**

The shoreline of the intake and discharge canal banks are vegetated with fringing mangrove, with some open, maintained grass areas on the side.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

Existing groundwater or the municipal water supply could be used for industrial process and makeup water. Industrial cooling water needs could be met using the existing one-through cooling water system. We believe these sources would provide sufficient water for either simple cycle or combined cycle generation.

Potential Site # 8: Riviera Plant, Palm Beach County

This site is located on the FPL Riviera Plant property in Riviera Beach, Palm Beach County. The site has direct access to a four-lane highway, US 1, and barge access is available. A rail line is located near the plant. The facility currently houses two operational 300 MW (approximate) steam boiler generating units and one retired 50 MW generating unit.

a. **U.S. Geological Survey (USGS) Map**

A USGS map of the site is found at the end of this chapter.

b. **Land Uses**

The land on the site is primarily covered by the existing generation facilities. Adjacent land uses include port facilities and associated industrial activities, as well as light commercial and residential development.

c. **Environmental Features**

The site is located on the Intra-coastal waterway near the Lake Worth Inlet which provides a warm water refugia for manatees during cold winter days. The plant property contains some open, maintained grass area.

d. **Water Quantities**

As previously discussed, needed water quantities would be up to 150 gallons per minute (gpm) for both process and cooling water (assuming air cooling) and up to 14 million gallons per day (mgd) for cooling water.

e. **Supply Sources**

The existing municipal water supply could be used for industrial processing water. Industrial cooling water needs could be met using the existing once-through cooling water system. For once-through cooling water, FPL could use Lake Worth as a source of water. We believe these sources would provide sufficient water for either simple cycle or combined cycle generation.

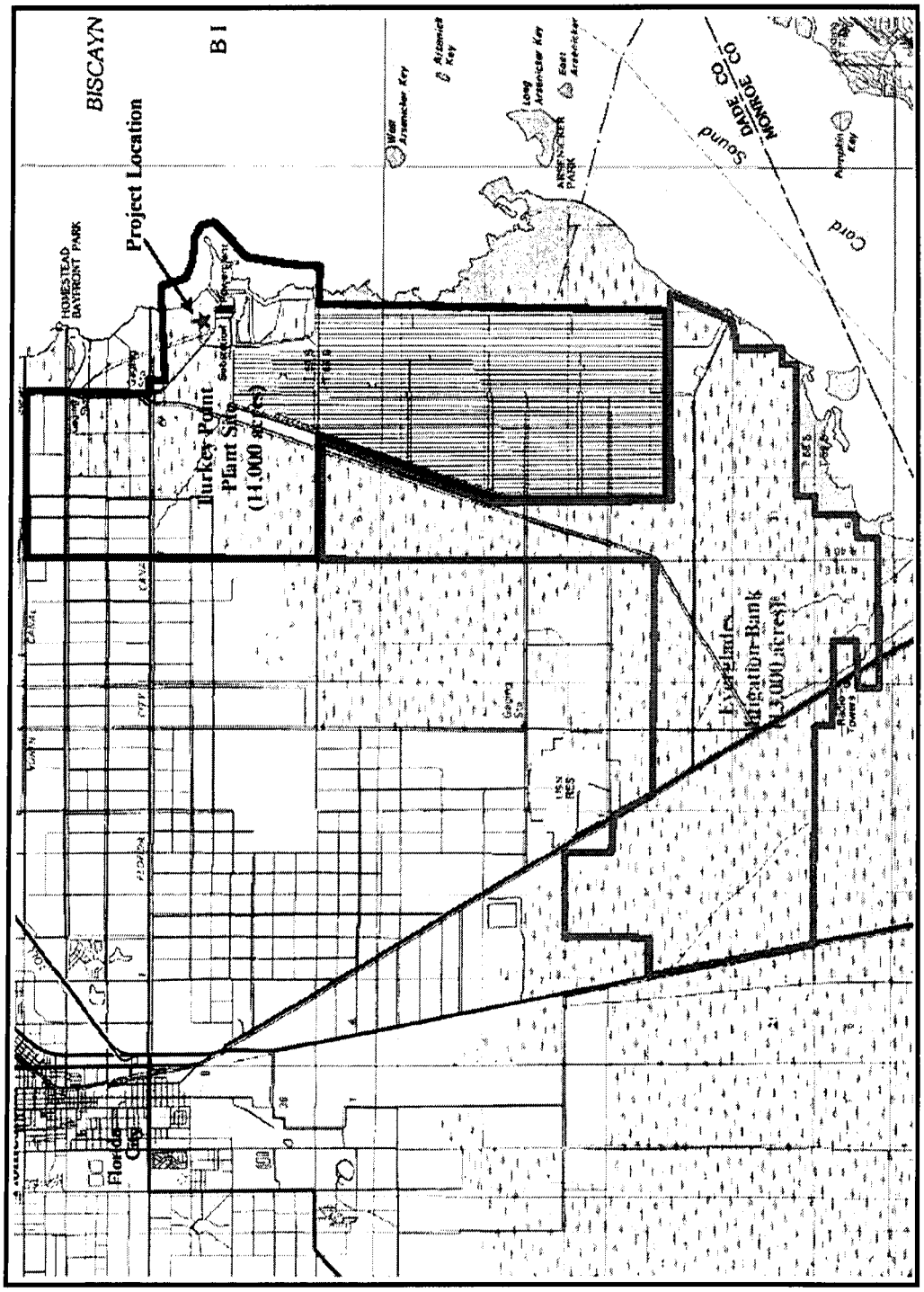
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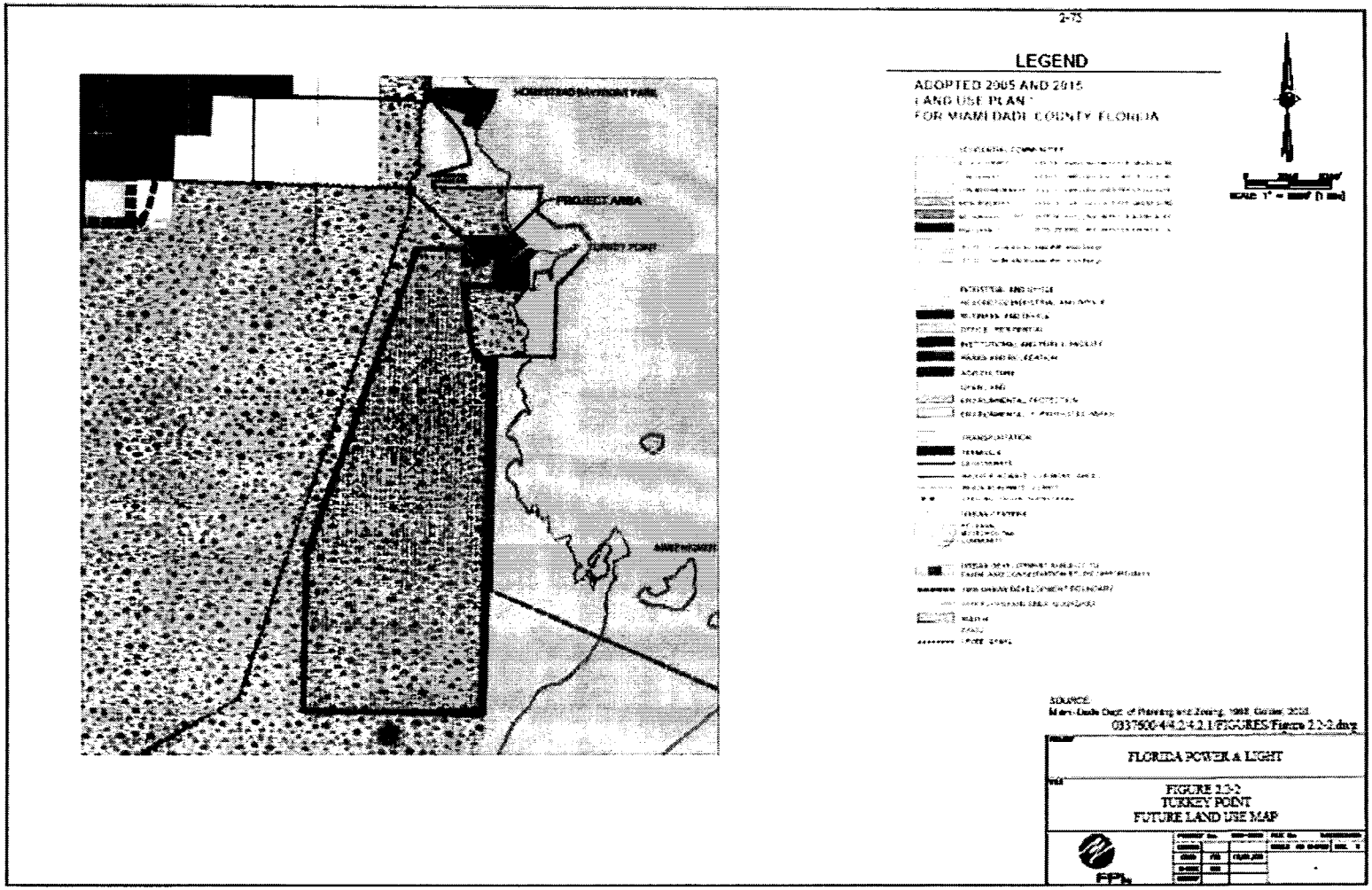
Environmental and Land Use Information:

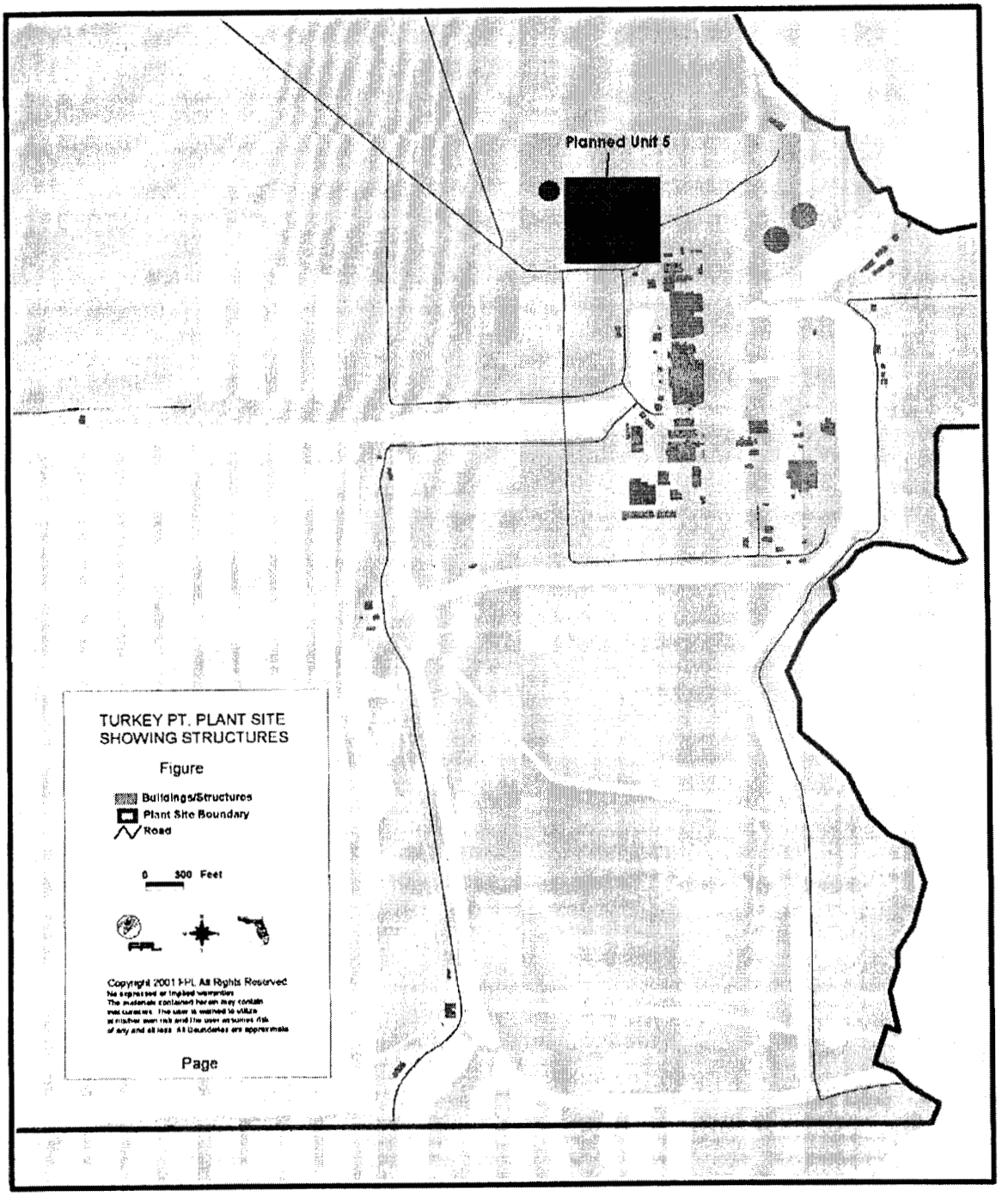
Supplemental Information

Preferred Site: Turkey Point

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BISCAYN
B I
Project Location
Turkey Point
Plant Site
(11,000 ac.±)
HOMESTEAD
BAYFRONT PARK
Florida
City
West
Arsenicker Key
Long
Arsenicker Key
East
Arsenicker
ARSENICKER
PARK
Sound
MONROE CO
DADE CO
Card
Key Largo
Biscayne Bank
(3,000 acres)


2-75
LEGEND
ADOPTED 2005 AND 2015
LAND USE PLAN
FOR MIAMI-DADE COUNTY, FLORIDA
PROJECT AREA
TURKEY POINT
SOURCE:
0937500-444-2-3-2.1/FIGURES/Figure 2.3-2.dwg
FLORIDA POWER & LIGHT
FIGURE 2.3-2
TURKEY POINT
FUTURE LAND USE MAP

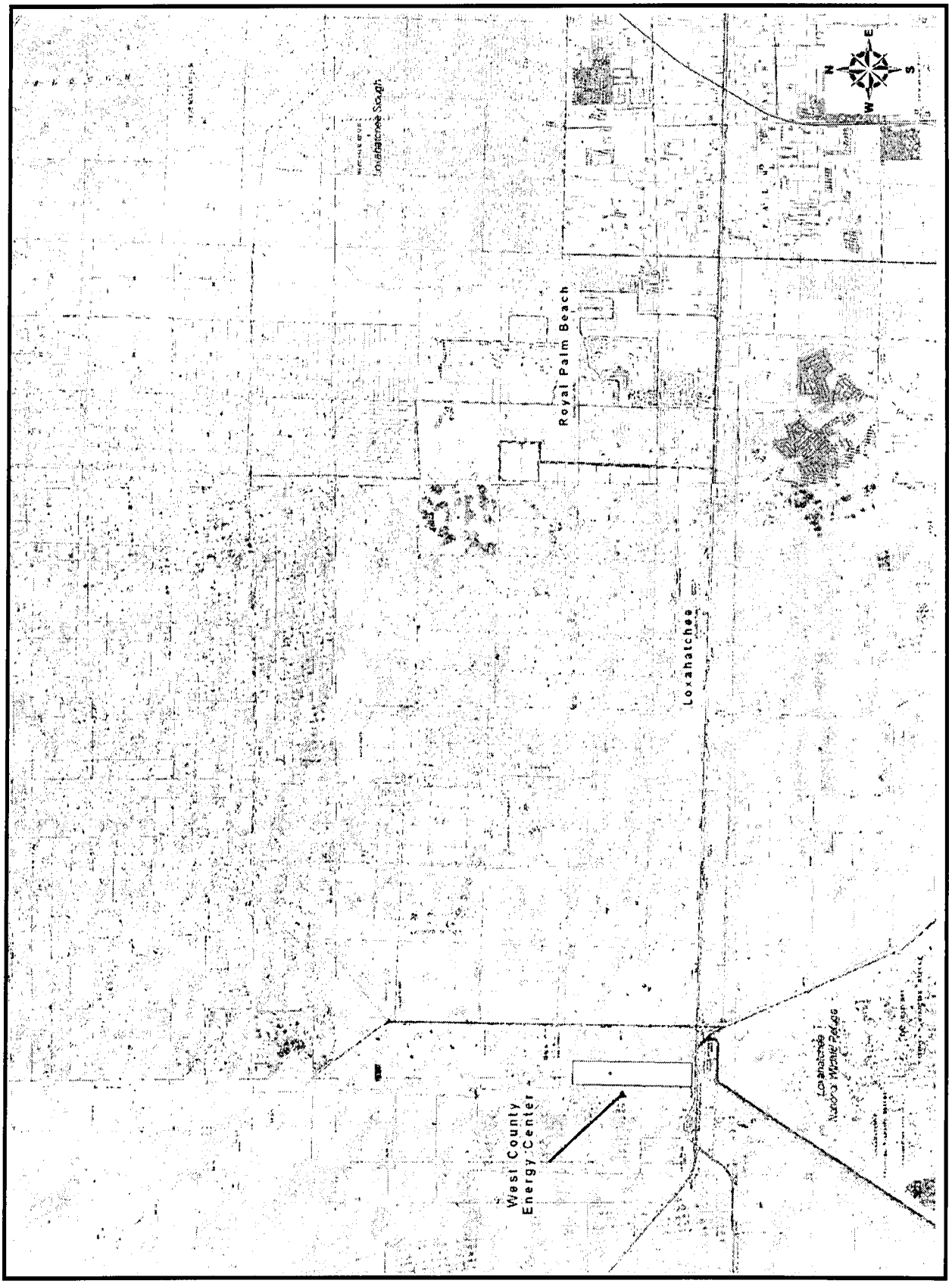

Planned Unit 5
TURKEY PT. PLANT SITE
SHOWING STRUCTURES
Figure
Buildings/Structures
Plant Site Boundary
Road
0 300 Feet
Page

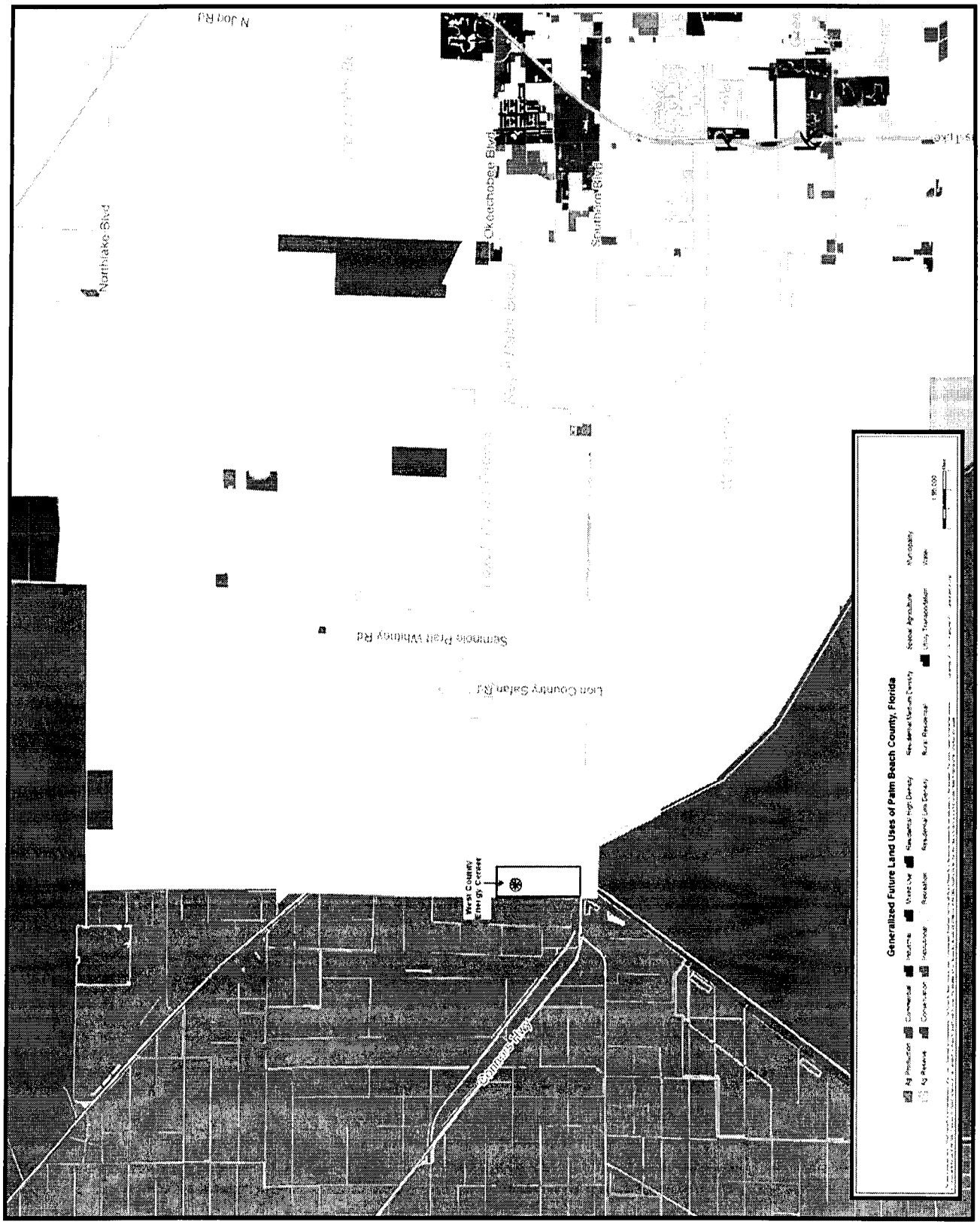
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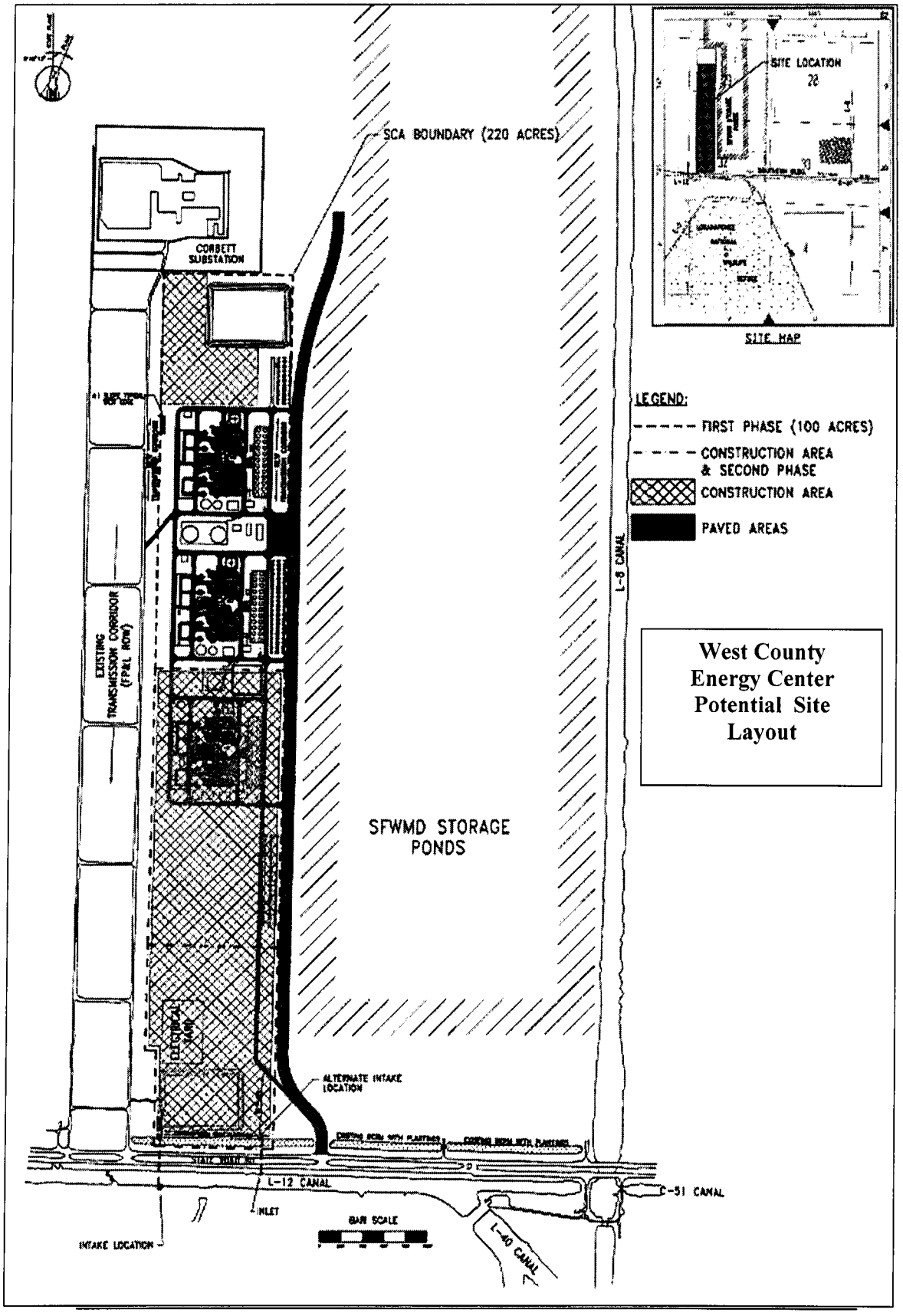
Environmental and Land Use Information:
Supplemental Information

Preferred Site: West County Energy Center

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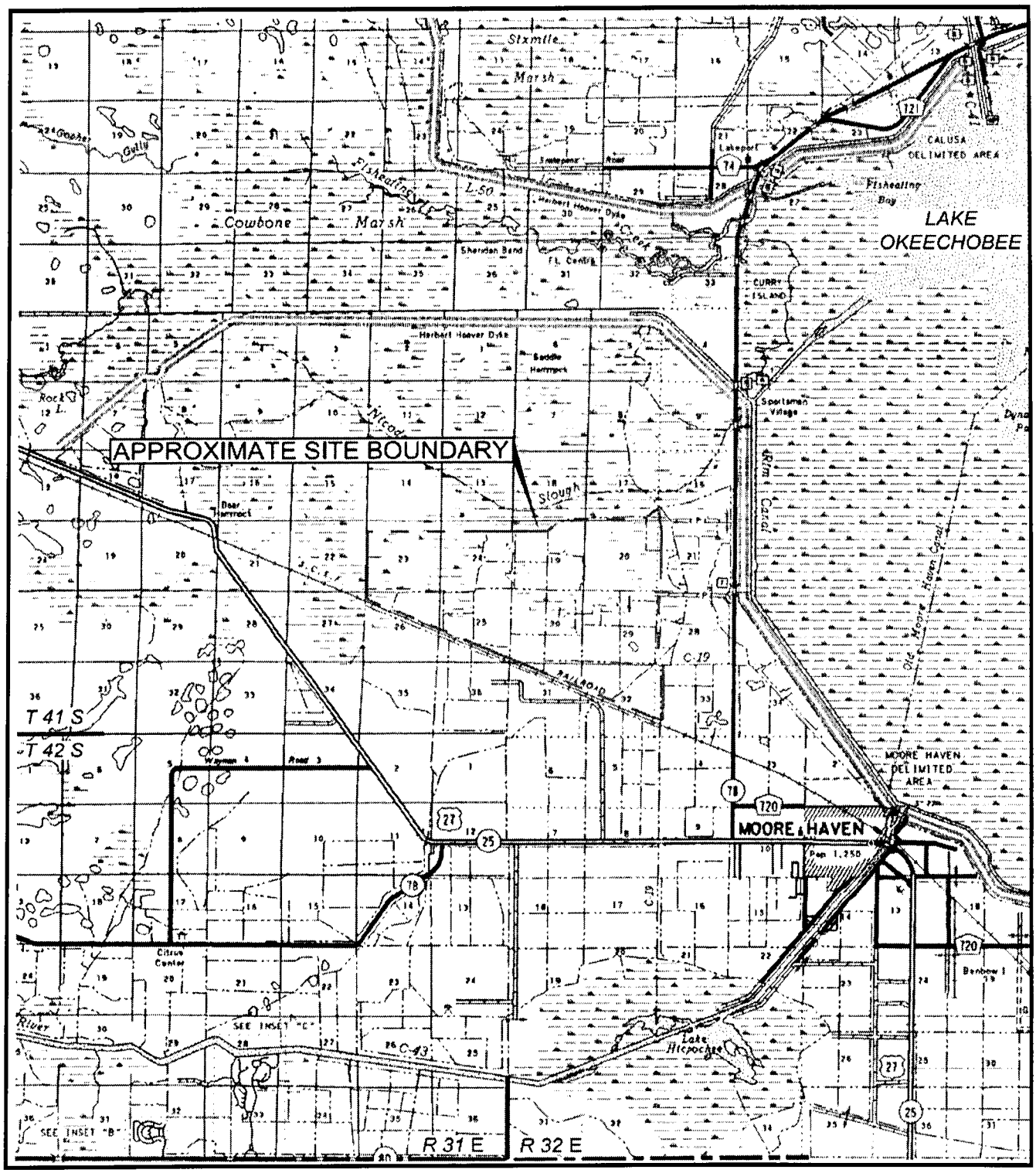

Loxahatchee Slough
Royal Palm Beach
Loxahatchee
West County
Energy Center
N
E
S
W

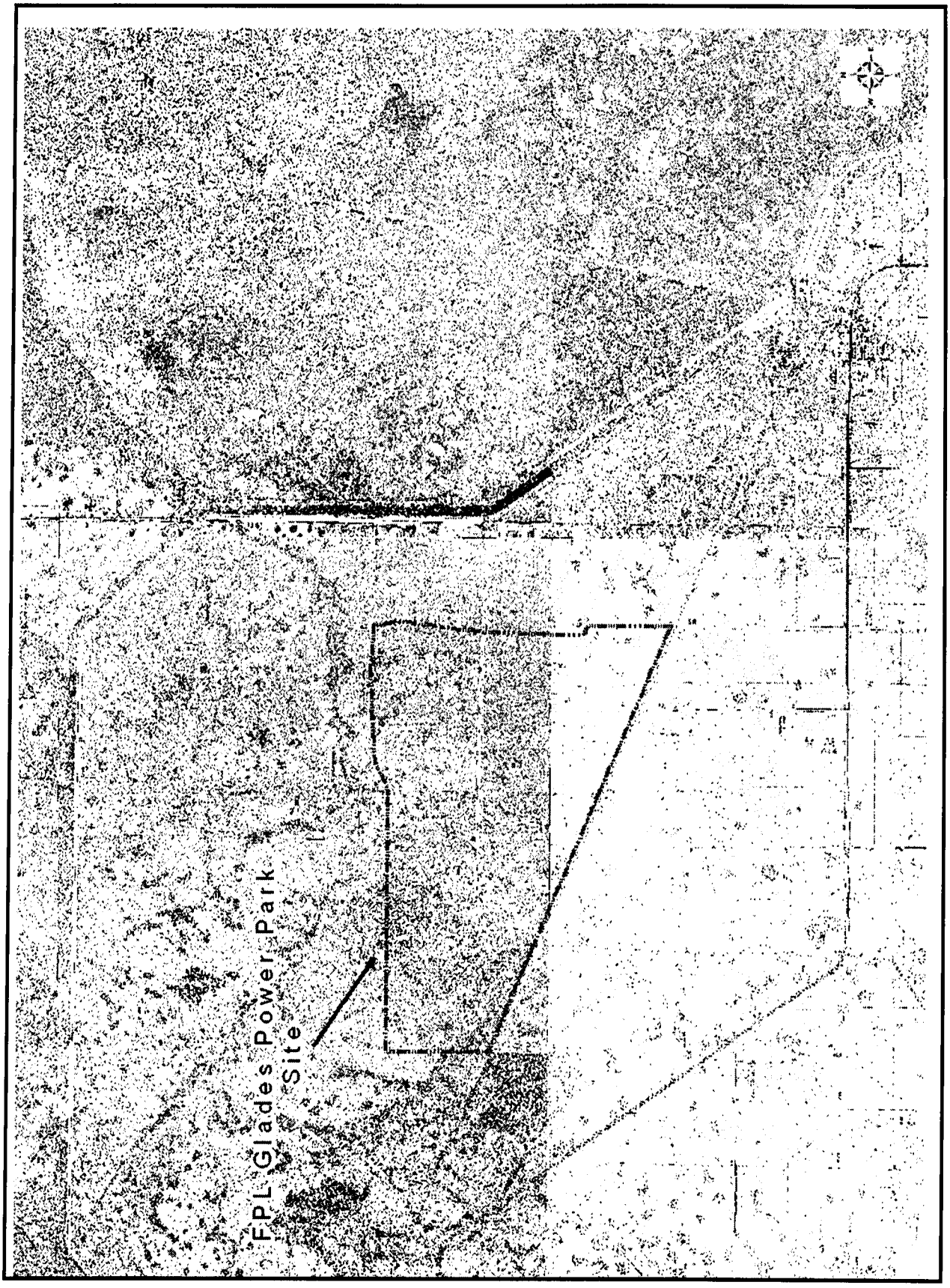

Northlake Blvd
Okeechobee Blvd
Seminole Pratt Whitney Rd
Loxahatchee River
Generalized Future Land Uses of Palm Beach County, Florida

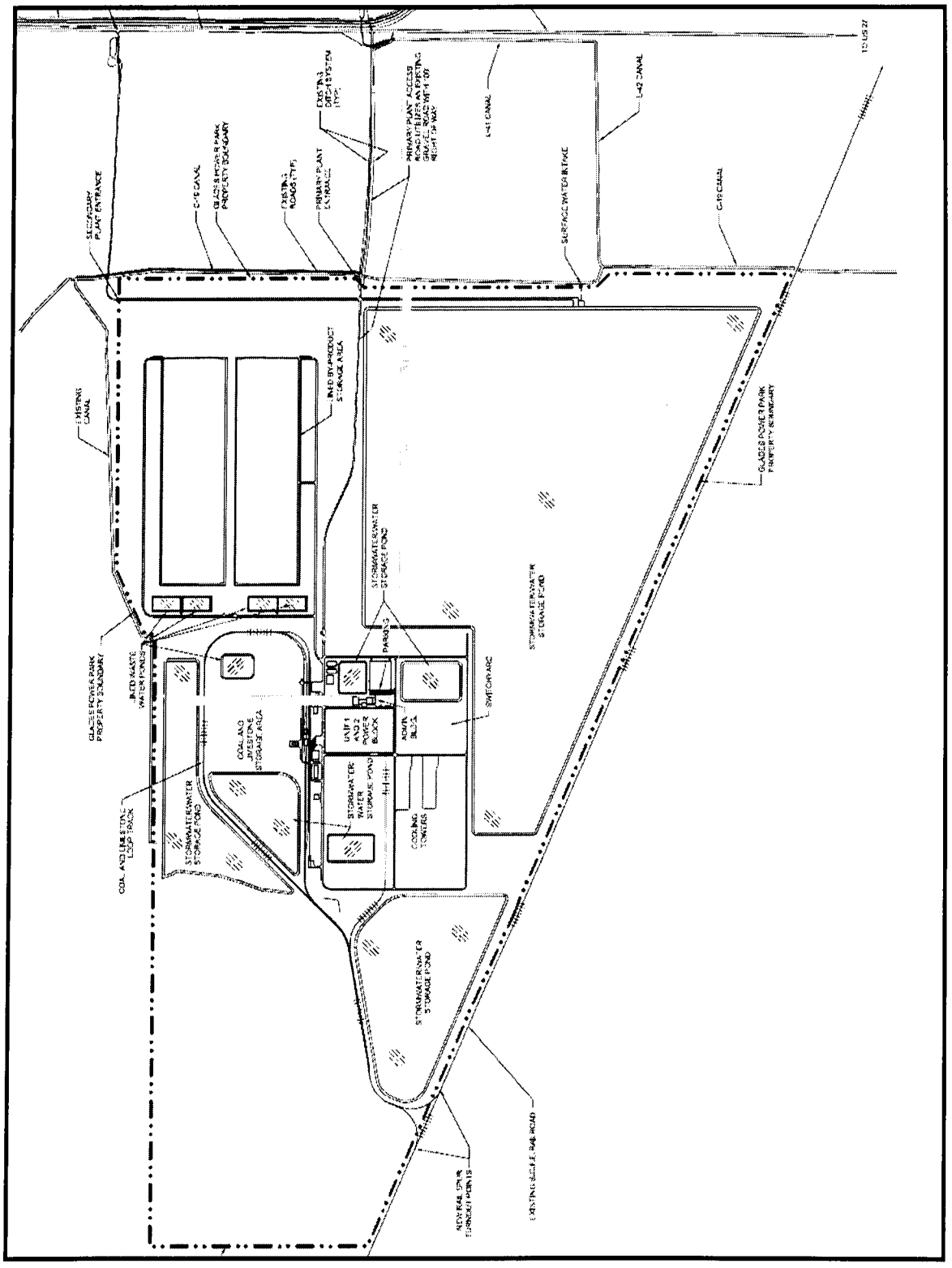

SCA BOUNDARY (220 ACRES)
CORBETT SUBSTATION
EXISTING TRANSMISSION CORRIDOR (FP&L ROW)
SFWMD STORAGE PONDS
L-8 CANAL
ALTERNATE INTAKE LOCATION
L-12 CANAL
C-51 CANAL
L-40 CANAL
INLET
INTAKE LOCATION
BAR SCALE
SITE LOCATION
SITE MAP
LEGEND:
FIRST PHASE (100 ACRES)
CONSTRUCTION AREA & SECOND PHASE
CONSTRUCTION AREA
PAVED AREAS
West County Energy Center Potential Site Layout

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APPROXIMATE SITE BOUNDARY
LAKE OKEECHOBEE
MOORE HAVEN
T 41 S
T 42 S
R 31 E
R 32 E
Cowbone Marsh
Fisheating Bay
CALUSA DELIMITED AREA
MOORE HAVEN DELIMITED AREA
SEE INSET "B"
SEE INSET "C"


FPL Glades Power Park
Site

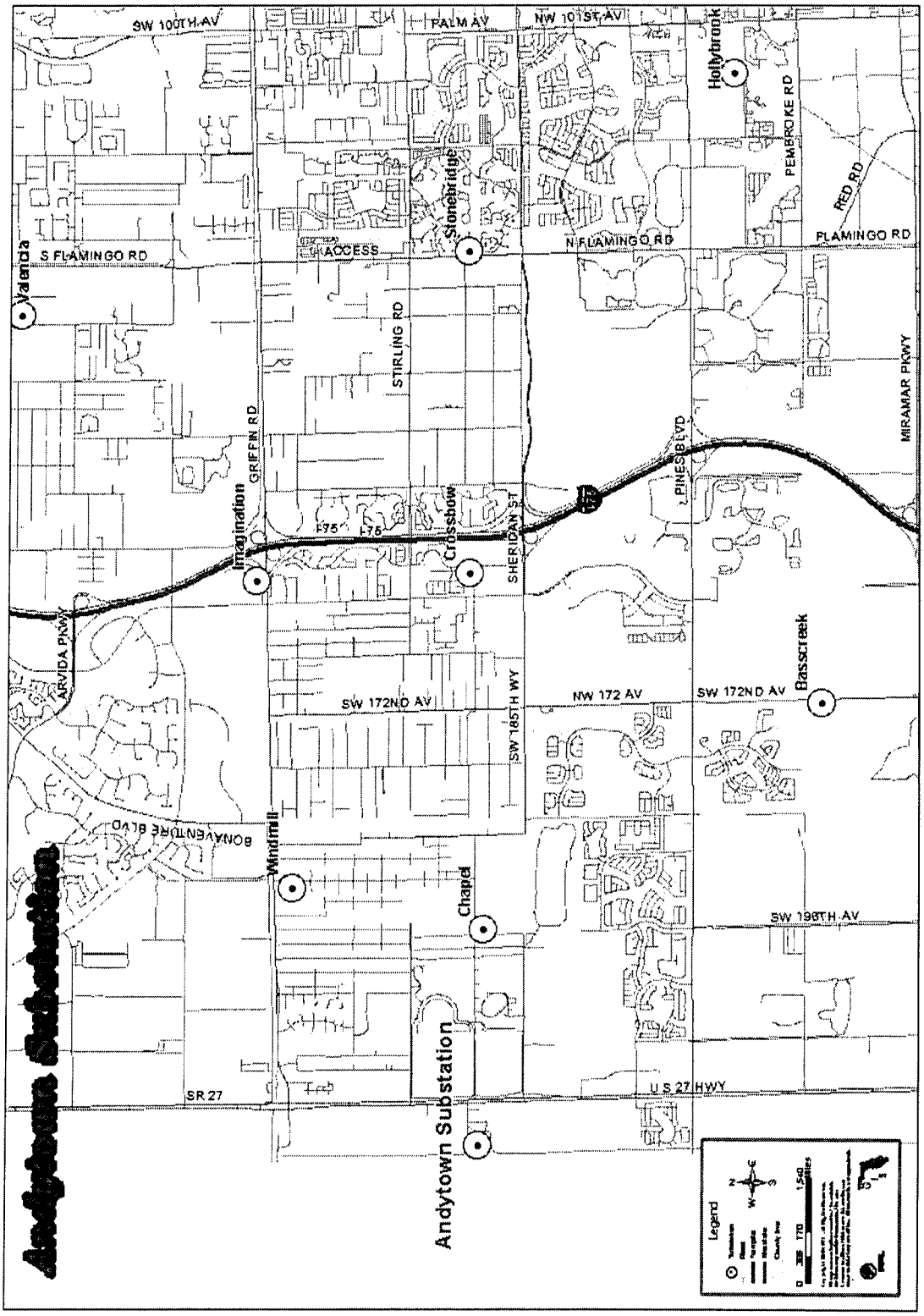

SECONDARY PLANT ENTRANCE
C-6 CANAL
GLADES POWER PARK PROPERTY BOUNDARY
EXISTING ROADS (TYP.)
PRIMARY PLANT ENTRANCE
PRIMARY PLANT ACCESS
L-41 CANAL
L-40 CANAL
SURFACE WATER INTAKE
C-10 CANAL
EXISTING CANAL
LINED BY-PRODUCT STORAGE AREA
STORMWATER STORAGE POND
PARKING
SWITCHYARD
UNIT 1 AND 2 POWER BLOCK
ADMIN. BLDG.
COOLING TOWERS
COAL AND LIMESTONE STORAGE AREA
BIO-WASTE WATER PONDS
COAL AND LIMESTONE UNLOADING
NEW RAIL SPUR
EXISTING SEABOARD RAILROAD

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Environmental and Land Use Information:
Supplemental Information

Potential Site: Andytown

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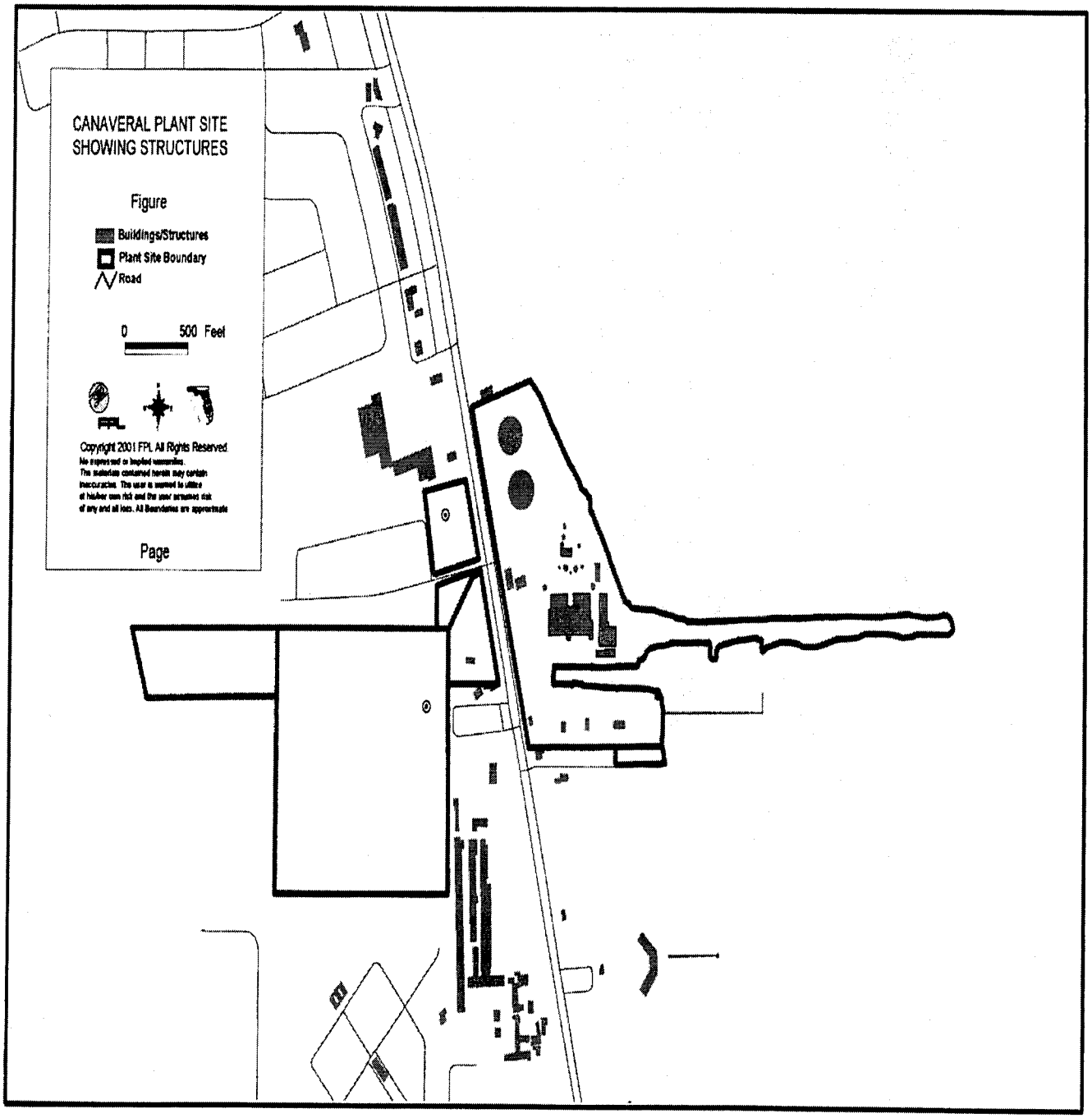

SW 100TH AV
PALM AV
NW 101ST AV
Hollybrook
PEMBROKE RD
RED RD
PLAMINGO RD
Stonebridge
ACCESS
N FLAMINGO RD
S FLAMINGO RD
Vanda
STIRLING RD
GRIFFIN RD
MIRAMAR PKWY
PINES BLVD
Imagination
I-595
I-75
Crossbow
SHERIDAN ST
ARVIDA PKWY
SW 172ND AV
NW 172 AV
SW 172ND AV
Bassctreek
SW 185TH WY
BONAVENTURE BLVD
Windmill
Chapel
SW 196TH AV
SR 27
Andytown Substation
U S 27 HWY
Legend

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Environmental and Land Use Information:
Supplemental Information

Potential Site: Cape Canaveral

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CANAVERAL PLANT SITE
SHOWING STRUCTURES
Figure
Buildings/Structures
Plant Site Boundary
Road
0 500 Feet
FPL
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Page

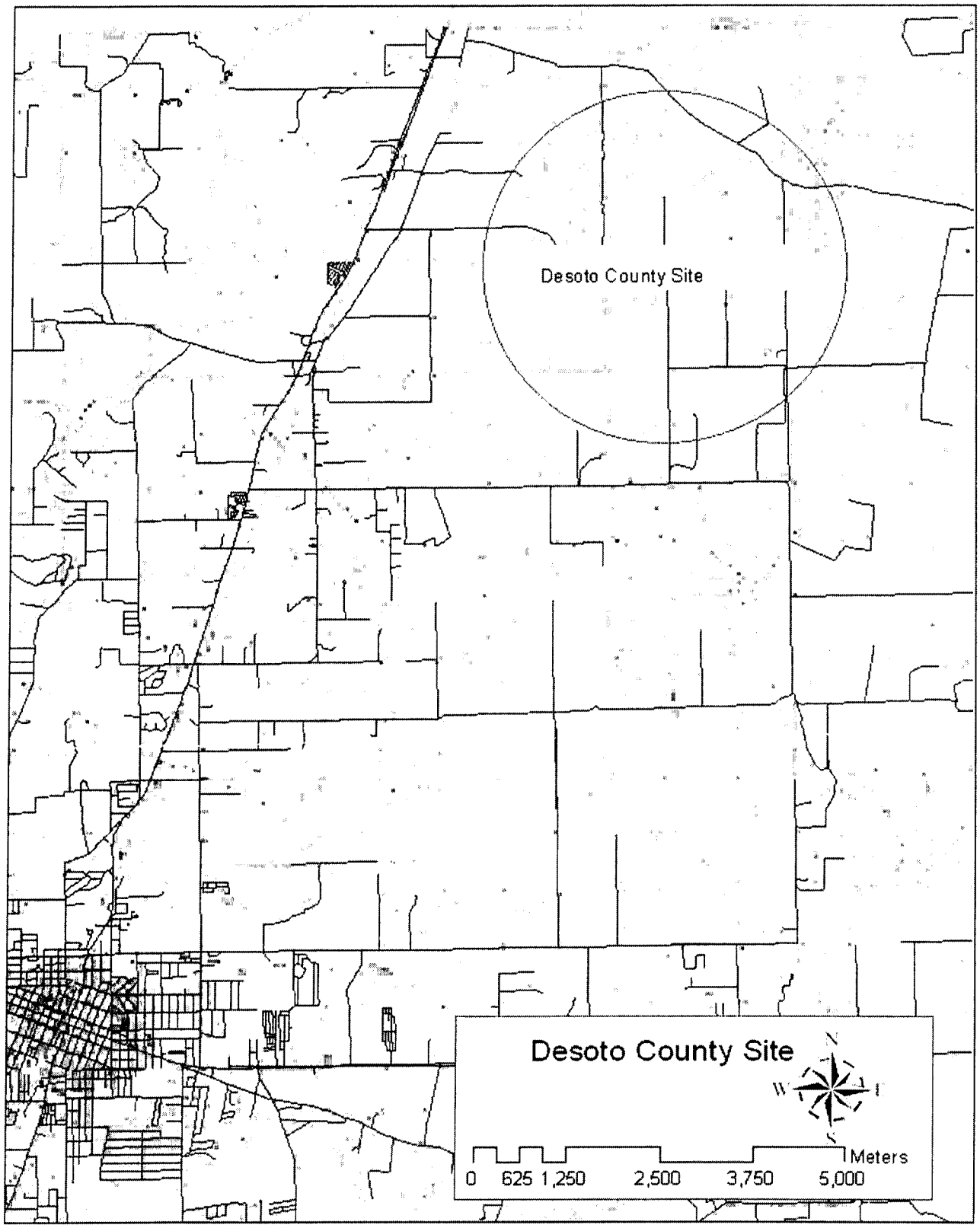
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Environmental and Land Use Information:

Supplemental Information

Potential Site: Desoto

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Desoto County Site
Desoto County Site
N
W
E
S
Meters
0 625 1,250 2,500 3,750 5,000

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Environmental and Land Use Information:
Supplemental Information

Potential Site: Ft. Myers

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FT. MEYERS PLANT SITE
SHOWING STRUCTURES
Figure
Buildings/Structures
Plant Site Boundary
Road
0
4000 Feet
FPL
Page
BAYSHORE RD
STATE HWY 31
Lee - Uninc.
PALM BEACH BLVD
ORANGE RIVER BLVD
Fort Myers

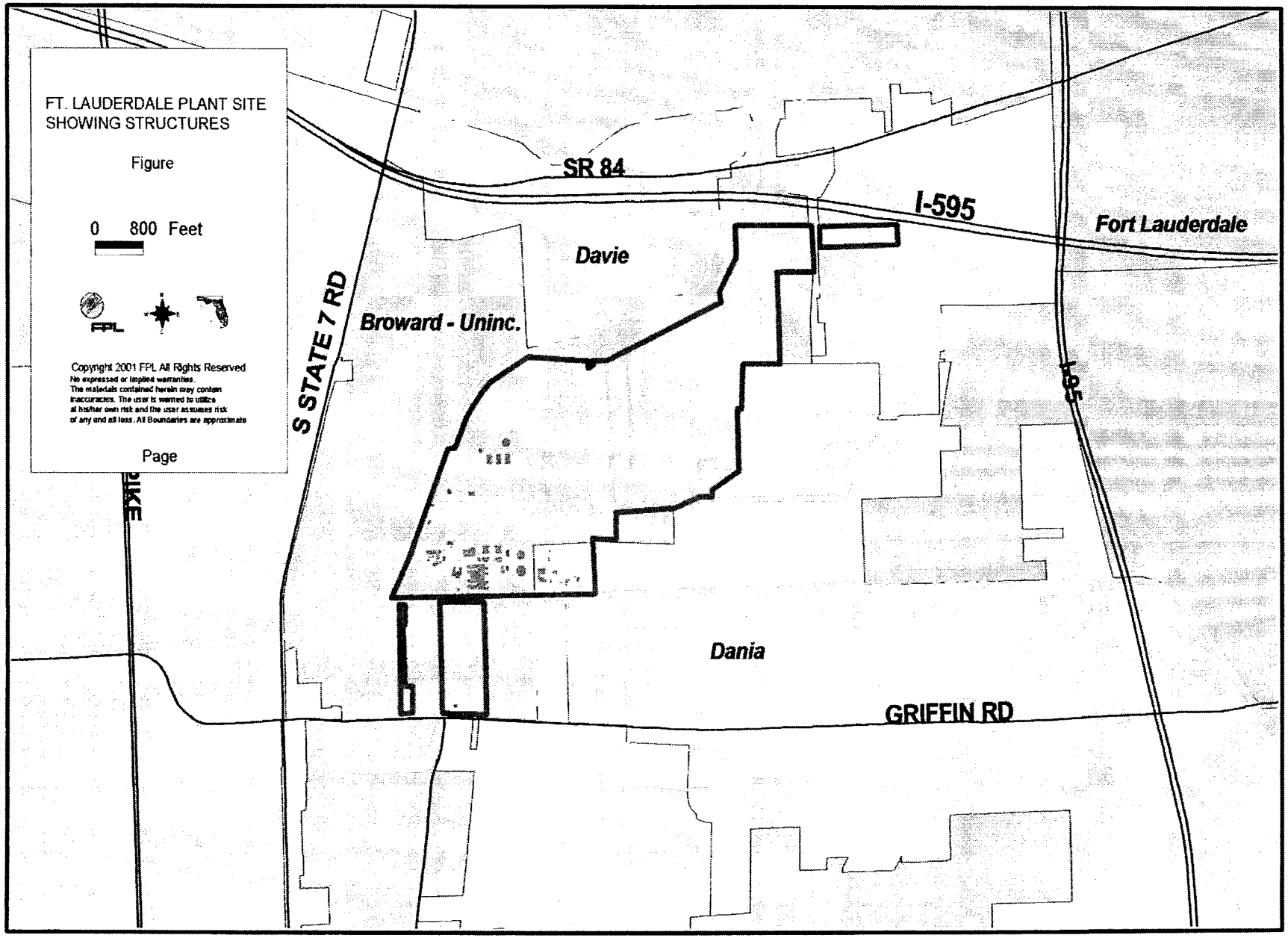
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Environmental and Land Use Information:

Supplemental Information

Potential Site: Lauderdale

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FT. LAUDERDALE PLANT SITE
SHOWING STRUCTURES
Figure
0 800 Feet
FPL
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of any and all loss. All Boundaries are approximate
Page
SR 84
I-595
Fort Lauderdale
Davie
Broward - Uninc.
S STATE 7 RD
I-95
Dania
GRIFFIN RD

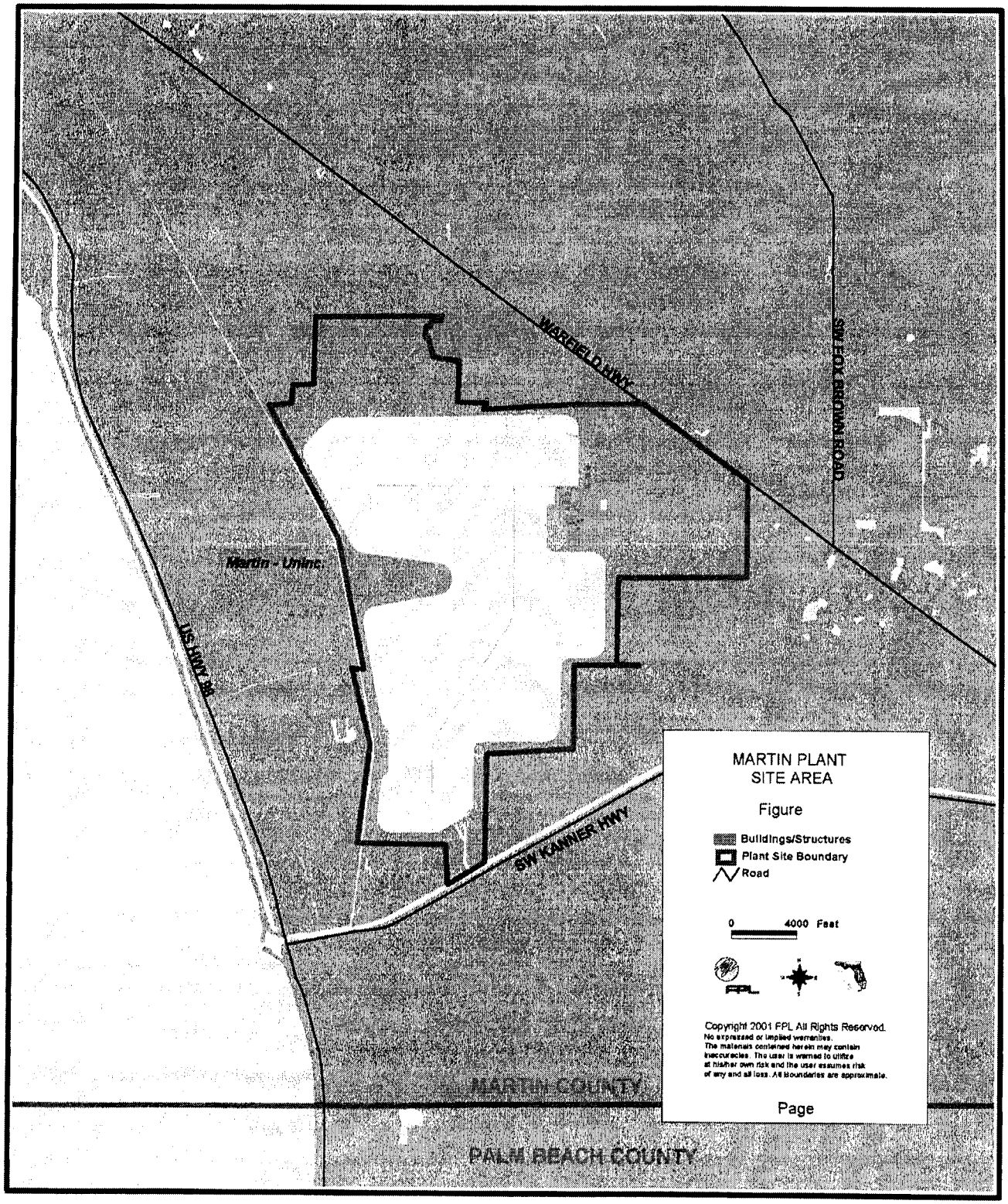
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Environmental and Land Use Information:

Supplemental Information

Potential Site: Martin

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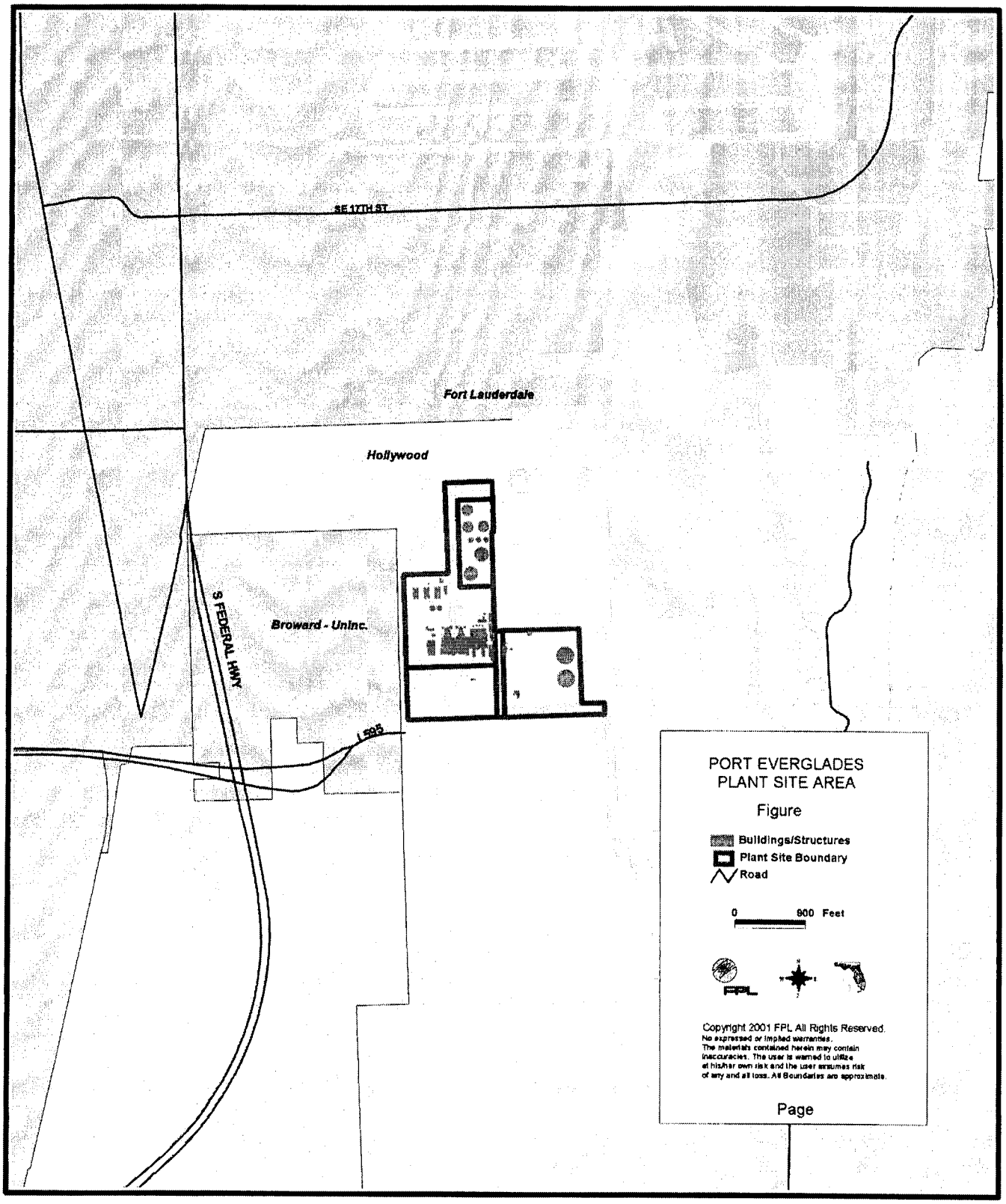

WARFIELD HWY.
SW FOX BROWN ROAD
Martin - Unit#1
US HWY 98
SW KANNER HWY
MARTIN COUNTY
PALM BEACH COUNTY
MARTIN PLANT
SITE AREA
Figure
Buildings/Structures
Plant Site Boundary
Road
0 4000 Feet
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of any and all loss. All boundaries are approximate.
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Environmental and Land Use Information:
Supplemental Information

Potential Site: Port Everglades

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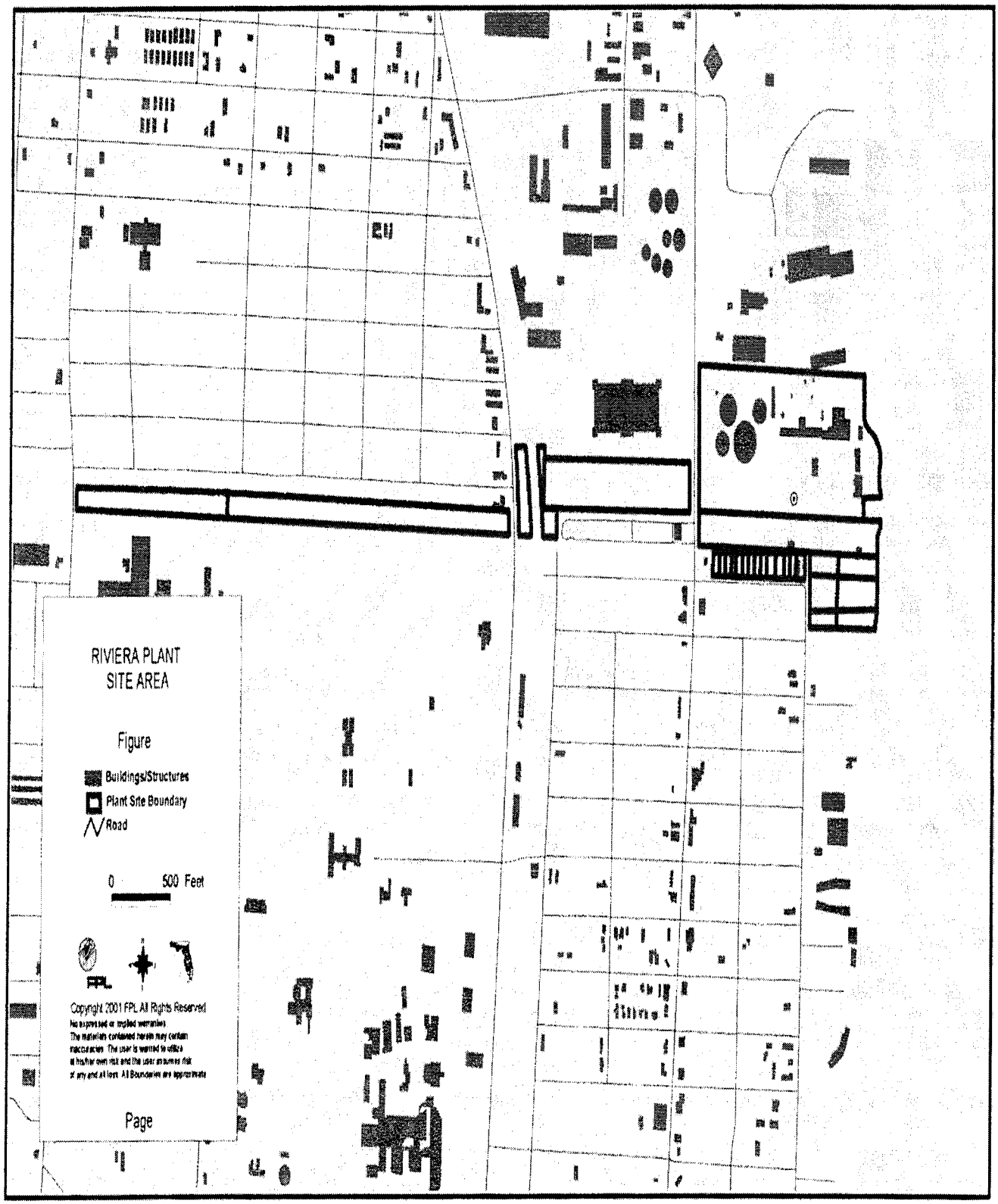

SE 17TH ST
Fort Lauderdale
Hollywood
Broward - Uninc.
S FEDERAL HWY
I 595
PORT EVERGLADES
PLANT SITE AREA
Figure
Buildings/Structures
Plant Site Boundary
Road
0
900 Feet
FPL
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Environmental and Land Use Information:
Supplemental Information

Potential Site: Riviera Plant

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RIVIERA PLANT
SITE AREA
Figure
Buildings/Structures
Plant Site Boundary
Road
0
500 Feet
FPL
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CHAPTER V

Other Planning Assumptions & Information

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Introduction

The Florida Public Service Commission (FPSC), in Docket No. 960111-EU, specified certain information that was to be included in an electric utility's Ten Year Power Plant Site Plan filing. Among this specified information was a group of 12 items listed under a heading entitled "Other Planning Assumptions and Information". These 12 items basically concern specific aspects of a utility's resource planning work. The FPSC requested a discussion or a description of each of these items.

These 12 items are addressed individually below as separate "Discussion Items".

Discussion Item # 1: Describe how any transmission constraints were modeled and explain the impacts on the plan. Discuss any plans for alleviating any transmission constraints.

FPL's resource planning work considers two types of transmission limitations/constraints. External limitations deal with FPL's ties to its neighboring systems. Internal limitations deal with the flow of electricity within the FPL system.

The external limitations are important since they affect the development of assumptions for the amount of external assistance which is available to the FPL system and the amount and price of economy energy purchases. Therefore, these external limitations are incorporated both in the reliability analysis and economic analysis aspects of resource planning. The amount of external assistance which is assumed to be available is based on the projected transfer capability to FPL from outside its system as well as historical levels of available assistance. In its reliability analyses, FPL models this amount of external assistance as an additional generator within FPL's system which provides capacity in all but the peak load months. The assumed amount and price of economy energy are based on historical values and projections from production costing models.

Internal transmission limitations are addressed by identifying potential geographic locations for potential new units that may not adversely impact such limitations. The internal transmission limitations are also addressed by developing the direct costs for siting new units at different locations and by evaluating the cost impacts created by the new unit/unit location combination on the operation of existing units in the FPL system. Both site- and system-related transmission costs are developed for each different unit/unit location option or groups of options.

FPL's annual transmission planning work determines transmission additions needed to address limitations and to maintain/enhance system reliability. FPL's planned transmission facilities to interconnect and integrate FPL's resource plans and those that must be certified under the Transmission Line Siting Act are presented in Section III.E.

Discussion Item # 2: Discuss the extent to which the overall economics of the plan were analyzed. Discuss how the plan is determined to be cost-effective. Discuss any changes in the generation expansion plan as a result of sensitivity tests to the base case load forecast.

FPL typically performs economic analyses of competing resource plans using as an economic criterion FPL's levelized system average electric rates (i.e., a Rate Impact Measure or RIM approach). In addition, for analyses in which DSM levels are not changed, FPL uses the equivalent criterion of the cumulative present value of revenue requirements for the FPL system.[4]

In its 2006 reserve planning work, FPL utilized an updated load forecast. No sensitivity tests to this updated load forecast were utilized.

[4] FPL's basic approach in its resource planning work is to base decisions on a lowest electric rate basis. However, when DSM levels are considered a "given" in the analysis, the lowest rate basis and the lowest system revenue requirements basis are identical. In such cases FPL evaluates options on the simpler – to – calculate (but equivalent) lowest system revenue requirements basis.

Discussion Item # 3: Explain and discuss the assumptions used to derive the base case fuel forecast. Explain the extent to which the utility tested the sensitivity of the base case plan to high and low fuel price scenarios. If high and low fuel price sensitivities were performed, explain the changes made to the base case fuel price forecast to generate the sensitivities. If high and low fuel price scenarios were performed as part of the planning process, discuss the resulting changes, if any, in the generation expansion plan under the high and low fuel price scenario. If high and low fuel price sensitivities were not evaluated, describe how the base case plan is tested for sensitivity to varying fuel prices.

The basic assumptions FPL used in deriving its fuel price forecasts are discussed in Chapter III of this document. FPL's 2006 resource planning work utilized four different fuel cost forecasts (and four different environmental compliance cost forecasts). A detailed discussion of these forecasts, and their impacts on the generation expansion plan, are presented in FPL's Petition To Determine Need for FPL's Glades Power Park Units #1 and #2 Electrical Power Plant filed February 1, 2007.

Discussion Item # 4: Describe how the sensitivity of the plan was tested with respect to holding the differential between oil/gas and coal constant over the planning horizon.

As described above in the answer to Discussion Item #3, FPL used four fuel forecasts in the comparative economic analysis of clean coal generation. While these forecasts did not represent a constant cost differential between oil/gas and coal, four different costs differentials were represented in these forecasts.

Discussion Item # 5: Describe how generating unit performance was modeled in the planning process.

The performance of existing generating units on FPL's system was modeled using current projections for scheduled outages, unplanned outages, capacity output ratings, and heat rate information. Schedule 1 and Schedule 8 present the current and projected capacity output ratings of FPL's existing units. The values used for outages and heat rates are generally consistent with the values FPL has used in planning studies in recent years.

In regard to new unit performance, FPL utilized current projections for the capital costs, fixed and variable operating & maintenance costs, capital replacement costs, construction schedules, heat rates, and capacity ratings for all construction options which were considered in the resource planning work. A summary of this information for the new capacity options FPL projects to add over the planning horizon is presented on the Schedule 9 forms.

Discussion Item # 6: Describe and discuss the financial assumptions used in the planning process. Discuss how the sensitivity of the plan was tested with respect to varying financial assumptions.

The key financial assumptions used in FPL's most recent resource planning work were a 44.2% debt and 55.8% equity FPL capital structure, projected debt cost of 7.2%, and an equity return of 12.3%. These assumptions resulted in a weighted average cost of capital of 10.05% and an after-tax discount rate of 8.82%. FPL did not test the sensitivity of its resource plan to varying financial assumptions.

Discussion Item # 7: Describe in detail the electric utility's Integrated Resource Planning process. Discuss whether the optimization was based on revenue requirements, rates, or total resource cost.

FPL's integrated resource planning (IRP) process is described in detail in Chapter III of this document.

The standard basis for comparing the economics of competing resource plans in FPL's basic IRP process is the impact of the plans on FPL's electricity rate levels with the intent of minimizing FPL's levelized system average rate (i.e., a Rate Impact Measure or RIM approach). As discussed in response to Discussion Item #2, both the electricity rate

perspective and the cumulative present value of system revenue requirement perspective are identical when DSM levels are unchanged between competing plans. Therefore, in planning work in which DSM levels were unchanged, the equivalent cumulative present value of revenue requirements perspective was utilized.

Discussion Item # 8: Define and discuss the electric utility's generation and transmission reliability criteria.

FPL uses two system reliability criteria in its resource planning work. One of these is a minimum 20% Summer and Winter reserve margin. The other reliability criterion is a maximum of 0.1 days per year loss-of-load-probability (LOLP). These reliability criteria are discussed in Chapter III of this document.

In regard to transmission reliability, FPL has adopted transmission planning criteria that are consistent with the planning criteria established by the Florida Reliability Coordinating Council (FRCC). The FRCC has adopted transmission planning criteria that are consistent with the reliability standards established by the North American Electric Reliability Council (NERC) in its *Reliability Standards*. FPL has applied these planning criteria in a manner consistent with prudent utility practice. The *NERC Reliability Standards* are available on the internet (http://www.nerc.com).

In addition, FPL has developed a *Facility Connection Requirements* (FCR) document as well as a *Transmission Facility Rating Methodology* document that are also available on the internet (http://floasis.siemens-asp.com/OASIS/FPL/INFO.HTM).

The normal voltage criteria for FPL stations is given below:

Voltage Level (kV)	Vmin (p.u.)	Vmax (p.u.)
69, 115, 138	0.95/0.95	1.05/1.07
230	0.95/0.95	1.06/1.07
500	0.95/0.95	1.07/1.09

There may be isolated cases for which FPL may determine it prudent to deviate from the general criteria stated above. The overall potential impact on customers and the probability of an outage actually occurring, as well as other factors, would influence the decision in such cases.

Discussion Item # 9: Discuss how the electric utility verifies the durability of energy savings for its DSM programs.

The impact of FPL's DSM Programs on demand and energy consumption is revised periodically. Engineering models, calibrated with field-metered data, are updated when significant efficiency changes occur in the marketplace. Participation trends are tracked for all of the FPL DSM programs in order to adjust impacts each year for changes in the mix of efficiency measures being installed by program participants.

Survey data is collected from non-participants in order to establish the baseline efficiency. Participant data is compared against non-participant data to establish the demand and energy saving benefits of the utility program versus what would be installed in the absence of the program. Finally, FPL is careful to claim only program savings for the average life of the installed efficiency measure. For these DSM measures which involve the utilization of load management, FPL conducts periodic tests of the load control equipment to ensure that it is functioning correctly.

Discussion Item # 10: Discuss how strategic concerns are incorporated in the planning process.

Among the strategic factors FPL typically considers when choosing between resource options are the following: (1) fuel diversity; (2) technology risk; (3) environmental risk, and (4) site feasibility. The consideration of these factors may include both economic and non-economic aspects.

Fuel diversity relates to two concepts, the diversity of sources of fuel (e.g., coal vs. oil vs. natural gas), and the diversity of supply for a single fuel source (for example alternative pipeline suppliers for natural gas). All other factors being equal, supply options that increase diversity in fuel source and/or supply would be favored over those that do not.

Technology risk is an assessment of the relative maturity of competing technologies. For example, a prototype technology which has not achieved general commercial acceptance has a higher risk than a technology in wide use and, therefore, is less desirable.

Environmental risk is an assessment of the relative environmental acceptability of different generating technologies and their associated environmental impacts on the FPL system,

including environmental compliance costs. Technologies regarded as more acceptable from an environmental perspective for a plan are those which minimize environmental impacts through highly efficient fuel use and state of the art controls (e.g., advanced technology coal technologies versus conventional pulverized coal).

Site feasibility assesses a wide range of economic, regulatory, and environmental factors related to successfully developing and operating the specified technology at the site in question. Projects that are more acceptable have sites with few barriers to successful development.

All of these factors play a part in FPL's planning and decisions, including its decisions to construct capacity or to purchase power.

Discussion Item # 11: Describe the procurement process the electric utility intends to utilize to acquire the additional supply-side resources identified in the electric utility's ten-year site plan.

As has been previously discussed, elements of FPL's capacity additions include the construction of new generating capacity at an existing site; Turkey Point and at a new site; West County Energy Center. These generation construction projects were selected after evaluating competing bids received in response to Requests for Proposals (RFP) issued by FPL. The FPSC subsequently approved FPL's decision to construct these new combined cycle units in Determination of Need dockets.

In 2006 FPL sought, and was granted by the FPSC, a waiver from the RFP requirement of the Bid Rule in order to seek approval for advanced technology coal generation as early as possible. FPL filed its Need petition for two advanced technology coal units with the FPSC on February 1, 2007.

The construction capacity addition decisions projected in this document for 2015 and beyond are expected to be conducted in a manner consistent with the Commission's Bid Rule.

Identification of self-build options beyond those units already approved by the FPSC and Governor and Siting Board, or units for which FPL is currently seeking approval, in FPL's Site Plan is not an indication that FPL has pre-judged any capacity solicitation it may conduct. The identification of future capacity units is required of FPL and represents those

alternatives that appear to be FPL's best, most cost-effective self-build options at this time. FPL reserves the right to refine its planning analyses and to identify other self-build options. Such refined analyses have the potential to yield a variety of self-build options, some of which might not require an RFP. If an RFP is issued for supply-side resources, FPL reserves the right to choose the best alternative for its customers, even if that option is not an FPL self-build option.

Discussion Item # 12: Provide the transmission construction and upgrade plans for electric utility system lines that must be certified under the Transmission Line Siting Act (403.52 – 403.536, F. S.) during the planning horizon. Also, provide the rationale for any new or upgraded line.

(1) FPL has identified the need for a new 230kV transmission line (by December 2008) that requires certification under the Transmission Line Siting Act. The new line will connect FPL's St. Johns Substation to FPL's proposed Pringle Substation (also shown on Table III.E.1). The construction of this line is necessary to serve existing and future customers in the Flagler and St. Johns areas in a reliable and effective manner.

(2) FPL has identified the need for a new 230kV transmission line (by December 2011) that requires certification under the Transmission Line Siting Act. The new line will connect FPL's Manatee Substation to FPL's proposed BobWhite Substation (also shown on Table III.E.1). The construction of this line is necessary to serve existing and future customers in the Manatee and Sarasota areas in a reliable and effective manner.

(3) Additionally, FPL has identified the need for a new 230kV transmission line (by June 2012) that requires certification under the Transmission Line Siting Act. The new line will connect a future FPL substation in the Grove Area (TBD) to FPL's Sweatt Substation (also shown on Table III.E.1). The construction of this line is necessary to serve existing and future customers in the Okeechobee and St. Lucie areas in a reliable and effective manner.

CONTRACT FOR THE PURCHASE OF

FIRM CAPACITY AND ENERGY

between

---

and

FLORIDA POWER & LIGHT COMPANY

dated as of

_____, ___

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THIS CONTRACT is made and entered as of the __th day of _____, ____, by and between _____ ("Seller"), a _____ organized and existing under the laws of the State of _____ , having its principal place of business in _____, _____, and FLORIDA POWER & LIGHT COMPANY ("FPL"), a corporation organized and existing under the laws of the State of Florida, having its principal place of business in Juno Beach, Florida. Seller and FPL shall collectively herein be called the "Parties" and each may be individually identified herein from time to time as a "Party".

WITNESSETH:

WHEREAS, Seller will construct and be the owner and operator of an independent power production facility; and

WHEREAS, Seller desires to sell, and FPL desires to purchase, electricity to be generated by such facility;

NOW, THEREFORE, for mutual consideration, the Parties agree as follows:

1.0 DEFINITIONS; RULES OF CONSTRUCTION

1.1 **Definitions:** When used herein with initial or complete capitalization, whether in the singular or in the plural, the following terms shall have the following defined meanings; however, such defined terms shall not apply except as otherwise specified therein to Appendix D.

"**After-Tax Basis**" - shall mean, with respect to any payment to be received by any Party, the amount of such payment (the base payment) supplemented by a further payment (the additional payment) to that Party so that the sum of the base payment plus the additional payment shall, after deduction of the amount of all Federal, state and local Taxes required to be paid by such Party in respect of the receipt or accrual of the base payment and the additional payment (taking into account the net present value of any reduction in such Taxes resulting from Tax benefits realized by the recipient as a result of the payment or the event giving rise to the payment), be equal to the amount required to be received. Such calculations shall be made on the basis of the highest generally applicable Federal, state and local Tax rates applicable to the corporation for whom the calculation is being made for all relevant periods, and shall take into account the deductibility of state and local Taxes for Federal Income Tax purposes.

"Ancillary Services" – all commercial products produced by or related to the Facility, including spinning reserves, operating reserves, black start capability, black stop capability, balancing energy, reactive power, regulation service, emissions credits (including NOx, SO2, and CO2 credits), renewable energy credits, any other environmental or regulatory credits or allowance resulting from operation of the Facility or any similar benefit FPL otherwise would have realized from or related to the Facility if FPL rather than Seller had constructed, owned or operated the Facility.

"Annual Capacity Factor" or "ACF" – the arithmetic average of the last twelve Monthly Capacity Factors, expressed as a percentage. Until the first twelve Months of Monthly Capacity Factors of the Contract Term have been calculated, the arithmetic average of the Monthly Capacity Factors to date shall be used as the Annual Capacity Factor.

"Annual Peak Capacity Factor" or "APCF" – the sum of the last twelve Monthly Weighted Peak Capacity Factors, expressed as a percentage. Until the first twelve months of Monthly Peak Capacity Factors of the Contract Term have been calculated, the arithmetic average of the Monthly Peak Capacity Factors to date shall be used as the Annual Peak Capacity Factor.

"Applicable Laws" – any and all federal, state, regional or local statutes, laws, municipal charter provisions, regulations, ordinances, rules, mandates, judgments, orders, decrees, Governmental Approvals, codes, licenses or permit requirements or other governmental requirements or restrictions, or any interpretation or administration of any of the foregoing by any governmental authority, that apply to the facilities, services or obligations of either Party under this Contract, whether now or hereafter in effect.

"Assignment of Firm TSA" – *[the Assignment of Firm TSA, to be entered into by and between Seller [, Seller's third-party transmission provider,] and FPL.]*

"Associated Facility" – as defined in Section 403.503 (12), Florida Statutes.

"Automatic Generation Control" or "AGC" – procedures and equipment which automatically adjust a control area's generation to maintain its net interchange schedule plus frequency bias.

"Available Capacity" or "AC" – The Continuous Capability less all Unscheduled Outages and Scheduled Reductions, expressed in the nearest whole megawatt ("MW") quantities, which shall be reported by Seller pursuant to Section 13.9. Available Capacity shall never be greater than Committed Capacity.

"Back-up Fuel" – *[No. 2 low-sulphur fuel oil].*

"Base Operation Mode" – the mode of operation which, under normal circumstances, achieves net generation levels in a range from minimum hourly net generation to maximum hourly net generation which can be obtained from the Facility while under FPL control. Base Operation Mode generation levels can be maintained for sustained periods without operating difficulties taking into account reference conditions (i.e., summer conditions). The maximum hourly net generation for the Base Operation Mode corresponds to the high generation limit set into the AGC by Seller under normal conditions. The minimum hourly net generation for the Base Operation Mode corresponds to the low generation limit set into the AGC by Seller under normal conditions.

"Business Day" - any Day on which Federal Reserve Member Banks in Miami, Florida are open for business. A Business Day shall begin at 0800 Eastern Prevailing Time "EPT" and end at 1700 EPT.

"Capacity" – net electrical power, in MW, generated by the Facility and delivered to or available for FPL's system at the Receipt Point.

"Capacity Billing Factor" or "CBF" – the product of the Annual Capacity Factor and 0.4 plus the product of the Annual Peak Capacity Factor and 0.6 (i.e., CBF = (0.4 * ACF) + (0.6 * APCF)). For purposes of determining the Capacity Billing Factor, neither the Annual Capacity Factor nor the Annual Peak Capacity Factor shall be greater than one hundred percent (100%).

"Capacity Delivery Date" – the date on which the Facility begins delivering Available Capacity hereunder, which shall be the later of (a) the Scheduled Capacity Delivery Date, (b) the calendar day immediately following the date of successful completion of the Initial Test in accordance with Section 9.0 as demonstrated by written test results and reports certified by a responsible officer of Seller and confirmed by FPL, or (c) the date on which the other conditions set forth in Section 9.1 shall have been satisfied.

"Capacity Test" – the Initial Test and each other test as described in Section 9.0 that is performed by Seller to determine the Continuous Capability and the incremental Capacity associated with each applicable mode of operation above the Base Operation Mode included in Appendix A of this Contract. *[Insert other modes of operation from Proposer's submission.]*

"Commencement Date" – the date on which both Parties shall have executed and delivered this Contract.

"Commit" or "Commitment" – to initiate (or the initiation of) the start-up sequence of the Facility at FPL's request.

"Committed Capacity" or "CC" – the firm Capacity of the Facility associated with the Base Operation Mode at Reference Conditions using the correction curves provided in the Test Protocol, equal to ___MW. *[Insert Guaranteed Firm Capacity associated with Base Operation at Reference Conditions from Proposer's submission.]*

"Completion Security" – the security provided by or on behalf of Seller for the benefit of FPL pursuant to Section 4.1.

"Completion Security Amount" – the aggregate amount of Completion Security, equal to [_____ Dollars ($_____)] *[Insert amount equal to the product of the Committed Capacity (in kW) multiplied by Two Hundred Eighty Nine Dollars ($289.00) per kW].*

"Completion Security Liquid Amount" – the amount of Completion Security required to be satisfied through Liquid Security, equal to (i) the Completion Security Amount, minus (ii) the Seller Credit Limit, provided however, that the Completion Security Liquid amount shall be, at a minimum, ten percent (10%) of the Completion Security Amount if the entity providing credit support has a Credit Rating of BBB/Baa2 or lower. The Completion Security Liquid Amount shall be adjusted, if necessary, quarterly, within five (5) Days of the issuance of quarterly financial statements of Seller or Seller's Guarantor and within five (5) Days of a change in the Seller's or Seller's Guarantor's, as applicable, Credit Rating, in any such case to reflect any adjustment in the Seller's Credit Limit.

"Continuous Capability" – the highest sustained net Capacity associated with the maximum hourly net generation Base Operation Mode at which the Facility can operate consistent with Environmental Requirements without exceeding the design operating conditions, temperatures, pressures, etc. defined by the applicable manufacturer(s), as determined by a Capacity Test pursuant to Section 9.0.

"Contract" – this Contract for the Purchase of Firm Capacity and Energy, which is comprised of Sections 1.0 through 24.0 and Appendices A through P.

"Contract Term" – has the meaning given thereto in Section 2.4.

"Contract Year" – the twelve Monthly Billing Periods preceding each anniversary of the first day of the first full Monthly Billing Period following the Capacity Delivery Date.

"CPM Schedule" – the detailed, integrated schedule for the development, permitting, design, engineering, procurement, construction, testing and completion of the Facility, using the "critical path management" method, attached hereto as Appendix P, as revised from time to time as provided herein.

"Credit Limit" – the amount, in United States Dollars, equal to the percentage of an entity's Tangible Net Worth corresponding to its Credit Rating from time to time, as set forth below:

Credit Rating (S&P/Moody's)	Percent (%) of Tangible Net Worth
AAA+/Aaa1 to AA-/Aa3	20%
A+/A1 to A-/A3	15%
BBB+/Baa1 to BBB-/Baa3	10%
BB+/Ba1 and below or unrated	0%

"Credit Rating" –the credit rating assigned to an entity's unsecured debt (or the issuer rating if an unsecured rating is not available) by Standard & Poor's ("S&P"), a division of The McGraw-Hill Companies, Inc. or the equivalent rating assigned by Moody's Investors Service ("Moody's). In the event an entity is assigned a rating by both S&P and Moody's and one rating is lower than the other, the lower rating will be considered the "Credit Rating" of such entity.

"Decommit", "Decommitting" or "Decommitment" – to initiate (or the initiation of) the shutdown sequence of the Facility at FPL's request.

"Deferred Governmental Approvals" – those Governmental Approvals, including Environmental Licenses, which are required under Applicable Law for Seller to own, operate, or maintain the Facility, but which cannot be obtained under Applicable Law prior to the Capacity Delivery Date, all of which Governmental Approvals are listed on Appendix B.

"Determination of Need" – a determination made by the FPSC under Section 403.519, Florida Statutes, that there is a need for the Facility.

"Dispatch and Control Rights" – the absolute and sole right of FPL in any manner, for any reason it deems appropriate, or for no reason at all, in FPL's unfettered discretion, solely in FPL's own interest, without regard to Seller's interest, and without any liability or obligation in connection therewith, (a) to Commit and Decommit the Facility and (b) through supervisory equipment (e.g., AGC) or otherwise, to control the Capacity and Energy output of the Facility pursuant to this Contract, subject only to the Facility Operating Capabilities. These rights also extend to control of the reactive power output of the Facility, voltage, frequency and other characteristics of such Energy output, including all Ancillary Services. FPL's exercise of its Dispatch and Control Rights as defined herein shall not give rise to any liability on the part of FPL, including any claim for breach of contract and/or for breach of any covenant of good faith and fair dealing.

"Energy" – electrical energy in MWh generated by the Facility and delivered to FPL at the Receipt Point.

"Environmental License/Licensing" – any and all Governmental Approvals applicable to the Facility, the Facility Site, or Associated Facility relating to environmental protection, natural resource protection, land use or zoning.

"Environmental Requirements" – any and all requirements applicable to the Facility, the Facility Site, or Associated Facility under any Environmental License or any Applicable Laws relating to environmental protection, natural resource protection, land use or zoning.

"Event of Default" – for Seller, any of those occurrences specified in Section 19.1 and, for FPL, any of those occurrences specified in Section 19.2.

"Facility" – *[Insert description of Proposer's facility.]*

"Facility Operating Capabilities" – certain operating capabilities of the Facility which shall be available to FPL pursuant to this Contract as set forth in Appendix F. *[To include, among other things, types of information in Proposer's submission.]*

"Facility Site" – the real property described in Appendix K.

"FERC" – the Federal Energy Regulatory Commission and any successor thereto.

"Final Capacity Delivery Date" – 6 months after unit in-service date (e.g., December 1, 2011 for unit with June 1, 2011 in-service date.)

"Firm TSA" – the agreement between Seller and Seller's third-party transmission provider entered into pursuant to Section 10.3.1 for firm point-to-point transmission service on a third party system to deliver all Capacity and Energy required to be provided by Seller hereunder to the Receipt Point by Seller pursuant to this Contract.

"Force Majeure" – an event or circumstance that is not reasonably foreseeable, is beyond the reasonable control of and is not caused by the negligence or lack of due diligence of the affected Party or its contractors or suppliers. Such events or circumstances may include, but are not limited to, actions or inactions of civil or military authority (including Governmental Authority); acts of God; war, riot or insurrection; blockades; embargoes; sabotage; epidemics; explosions and fires not originating in the Facility or caused by its operation; hurricanes; floods; general strikes, lockouts or other labor disputes or difficulties affecting the electric power industry or the State of Florida generally (and excluding, for avoidance of doubt, strikes, lockouts or other labor disputes or difficulties located solely at the Facility or Facility Site or solely with respect to Seller or its affiliates or Seller's vendors, suppliers or contractors). Force Majeure shall not include normal climatic conditions (including normal inclement weather) affecting construction, testing, start-up, operation or maintenance of the Facility or related facilities, equipment breakdown (or inability to use equipment) caused by its design, engineering, construction, operation, or maintenance, or otherwise caused by an event originating at the Facility, or the inability of Seller, for any reason to obtain or maintain adequate transmission service or inability of Seller or the Facility to meet the requirements of Applicable Law, to obtain required environmental allowances, offsets or credits, or to obtain, maintain, or comply with all Governmental Approvals required under Applicable Law, including Environmental Requirements and Environmental Licenses (whether such Applicable Law is in effect on the Commencement Date or is subsequently amended, modified, enacted, or promulgated). Seller's failure to perform during hurricane conditions shall not be excused as Force Majeure in the event Seller has not acted in a diligent and prudent manner to adopt and/or implement a hurricane

preparedness plan. In addition, interruption in supply or transportation of fuel to the Facility shall not be considered Force Majeure except to the extent caused by an event that otherwise would constitute Force Majeure hereunder.

"Force Majeure Aggregate Allowance" – has the meaning given thereto in Section 19.3.

"FPL Control" – FPL's Dispatch and Control Rights with respect to Committing and Decommitting the Facility and controlling the Capacity and Energy output of the Facility.

"FPL Entities" – FPL, its parent, present and future subsidiaries and affiliated entities and any other entity which directly or indirectly controls, is controlled by or under common control with any of the foregoing, and each of their respective officers, directors, employees, and agents.

"FPL's Avoided Cost" – the "Standard Rate for Purchase of As-Available Energy from Qualifying Cogeneration and Small Power Production Facilities," as described in Appendix A of FPL's COG-1 Tariff and as calculated each hour for the Power Production Pricing Area corresponding to the Receipt Point.

"FPL's Cost of Cover" – has the meaning given thereto in Section 19.6.

"FPL's Lien" – has the meaning given thereto in Section 5.2.

"FPSC" – the Florida Public Service Commission and any successor thereto.

"FRCC" – the Florida Reliability Coordinating Council and any successor thereto.

"Fuel" – Primary Fuel or Back-up Fuel, as applicable.

"Fuel Contracts" – has the meaning given thereto in Section 13.5.

"GAAP" – generally accepted accounting principles in the United States.

"Good Engineering and Operating Practices" – generally accepted and sound electric utility generation industry practices, methods and acts applicable to similarly situated regulated electric utility owned generation facilities in the United States which at a particular time, in the exercise of reasonable judgment in light of the facts known or that reasonably should be known at the time a decision is made, would be expected to accomplish the desired result in a manner consistent with Applicable Laws, reliability, safety, environmental protection, economy and expedition. With respect to the Facility, Good Engineering and Operating Practices include, but are not limited to, taking reasonable steps to ensure that:

(a) Adequate materials, equipment redundancy, spare parts, resources and supplies, including Fuel in sufficient reliable volumes and quality, are available to meet the Facility's needs under normal conditions and reasonably anticipated abnormal conditions;

(b) Sufficient qualified operating, maintenance and supervisory personnel are available and adequately experienced and trained to operate, maintain and supervise the Facility properly, efficiently and within manufacturer's guidelines and specifications and are capable of responding to emergency conditions;

(c) Preventive, routine and non-routine maintenance and repairs are performed on a basis that ensures reliable long-term and safe operation, and are performed by knowledgeable, trained and experienced personnel utilizing proper equipment, tools and procedures;

(d) Appropriate monitoring and testing are done periodically to ensure that equipment and systems are functioning as designed and to provide assurance that equipment and systems will function properly under normal conditions and emergency conditions; and

(e) Equipment and systems are operated in a safe manner and in a manner safe to workers, the general public and the environment and with regard to design and operating limitations such as steam pressure, temperature and moisture content, chemical content and quality of make-up water, operating voltage range, current, frequency, rotational speed, polarity, synchronization, control system limits, etc.

"Governmental Approval" – any and all licenses, permits, franchises, agreements, approvals, authorizations, consents, waivers, rights, exemptions, releases, variances, exceptions, or order of or issued by, or filings with, or notice to, any Governmental Authority under Applicable Laws.

"Governmental Authority" – any national, state, regional or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, executive, legislative, administrative, public or statutory instrumentality, authority, body, agency, department, bureau or entity or any arbitrator with authority to bind a party at law.

"Guaranty" – shall mean credit support in the form of a guaranty agreement from Seller's Guarantor in a form substantially the same as that set out in Appendix C.

"Hourly Capacity Factor" or "HCF" – (a) during any hour that the Facility is not undergoing a Scheduled Reduction, a figure (expressed as a percentage) calculated by (i) dividing the Available Capacity in such hour by the Committed Capacity, and (ii) multiplying by 100 (provided that for purposes of this definition

the Available Capacity of the Facility shall be subject to reduction pursuant to Section 13.11); or (b) during any hour during which the Facility is undergoing a Scheduled Reduction or is decommitted by FPL, the Hourly Capacity Factor shall be equal to the ACF of the preceding Monthly Billing Period. *[Note: This definition would be later modified to reflect the modes of operation of the facility submitted by the Proposer.]*

"Hourly Peak Capacity Factor" or "HPCF" – (a) in any Peak Hour that the Facility is not undergoing a Scheduled Reduction, a figure (expressed as a percentage) calculated by (i) dividing the Available Capacity in such hour by the Committed Capacity, and (ii) multiplying by 100 (provided that for purposes of this definition the Available Capacity of the Facility shall be subject to reduction pursuant to Section 13.11); or (b) during any Peak Hour during which the Facility is undergoing a Scheduled Reduction or is decommitted by FPL, the Hourly Peak Capacity Factor shall be equal to the APCF of the preceding Monthly Billing Period. *[Note: This definition would be later modified to reflect the modes of operation of the facility submitted by the Proposer.]*

"Initial Synchronization Date" – the first date upon which (a) Energy is generated by the Facility, and (b) such Energy is delivered to FPL and metered by the FPL-owned or FPL-approved metering equipment, all pursuant to Section 12.6.

"Initial Test" – the first Capacity Test of the Facility completed successfully as described in Section 9.0.

"Interconnection Agreement" – the contract between FPL and Seller which principally delineates and governs (a) the interconnection of FPL's electrical system and the Facility, (b) Seller's responsibility for the costs of installing, operating, maintaining, repairing, upgrading and removing the interconnection facilities and related equipment necessary to safely and effectively connect the Facility to FPL's electrical system, and (c) the Parties' respective ownership rights and other obligations with respect to the interconnection.

"Intercreditor Agreement" – the Intercreditor Agreement to be entered into by FPL and the Lenders, in form and substance satisfactory to FPL, with respect to FPL's Lien and any lien of the Lenders on the Facility or Facility Site.

"Investment Grade Credit Rating" – with respect to (a) a corporation, limited liability company, partnership, or other entity other than a financial institution, a long-term unsecured, general obligation bond rating of BBB- or above from Standard & Poor's Corporation ("S&P") or Baa3 or above from Moody's Investors Services ("Moody's") with, in the case of a rating of BBB-/Baa3, a "stable" outlook, and (b) with respect to a financial institution, a Credit Rating of A- or above from S&P or A3 or above from Moody's.

"Lenders" – any entity or group of entities (including, upon prior notice to FPL, any and all successors pursuant to refinancing but excluding Seller or any affiliate thereof) providing all or substantially all of the debt financing, in any form (including lease financing), for the development, construction or improvement of the Facility.

"Level 1 Available Capacity" or "L1AC" – the highest sustained Capacity associated with the Level 1 Mode of Operation at which the facility can operate consistent with Environmental requirements without exceeding the design operating conditions, temperatures, pressures etc. for Level 1 Mode of Operation defined by the applicable manufacturer(s), as determined by the Capacity Test pursuant to Section 9.0.

"Level 1 Capability" or "L1C" – the highest sustained Capacity associated with the Level 1 Mode of Operation at which the facility can operate consistent with Environmental requirements without exceeding the design operating conditions, temperatures, pressures etc., for Level 1 Mode of Operation defined by the applicable manufacturer(s), as determined by the Capacity Test pursuant to Section 9.0.

"Level 1 Committed Capacity" – the incremental maximum Capacity for Level 1 Mode of Operation equal to _____MW at Reference Conditions using applicable manufacturers' correction curves. *[Insert incremental capacity, at Reference Conditions, for Level 1 Mode of Operations, from Proposer's submission.]*

"Level 1 Mode of Operation" – *[Insert description, from Proposer's submission, of Level 1 Mode of Operation, which must be capable of being placed under FPL's Automatic Generation Control and must not have additional operating limitations.]*

"Level 1 Unscheduled Outage" – a whole or partial interruption or reduction of the Facility's Capacity to a level below the Level 1 Committed Capacity, whether the Facility is on-line or off-line, expressed in the nearest whole MW, that does not qualify as a Scheduled Reduction. During any and all hours during which a Level 1 Unscheduled Outage has occurred the heat rate adjustment factor shall be equal to 1.0 as provided in Exhibit 1 to Appendix A .

"Liquid Security" – security in the form of one or more of the following: (a) direct obligations of (other than obligations issued or held in book entry form on the books of) the Department of the Treasury of the United State of America deposited with a depositary bank acceptable to FPL, (b) a cash deposit in United States dollars, or (c) an unconditional, irrevocable, stand-by letter of credit issued by an issuer acceptable to FPL capable of issuing letters of credit and having an Investment Grade Credit Rating, in form and substance acceptable to FPL (including, in the case of a letter of credit, provisions (i) for partial draws, and (ii) permitting FPL to draw upon such letter of credit in full, if such letter of credit is

not renewed or replaced at least twenty (20) business days prior to its expiry date (or as otherwise required by Section 4.0), without further notice to or action by any party).

"Maintenance Outage" – has the meaning given thereto in Section 13.12.

"Major Equipment" – the *[combustion turbine generator set, heat recovery steam generator, and steam turbine]. [Insert additional major equipment from Proposer's submission.]*

"Major Milestone" – a Milestone specified as a Major Milestone in Part A of Appendix M.

"Market Rules" – has the meaning given thereto in Section 13.20.

"Maximum Sustained Rate" – the maximum safe and continuous load-following capability of the Facility, expressed in MW per minute, to which the Facility can be raised or lowered to meet FPL's dispatch instructions.

"Milestone" – has the meaning given thereto in Section 3.1.

"Milestone Date" – has the meaning given thereto in Section 3.1.

"Minimum Capacity"– a Capacity equal to *[_____ MW]* which is equal to ninety-five percent (95%) of the Committed Capacity.

"Minimum Load" – the minimum MW level below which FPL shall not dispatch the Facility without Decommitting the Facility, which minimum shall be equal to ____ *MW* net of internal electrical requirements of the Facility.*[Insert number of MW from Proposer's submission.]*

"Month" – a calendar month.

"Monthly Billing Period" – the period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m. on the Initial Synchronization Date and ending with the last calendar day of such month.

"Monthly Billing Statement" – a monthly summary prepared by Seller in accordance with Section 8.1.

"Monthly Capacity Factor" or "MCF" – in any Month, the arithmetic average of the Hourly Capacity Factors for the Monthly Billing Period, expressed as a percentage.

"Monthly Capacity Payment" or "MCP" – monthly payments for Committed Capacity calculated in accordance with Appendix A.

"Monthly Energy Payment" or "MEP" – monthly payments for Energy calculated in accordance with Appendix A.

"Monthly Peak Capacity Factor" or "MPCF" – in any Month, the arithmetic average of the Hourly Peak Capacity Factors for the Monthly Billing Period, expressed as a percentage.

"Monthly Weighted Peak Capacity Factor" or "MWPCF" – the product of the Monthly Peak Capacity Factor and a monthly weight factor, where the monthly weight factor is equal to 0.1 for the Peak Months and 0.06 for the Non-Peak Months.

"Mortgage and Security Agreement" – the Mortgage and Security Agreement to be entered into between Seller and FPL, securing the FPL Lien and substantially in the form of Appendix N.

"NERC" – North American Electric Reliability Council, including any successor thereto and subdivisions thereof.

"Net Energy Output" or "NEO" – in any Monthly Billing Period, the Energy in such Monthly Billing Period.

"Non-Peak Months" – those Months which are not Peak Months.

"Operating Representatives" – the Parties' representatives designated pursuant to Section 11.0, who act in matters pertaining to detailed operating arrangements for the delivery of Capacity and Energy provided under this Contract.

"Other Operating Mode" – *[Insert description of each other operating mode included in Proposer's submission.]*

"Peak Hour" – those hours occurring April 1 through October 31, from noon to 9:00 p.m., and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. FPL shall have the right to change such Peak Hours by providing Seller a minimum ninety (90) calendar days notice. The total number of Peak Hours shall not exceed thirty eight percent (38.0%) of the total hours during a calendar year.

"Peak Months" – the Months of January, February, June, July, August, September and December, as such Peak Months may be modified in accordance with Section 13.12.

"Peaking Capability" – the maximum Capacity the Facility can achieve for a period of at least *[_____]* continuous hours and at least *[____ hours]* per year, without exceeding the design pressures and temperatures recommended by the Major Equipment manufacturers. *[To include limitations from Proposer's submission.]*

"Performance Security" – the security provided by or on behalf of Seller for the benefit of FPL pursuant to Section 4.2.

"Performance Security Amount" – the aggregate amount of Performance Security, equal to *[_____ Dollars ($_____)] [Insert amount equal to the product of the Committed Capacity (in kW) multiplied by One Hundred Forty Five Dollars ($145.00) per kW].*

"Performance Security Liquid Amount" – the amount of Performance Security required to be satisfied through Liquid Security, equal to (i) the Performance Security Amount, minus (ii) Seller's Credit Limit, provided however, that the Performance Security Liquid Amount shall be, at a minimum ten percent (10%) of the Performance Security Amount if the entity providing credit support has a Credit Rating of BBB/Baa2 or lower. The Performance Security Liquid Amount shall be adjusted, if necessary, quarterly, within five (5) Days of the issuance of quarterly financial statements of Seller or Seller's Guarantor and within five (5) Days of a change in Seller's or Seller's Guarantor's, as applicable, Credit Rating, in any such case to reflect any adjustment in the Seller's Credit Limit.

"Plant RTU" – has the meaning given thereto in Section 14.1.

"Primary Fuel" – natural gas which conforms to the tariff quality specifications of the pipeline through which the natural gas is shipped.

"Ready for Control" – a point in time, for the most part to start at the top of the hour, when the Facility is turned over to FPL's system control center for Automatic Generation Control or manual control.

"Receipt Point" – (a) if the Facility is directly interconnected with the FPL system, the point where the Facility interconnects with the FPL system, or (b) if the Facility is not directly interconnected with the FPL system, the location where the transmission system of the transmission provider under the Firm TSA interconnects with FPL's transmission system.

"Reference Conditions" – the ambient dry-bulb temperature, ambient relative humidity, and ambient atmospheric pressure set forth on Appendix L.

"Records" – has the meaning given thereto in Section 15.1.

"RTO or ISO or a similar organization" – an independent entity which may, now or at a future date, be authorized by FERC to operate the FPL transmission system or the transmission system of the third party to which the Facility is directly interconnected.

"RTU" – has the meaning given thereto in Section 14.1.

"Scheduled Capacity Delivery Date" – June 1, __ as such date may be extended pursuant to Section 3.3. *[Insert date from Proposer's submission.]*

"Scheduled Outages" – has the meaning given thereto in Section 13.12.

"Scheduled Reduction" – any reduction in generating capability of the Facility, expressed in the nearest whole MW, as a result of a Scheduled Outage or a Maintenance Outage.

"Security Account" – has the meaning given thereto in Section 4.3.

"Seller's Cost of Cover" – has the meaning given thereto in Section 19.4.

"Seller's Guarantor" – shall mean an Affiliate of Seller or other entity providing credit support having an Investment Grade Credit Rating.

"Start-up Cost" – a one-time payment, payable once per Successful Start-up, in the applicable amount set forth in Appendix E.

"Start-up Time" – the time it takes from the moment the Facility is Committed until it is on-line and Ready for Control.

"Step-In Rights" – has the meaning given thereto in Section 5.1.1.

"Successful Start-up" – a start-up of the Facility pursuant to an FPL Commitment of the Facility, which start-up (a) is not undertaken in connection with a Capacity Test (whether or not such Capacity Test is requested by FPL), (b) follows a shutdown of the Facility pursuant to an FPL-initiated Decommitment of the Facility, (c) results in the Facility achieving Ready for Control status, and (d) results in the Facility reaching the level of dispatch and/or commitment requested by FPL.

"Summer Period" – the seven (7) Month period beginning immediately after 12:00 midnight on March 31 and ending at 12:00 midnight on the following October 31.

"Tangible Net Worth" – at any time, an amount as set forth in an entity's most recent annual audited or quarterly financial statements, equal to (a) the total assets of an entity and its subsidiaries which would be shown as assets on a consolidated balance sheet of such entity and its subsidiaries as of such time prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of subsidiaries, minus (b) the total liabilities of such entity and its subsidiaries which would be shown as liabilities on a consolidated balance sheet of such entity and its subsidiaries as of such time prepared in accordance with GAAP, minus (c) the net book value, after deducting any reserves applicable thereto, of all assets which would be treated as intangible under GAAP, including good will, trademarks, trade names, service marks, brand names, copyrights, patents and unamortized debt discount and expense, organizational expenses and the excess of the equity in any subsidiary over the cost of the investment in such subsidiary.

"Tax" – any or all ad valorem, property, net income, gross receipts, net worth, franchise, occupational, severance, emissions, generation, first use, conservation, energy, transmission, utility, privilege, sales, use, excise and other taxes, governmental charges, licenses, fees, permits and assessments. Tax is meant to include any other similar taxes or charges levied by a Governmental Authority. Tax also includes any penalties and interest that may be imposed for underreporting, failure to report or late filing of returns or reports for any Tax.

"Test Protocol" – has the meaning given thereto in Appendix I.

"Unscheduled Outage" – a whole or partial interruption or reduction of the Facility's Capacity to a level below Committed Capacity, whether the Facility is on-line or off-line, expressed in the nearest whole MW, that does not qualify as a Scheduled Reduction. During any and all hours during which an Unscheduled Outage has occurred the heat rate adjustment factor shall be equal to 1.0 as provided in Exhibit 1 to Appendix A.

"Winter Period" – the five (5) Month period beginning immediately after 12:00 midnight on October 31 and ending at 12:00 midnight on the following March 31.

1.2 **Rules of Construction**: In this Contract: (a) words denoting any gender include each other gender; (b) the singular includes the plural and the plural includes the singular; (c) the word "or" is not exclusive; (d) a reference to an Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Laws promulgated under such Applicable Law; (e) a reference to a person or entity includes its successors and permitted assigns; (f) the words "include", "includes" and "including" are not limiting; (g) exhibits, schedules, annexes or appendices to any document shall be deemed incorporated by reference in such document; (h) references to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto, (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time; and (i) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Contract as a whole and not to any particular provision, unless otherwise indicated.

2.0 CONDITIONS PRECEDENT; CONTRACT TERM

2.1 **Condition Precedent to Purchase and Sale:** The obligations of Seller to generate, deliver and sell, and of FPL to accept delivery of and purchase, Capacity and Energy hereunder shall be subject to the satisfaction of the conditions precedent that: (a) the FPSC shall have issued a final Determination of Need for the Facility, which order is not subject to appeal, (b) the FPSC shall have issued a final order approving this Contract, and finding that FPL is entitled to recover from its customers all payments for Energy and Capacity, which order is no longer subject to appeal, (c) the FERC shall have issued a final order authorizing

Seller to make the sales of electrical energy and capacity contemplated by this Contract, which order is no longer subject to appeal, and (d) each other Governmental Authority having jurisdiction over this Contract shall have issued a final order approving this Contract or otherwise authorizing sales of electrical energy and capacity under this Contract, as applicable, which orders are no longer subject to appeal. FPL and Seller shall be co-petitioners on the application for such Determination of Need, and each Party shall cooperate in making such application (and each other application for a Governmental Approval under this Section 2.1) promptly after execution of this Contract, and shall prosecute such application diligently and in good faith; provided, that nothing in this Section 2.1 shall be construed to require FPL to consent to any modification of this Contract or any other condition or requirement imposed on FPL relating to such application, which modifications, conditions or requirements may be rejected by FPL in its sole and absolute discretion.

2.2 **Completion Security:** All obligations and liabilities of FPL hereunder, and all rights of Seller hereunder, shall be subject to the satisfaction of the condition precedent that Seller shall have delivered the Completion Security to FPL not later than the Commencement Date.

2.3 **Failure of Conditions Precedent:**

2.3.1 If the condition precedent set forth in Section 2.1 shall not have been satisfied on or prior to the first anniversary of the Commencement Date, (a) FPL by thirty (30) days notice to Seller may terminate this Contract without penalty or further liability, and (b) FPL shall return any undrawn Completion Security to Seller within thirty (30) days of the effective date of such termination.

2.3.2 If the condition precedent set forth in Section 2.2 shall not have been satisfied on or prior to the Commencement Date, FPL by notice to Seller may terminate this Contract without penalty or further liability for FPL.

2.4 **Contract Term:** The term of this Contract (the "Contract Term") shall commence on the Commencement Date and shall expire on_____ 20__, *[Insert term, of not less than ten (10) years nor more than twenty-five (25) years from Scheduled Capacity Delivery Date, from Proposer's submission.]* unless sooner terminated in accordance with Section 3.0 or Section 19.0 hereof.

3.0 CONTRACT MILESTONES

3.1 **Contract Milestones**: Seller shall achieve each of the milestones set forth in Parts A and B of Appendix M in connection with its ownership, development and construction of the Facility (a "Milestone") on or (except in the case of Capacity Delivery Date) prior to the milestone date set forth on Appendix M corresponding to such Milestone (a "Milestone Date"). Time is of the essence of this Contract

with respect to Seller's obligation to meet each Milestone (including each Major Milestone).

3.2 **Failure to Achieve Milestone(s)**:

3.2.1 If Seller fails to achieve any Milestone (including any Major Milestone) by the corresponding Milestone Date, then (a) Seller shall give FPL notice of such failure as provided in Section 12.2, and (b) FPL shall have the right, but not the obligation, to exercise Step-In Rights as provided in Section 5.0.

3.2.2 If Seller fails to achieve any Major Milestone by the corresponding Milestone Date (including failure to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date) or upon any other Seller Event of Default prior to the Capacity Delivery Date, then, except as provided in Section 3.3 (and provided that FPL is not then exercising Step-In Rights with respect to such failure and that Seller is not paying delay liquidated damages as provided in Section 3.2.3), FPL shall be entitled to terminate this Contract by notice to Seller as provided in Section 19.0. Upon such termination, Seller shall pay to FPL, on demand, in immediately available funds (or if not so paid, FPL shall be entitled to draw upon the Completion Security or to exercise its remedies under the Mortgage and Security Agreement), liquidated damages at the rate set forth on Appendix M with respect to such Major Milestone (or, in the case of an Event of Default other than failure to achieve a Major Milestone by the corresponding Milestone Date, at the rate set forth therein with respect to the next unmet Major Milestone).

3.2.3 Notwithstanding the provisions of Section 3.2.2, if Seller fails to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date, then, except as provided in Section 3.3, and provided that FPL is not then exercising Step-In Rights with respect to such failure, Seller may extend the Scheduled Completion Date day-for-day to a date not later than the Final Capacity Delivery Date by paying to FPL delay liquidated damages at a rate equal to *[_____ Dollars ($_____)] [Insert amount equal to product of Committed Capacity (in kW) multiplied by $0.38 per kW] per day.* FPL shall not be entitled to terminate this Contract with respect to such failure unless Seller shall have failed to pay such liquidated damages, shall have failed to comply with the security requirements set forth in Section 4.0, or shall have failed to achieve the Capacity Delivery Date by the Final Capacity Delivery Date, whereupon FPL shall be entitled to terminate this Contract as provided in Section 19.0. Upon such termination, Seller shall pay to FPL, on demand, in immediately available funds (or if not so paid, FPL shall be entitled to draw upon the Completion Security or to exercise its remedies under the Mortgage and Security

Agreement), liquidated damages at the rate set forth on Appendix M with respect to such failure.

3.3 **Effect of Force Majeure; Final Capacity Delivery Date**:

3.3.1 The Milestone Dates (including, for avoidance of doubt, the Scheduled Capacity Delivery Date) may be extended upon the occurrence of an event of Force Majeure as and to the extent provided in Section 18.0; provided, that in no event shall the total number of days of all the extensions made pursuant to this Section 3.3 and Section 18.0 as a result of Force Majeure exceed one hundred eighty (180) days in the aggregate; provided, further, that if Seller shall fail to achieve the Capacity Delivery Date on or prior to the Final Capacity Delivery Date, then regardless of the extent to which such failure is excused for Force Majeure as provided in Section 18.0, such failure shall be deemed an Event of Default by Seller, and in addition to FPL's right to terminate this Contract as provided in Section 19.3 and in addition to any delay liquidated damages paid or owed by Seller to FPL, Seller shall also pay FPL the sum of _____ *($_____)* as liquidated damages for failure to achieve the Final Capacity Delivery Date.

3.3.2 The Final Capacity Delivery Date shall not be extended for any reason, including payment of liquidated damages, renewal or replenishment of Completion Security, or Force Majeure.

4.0 COMPLETION SECURITY; PERFORMANCE SECURITY

4.1 **Completion Security**: Not later than the Commencement Date, and as a condition thereto, Seller shall provide FPL security for completion of the Facility when and as required hereunder, and for performance of all of Seller's obligations hereunder to be performed on or prior to the Capacity Delivery Date (the "Completion Security"). Such Completion Security shall be in an amount equal to the Completion Security Amount, and may be provided in the form of one or both of a Guaranty or Liquid Security; provided, that the amount of Liquid Security provided by Seller with respect thereto shall not at any time be less than the Completion Security Liquid Amount at such time.

4.2 **Security for Performance**: Not later than Capacity Delivery Date, and as a condition thereto, Seller shall provide FPL security for performance of all of Seller's obligations hereunder to be performed after the Capacity Delivery Date (the "Performance Security"). Such Performance Security shall be in an amount equal to the Performance Security Amount, and may be provided in the form of one or both of a Guaranty or Liquid Security; provided, that the amount of Liquid Security provided by Seller with respect thereto shall not at any time be less than the Performance Security Liquid Amount at such time.

4.3 **Security Account**: All cash deposits or other Liquid Security shall be held in an account designated by FPL (the "Security Account") for the benefit of FPL, free and clear of all liens (including the liens of the Lenders) of any person or entity other than FPL. Any Security Account shall be established and maintained at the expense of Seller and held by a depositary bank or securities intermediary acceptable to FPL pursuant to a control agreement in form and substance acceptable to FPL. Prior to the establishment of any Security Account, or to the entering into or refinancing of any loan, credit, or reimbursement agreement, indenture, other debt or security arrangement with any Lender, Seller shall obtain the express written waiver of the Lenders (in form and substance satisfactory to FPL) which are entitled to liens at that time, to any and all rights in and to the Completion Security or Performance Security, as applicable, and the proceeds there from.

4.4 **Replacement of Security**:

4.4.1 Seller shall maintain the applicable security required under this Contract as set forth herein at all times during the Contract Term. Seller shall give FPL notice thirty (30) days prior to the date, if any, on which any Completion Security or Performance Security is due to expire, advising FPL of the scheduled expiration of such security. Seller shall replace any such security not later than ten (10) business days prior to such expiration with security meeting the requirements of this Contract. Seller shall replenish any amount drawn by FPL against the Completion Security or the Performance Security within five (5) business days of such draw.

4.4.2 FPL shall have the right to monitor the financial condition of Seller and of the issuer of any Guaranty or letter of credit, and Seller shall notify FPL within three (3) business days of becoming aware that any such entity's Credit Rating has been downgraded or its outlook changed. In addition, Seller shall provide to FPL, no later than the Commencement Date and at the beginning of each calendar quarter thereafter until the Capacity Delivery Date, and again on the Capacity Delivery Date and at the beginning of each calendar quarter thereafter, evidence satisfactory to FPL sufficient to establish that Seller is in compliance with the security requirements set forth in this Section 4.0, including such evidence sufficient to establish that Seller, any Seller's Guarantor, or any issuer of a letter of credit as set forth herein has the required Credit Rating, as applicable, and sufficient to establish the Credit Limit of Seller and any Seller's Guarantor, as applicable.

4.4.3 In the event that the financial condition of any such entity has deteriorated to a level below Investment Grade Credit Rating or its Credit Limit has been reduced, such that the amount of Liquid Security provided by Seller to or for the benefit of FPL is less than the Completion Security Liquid Amount or the Performance Security

Liquid Amount, as applicable, Seller shall replace such Completion Security or Performance Security, or shall provide additional Liquid Security, such that the aggregate amount of Liquid Security is not less than the Completion Security Liquid Amount or the Performance Security Liquid Amount, as applicable, which replacement security shall be issued by an entity with an Investment Grade Credit Rating, as applicable, and otherwise shall meet the requirements of this Section 4.0, within five (5) business days following the date Seller becomes aware of such failure to maintain an Investment Grade Credit Rating or reduction in Credit Limit or the date of any public announcement of such failure or reduction in Credit Limit.

4.5 **Achievement of Capacity Delivery Date**: If the Capacity Delivery Date occurs on the Scheduled Capacity Delivery Date (as extended pursuant to Section 3.0) and Seller has provided the Performance Security as provided herein, then Seller shall be entitled to require FPL to terminate and refund or release to Seller any undrawn portion of the Completion Security. Any refund of Completion Security pursuant to this Section 4.5 shall be made at within thirty (30) calendar days after Seller's application for such release is received and accepted by FPL.

5.0 STEP-IN RIGHTS; FPL'S LIEN

5.1 **Operation by FPL Following Missed Milestone or Event of Default by Seller**:

5.1.1 Upon the occurrence of (a) the failure of Seller to meet any Milestone by the corresponding Milestone Date, or (b) any Event of Default by Seller (whether before or after the Capacity Delivery Date) and the failure of Seller to cure such Event of Default within the applicable cure period, FPL or its designee shall have the right, but not the obligation, to enter upon and complete the licensing, permitting, construction, start-up, testing and commissioning of, or operate and maintain, the Facility as agent for Seller ("Step-In Rights"), until the earliest of (x) the date upon which Seller shall provide to FPL a certificate of an independent engineer reasonably acceptable to FPL or otherwise demonstrate to FPL's reasonable satisfaction that the circumstance which gave rise to Seller's failure to meet a Milestone or such Event of Default no longer exists, (y) the date FPL in its sole discretion elects by notice to Seller to cease exercising Step-In Rights, or (z) the expiration or earlier termination of this Contract.

5.1.2 Subject to Section 5.1.3, during any period of exercise of Step-In Rights by FPL, FPL (a) shall use commercially reasonable efforts to complete the licensing, permitting, construction, start-up, testing and commissioning of the Facility as provided herein, or operate and maintain the Facility in accordance with Seller's obligations hereunder, and in accordance with all existing agreements to which Seller is a party and all applicable Governmental Approvals, and (b) shall

continue to pay Monthly Capacity Payments and Monthly Energy Payments to the extent otherwise required to be paid hereunder.

5.1.3 Seller shall reimburse, indemnify and hold harmless FPL, within fifteen (15) days of submission of a reimbursement request by FPL, for the reasonable and necessary costs and expenses incurred by FPL or its designee in exercising Step-In Rights, including costs and expenses incurred in completing the licensing, permitting, construction, start-up, testing and commissioning of the Facility, or in the operation and maintenance of the Facility, on behalf of Seller, costs and expenses (including reasonable fees and expenses of counsel) in enforcing its Step-In Rights, and the cost of funds with respect to such all costs and expenses at FPL's overall cost of capital, in each case supported by reasonable documentation. FPL shall provide ten (10) days notice in reasonable detail to Seller of the need for any capital expenses, or any other extraordinary expenses in excess of Five Hundred Thousand Dollars ($500,000.00) not approved by the Operating Representatives, and shall obtain the consent of Seller for such capital expenses or other extraordinary expenses, such consent not unreasonably to be withheld or delayed. Without limiting any other right or remedy of FPL with respect thereto, FPL shall be entitled to draw amounts to which it is entitled to be reimbursed for or indemnified or held harmless against under this Section 5.1 from the Completion Security or the Performance Security, as applicable, or by set-off of amounts due to Seller hereunder; provided, that any amounts due to Seller hereunder after payment of such amounts and Seller's debt service to the Lenders shall be remitted to Seller.

5.1.4 In connection with the exercise of Step-In Rights, FPL and its employees and representatives designated in writing to Seller shall be entitled to access Seller's agreements, books and records, operating manuals, and other documents relating to the Facility and the Facility Site, and shall have access to the Facility and the Facility Site, for the purpose of exercising Step-In Rights, subject to reasonable safety and confidentiality requirements. FPL shall notify Seller of any documents or actions by Seller reasonably necessary for FPL to exercise its Step-In Rights, which shall be subject to the consent of Seller, such consent not unreasonably to be withheld or delayed.

5.1.5 During any period that FPL or its designee is in possession of the Facility and the Facility Site upon exercise of Step-In Rights, Seller shall retain legal title to and ownership and risk of loss of the Facility and the Facility Site, and FPL or its designee shall complete the licensing, permitting, construction, start-up, testing and commissioning of, or operate and maintain, the Facility as an agent of Seller in accordance with this Contract. Upon the termination of FPL's exercise

of its Step-In Rights pursuant to Section 5.1.1, FPL or its designee shall relinquish the Facility and the Facility Site to Seller.

5.1.6 FPL's exercise of its Step-In Rights shall not be deemed a termination of this Contract or an assumption, release, or waiver by FPL of any liability of Seller to third parties or of any obligation or liability of Seller to FPL or (except as expressly provided in Section 3.2 or Section 19.5) any right or remedy of FPL with respect thereto; provided, that this Section 5.1.6 shall not excuse any liability of FPL expressly assumed in writing or incurred by FPL in its own right and not in its capacity as Seller's agent or attorney-in-fact in acting in Seller's stead and on Seller's behalf in connection with the exercise of its Step-In Rights.

5.1.7 Seller hereby constitutes and appoints FPL or its designee its agent and true and lawful attorney-in-fact to exercise Step-In Rights, and to act thereafter in Seller's stead and on Seller's behalf, as provided in this Section 5.0. This power is a power coupled with an interest and is irrevocable for the Contract Term.

5.2 **FPL's Lien**:

5.2.1 As security for Seller's performance of all of its obligations hereunder, including payment of any amounts owed by Seller to FPL pursuant to this Contract, Seller or FPL shall execute and record, as appropriate, the Mortgage and Security Agreement and all other agreements, documents, or instruments required or useful to provide FPL with a fully perfected subordinated security interest and mortgage lien in the Facility, the Facility Site, and any and all real and personal property rights, contractual rights, or other rights that Seller acquires or requires in order to develop, procure, construct, operate and maintain the Facility ("FPL's Lien"). FPL's Lien shall be subordinate in right of payment, priority and remedies only to the interests of the Lenders in accordance with the terms of the Intercreditor Agreement. The collateral secured by the Mortgage and Security Agreement shall not include the pledge, assignment, or other interest in any stock or ownership interest in Seller; provided, that Seller shall not pledge or assign, or cause or permit to be pledged or assigned, any stock or ownership interest in Seller as collateral to any party other than the Lenders party to the Intercreditor Agreement.

5.2.2 FPL and Seller shall confirm, define, and perfect FPL's Lien by executing, filing, and recording, at the expense of Seller, the Mortgage and Security Agreement no later than the Milestone Date set forth at the Major Milestone A.1 on Appendix M. In addition, Seller agrees to execute and to authorize FPL to file such financing statements under the Uniform Commercial Code, and to take such further action and

execute such further instruments, as reasonably shall be requested by FPL to confirm and continue the validity, priority, and perfection of FPL's Lien. The granting of FPL's Lien shall not be to the exclusion of, nor be construed to limit, the amount of any further claims, causes of action or other rights accruing to FPL by reason of any breach or default by Seller under this Contract or the termination of this Contract prior to the expiration of its term. FPL's Lien and the Mortgage and Security Agreement shall be discharged and released, and FPL shall take any steps reasonably required by Seller to effect and record such discharge and release, upon the expiration of the Contract Term and satisfaction by Seller of all of its obligations hereunder. Seller shall reimburse FPL for its reasonable costs associated with the discharge and release of the Mortgage and Security Agreement and any other documents evidencing FPL's Lien.

5.3 **Permits and Contracts**: Seller shall (a) use all reasonable efforts to ensure that all Governmental Approvals and environmental emission allowances, credit or approvals required for the construction and operation of the Facility and powers of attorney related to such Governmental Approvals and environmental emission allowances, credits or approvals are transferable to FPL or its designee or exercisable by FPL or its designee upon exercise of Step-In Rights or upon exercise of remedies by FPL with respect to FPL's Lien, (b) shall ensure that such Step-In Rights and FPL's Lien are recognized by Seller's Lenders, vendors, suppliers and subcontractors and are recognized in any employment or labor contract respecting the Facility's work force, and that FPL's exercise thereof will not cause a breach, default, or lien under, or permit the termination of, any material contract relating to the Facility or the Facility Site, and (c) shall use its best efforts to effect the transfer of such Governmental Approvals, emissions allowances, credits, or approvals, powers of attorney, and contracts to FPL or its designee upon such exercise to the extent requested by FPL.

6.0 SALE OF ENERGY AND CAPACITY

6.1 **Test Energy**: Commencing on the Initial Synchronization Date and until the Capacity Delivery Date, Seller shall sell to FPL, and FPL shall purchase from Seller, all Energy, but no Capacity, in excess of Seller's internal consumption of electric energy in accordance with Section 7.0, except to the extent that FPL is not obligated to purchase such Energy under the terms of this Contract other than Section 6.3; provided, that FPL shall not be required to accept delivery of or purchase such Energy to the extent FPL would be required to back down its own base load generation or base load generation under firm contract to accommodate such deliveries, and Seller shall schedule all tests accordingly.

6.2 **Energy and Capacity**: Commencing on the Capacity Delivery Date, Seller shall sell to FPL and FPL shall purchase from Seller all Energy and Capacity in excess of Seller's internal consumption of energy and capacity, in accordance with

Section 7.0, except to the extent that FPL is not obligated to purchase such Energy and Capacity under the terms of this Contract.

6.3 **Purchase Obligation Excused**:

6.3.1 FPL shall not be obligated to purchase, and may require interrupted or reduced deliveries of, Energy for any reason, or for no reason at all, whenever FPL deems it appropriate, in its sole and absolute discretion.

6.3.2 FPL shall not be obligated to purchase any Capacity in excess of the Committed Capacity for any reason, or for no reason at all, whenever FPL deems it appropriate, in its sole and absolute discretion.

6.3.3 FPL in the exercise of its Dispatch and Control Rights shall not be obligated to accept delivery of any Energy or Capacity not dispatched by FPL pursuant thereto or to pay for such Energy if delivered.

6.4 **Exclusivity; Specific Performance**:

6.4.1 Except to the limited extent of unintentional sales of imbalance energy upon formation of an RTO or ISO or similar organization as contemplated by Section 13.20, or upon an Event of Default by FPL under Section 19.2, Seller shall have no right to sell electrical Energy or Capacity or Ancillary Services from the Facility to anyone other than FPL. Seller expressly agrees that it shall have no right to sell electrical Energy or Capacity or Ancillary Services from the Facility to anyone other than FPL, except in the limited circumstances provided in this Section 6.4.1, notwithstanding any default by FPL, any event of Force Majeure, or any other circumstances whatsoever.

6.4.2 Seller acknowledges that, throughout the term of this Contract, FPL will have a need for the Capacity, Energy, and Ancillary Services required to be provided by Seller hereunder, will be relying on the Facility to meet those needs and, notwithstanding the provisions of Section 4.0, would have no adequate remedy at law in the event Seller were to supply such Capacity, Energy, or Ancillary services to any person or entity other than FPL in breach of this Contract; and Seller therefore agrees that, in such event, FPL would be entitled to specific performance of Seller's obligations to supply Capacity, Energy, and Ancillary Services to FPL as provided herein.

7.0 PAYMENT BY FPL

7.1 **Test Energy**: Prior to the Capacity Delivery Date, subject to Section 6.1, FPL shall pay Seller for each MWh of Energy delivered by the Facility at the Receipt Point and agreed to be accepted by FPL at a rate equal to seventy percent (70%) of FPL's Avoided Cost.

7.2 **Payments for Energy**: Beginning on the Capacity Delivery Date, and thereafter for the Contract Term, FPL shall pay Seller for each MWh of Energy delivered and dispatched by FPL pursuant to this Contract at the Receipt Point during each hour as provided in Appendix A; provided, that without limiting the generality of Section 6.3, FPL shall not be required to accept delivery of or to pay Seller for any Energy produced by the Facility during any periods which FPL has Decommitted the Facility pursuant to Section 13.7.

7.3 **Payments for Capacity**:

7.3.1 Beginning on the Capacity Delivery Date, and thereafter for the Contract Term, FPL shall pay to Seller the Monthly Capacity Payments for the Committed Capacity at rates set forth in Appendix A; provided, that FPL shall have no obligation to make any Monthly Capacity Payments for the period(s),if any, of an Event of Default. Monthly Capacity Payments when applicable shall be prorated for the Monthly Billing Period.

7.3.2 For the Monthly Billing Period in which the Capacity Delivery Date occurs, the Monthly Capacity Payment shall be prorated by multiplying (a) the Monthly Capacity Payment calculated as set forth in Appendix A, times (b) the ratio calculated by dividing the number of hours from the commencement of the day after the Capacity Delivery Date through the end of the month by the total number of hours in the month.

7.4 **Start-up Costs**: FPL shall pay Seller the Start-up Costs for each Successful Start-up in the Monthly Billing Period.*[Insert start-up costs from Proposer's submission]*

7.5 **Ancillary Services**: The Energy and Capacity purchased by FPL hereunder pursuant to Section 6.0 shall include all Ancillary Services produced, or capable of being produced ,by or related to the Facility, and Seller shall be entitled to no separate payment with respect thereto. All financial or other benefits relating to such Ancillary Services shall accrue to and be the property of FPL.

7.6 **Transmission**: *[FPL shall pay Seller for transmission costs incurred under the Firm TSA, as provided in Section 10.3.]*

7.7 **Payment by FP&L**: The payment with regard to the sale and purchase of Capacity and Energy and Ancillary Services by FPL pursuant to the Contract shall be computed based upon the components listed in Sections 7.1 through Section 7.6. Notwithstanding the itemization of these components, payment from FP&L represents a combined charge solely for the sale and purchase of Capacity, Energy and Ancillary Services.

8.0 BILLING AND PAYMENT

8.1 **Timing and Method of Payment**: Seller will submit to FPL, as promptly as practicable after the first of each Billing Month, an invoice (by mail, facsimile or electronic means) for the amounts due under the terms of this Contract for the preceding Month. Amounts due pursuant to such invoice shall be due and payable on the later of the 10th Day after the Day on which FPL receives the invoice or the 20th Day of the Month ("Payment Due Date"). Such invoice shall include adjustments (either a charge or a credit, as applicable) as expressly provided pursuant to Appendix A. If the Payment Due Date falls on a Day that is not a Business Day, the Payment Due Date shall be the next Business Day. Payment shall be made, on or before the due date, to Seller in accordance with the invoice in immediately available funds through wire transfer, or other mutually agreeable method.

8.2 **Late Payment**: If either Party is late in making any payment due under this Contract, and the reason for such delay is solely and exclusively within the control of such Party, such payment shall accrue interest at a per annum rate equal to the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in the Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%), and (b) the maximum rate permitted by applicable law.

8.3 **Disputed Billings**: In the event that either Party has a bona fide dispute with any invoice submitted hereunder, such Party shall inform the other Party in writing of its grounds for disputing such invoice. In the event of a disputed invoice amount(s), the Party receiving the invoice shall be entitled to withhold the disputed amount if such Party first provides the invoicing Party with a detailed explanation of the basis for the dispute, including calculations demonstrating the disputing Party's position regarding the correct amount that should have been invoiced. Upon resolution of the dispute, any overpayment or underpayment shall be refunded or paid (as appropriate) with interest as calculated pursuant to Section 8.2 accruing from and after the date such overpayment or underpayment was made until the date on which such refund or payment is made.

8.4 **Adjustments**: If any overcharge or undercharge in any form whatsoever shall at any time be found and the invoice therefore has been paid, the Party that has been paid the overcharge shall refund the amount of the overcharge to the other Party, and the Party that has been undercharged shall pay the amount of the undercharge to the other Party, within thirty (30) Days after final determination thereof; provided, however, that no retroactive adjustment shall be made for any overcharge or undercharge unless written notice of the same is provided to the other Party within a period of twelve (12) Months from the date of the invoice in which such overcharge or undercharge was first included. Any such adjustments shall be made with interest calculated in accordance with Section 8.2 from the date that the undercharge or overcharge actually occurred.

8.5 **Taxes**:

8.5.1 Taxes. Except as otherwise provided in this Contract, in addition to all other amounts due and payable under this Contract: (i) Seller shall be responsible for all Taxes of any kind relating to the delivery of Energy, Capacity, and/or related services (including but not limited to Ancillary Services) prior to and at the Receipt Point; and (ii) FPL shall be responsible for all Taxes of any kind relating to the delivery of Energy, Capacity, and/or related services (including but not limited to Ancillary Services) after the Receipt Point (by way of clarification of the foregoing, Taxes include any taxes incurred in connection with downstream sales of the Energy). Each Party shall provide the other Party upon written request a certificate of exemption or other reasonably satisfactory evidence of exemption if any exemption from or reduction of any Tax is applicable. Each Party shall exercise commercially reasonable efforts to obtain and to cooperate in obtaining any exemption from or reduction of any Tax.

8.5.2 Facility Taxes. Except as specified in Section 8.5.1, the payment of any and all present or future Taxes on or respecting the Facility, in connection with the development, permitting, design, engineering, procurement, construction, testing, completion, ownership, leasing, operation or maintenance of the Facility or any related infrastructure, transmission or transportation facilities shall be the sole and exclusive responsibility and obligation of Seller. FPL shall provide to Seller for payment by Seller any invoice or assessment for any such Tax received by FPL from any Governmental Authority.

8.5.3 Tax Indemnification. Nothing in Section 21 or any other provision of this Agreement will be deemed to limit the After-Tax Basis portion of the Indemnifications provided in Section 20. Nothing in this Agreement shall create a contractual relationship between one Party and the customers of the other Party, nor shall it create a duty of any kind to such customers.

8.5.4 Cooperation. The Parties agree to oppose by all reasonable lawful means any federal, state, county or municipal Tax that is sought to be imposed upon the purchase or sale of Energy, Committed Capacity , or Ancillary Services from the Facility

9.0 TESTING AND CAPACITY RATING

9.1 **Capacity Delivery Date; Available Capacity**:

9.1.1 The Capacity Delivery Date shall not occur before the Scheduled Capacity Delivery Date. In addition, in order to achieve the Capacity Delivery Date, Seller shall (or shall cause the Facility to) satisfy the following conditions and the same shall have been accepted by FPL:

(a) the Initial Synchronization Date shall have occurred, the Facility shall be in compliance with the Interconnection Agreement and shall have met FPL's requirements for AGC, and the Facility shall have demonstrated the reliability of its communication systems with FPL;

(b) the Facility shall have demonstrated a Continuous Capability equal to or greater than the Minimum Capacity in an Initial Test completed successfully in accordance with Section 9.0 prior to the Capacity Delivery Date, as set forth in Seller's certified test report;

(c) Seller shall have delivered to FPL a certificate of a responsible officer of Seller certifying that Fuel Contracts meeting the requirements of Section 13.5 are in full force and effect as of the Capacity Delivery Date, such certificate to attach true and complete copies of such Fuel Contracts;

(d) Seller shall have provided to FPL certificates of insurance coverage, dated as of the Capacity Delivery Date, and copies of the insurance policies required to be maintained by Seller under Section 16.0;

(e) each of the representations and warranties of Seller set forth in Section 23.1 shall be true and correct as of the Capacity Delivery Date, and Seller shall have provided to FPL a certificate of a responsible officer of Seller to such effect;

(f) no Event of Default by Seller, and no event which, with the passage of time or giving of notice would become an Event of Default, shall have occurred and be continuing;

(g) Seller shall have provided to FPL the Performance Security;

(h) Seller shall have provided to FPL a certificate dated no later than the Capacity Delivery Date from an independent, registered engineer, reasonably acceptable to FPL, stating that the Facility has been designed, engineered and constructed in accordance with Good Engineering and Operating Practices and the terms of this Contract; and

(i) a certificate of a responsible officer of Seller, dated no later than the Capacity Delivery Date, shall have been delivered to FPL, certifying that Seller has obtained all Governmental Approvals (other than the Deferred Governmental Approvals) required under Applicable Law for the ownership, operation and maintenance of the Facility.

9.1.2 The initial Available Capacity and the initial Level 1 Available Capacity of the Facility shall be effective on the Capacity Delivery Date, and shall be determined by Seller upon completion of such Initial Test as provided in Section 9.2.

9.1.3 The Available Capacity and the Level 1 Available Capacity shall be designated upon completion of the Initial Test or of any Capacity Test to the nearest whole MW unit of Capacity, and shall be effective on the date of such test (or the Capacity Delivery Date, in the case of the Initial Test).

9.1.4 The maximum Capacity associated with each incremental mode of operation will be designated upon completion of the Initial Test or any other subsequent Capacity Test.

9.2 **Initial Test**:

9.2.1 Seller shall provide to FPL a proposed Test Protocol not less than one hundred twenty (120) days before the Initial Test for FPL's review and approval. Such Test Protocol shall be consistent with the capacity demonstration testing guidelines attached as Appendix I. The Parties shall meet promptly to address any FPL concerns about the Test Protocol and shall endeavor to agree on the Test Protocol by the date forty-five (45) days prior to the Initial Test.

9.2.2 The Parties shall agree on the date and time when Seller will attempt the Initial Test for the Facility; provided, that the date for such Initial Test shall be no earlier than the date *[_____ (___) days]* prior to the Scheduled Capacity Delivery Date. *[Fill in date to be agreed.]* If the Initial Test for the Facility is completed successfully in accordance with this Section 9.0, Seller shall set the Available Capacity at any level not less than the Minimum Capacity and not greater than the lesser of (a) the Continuous Capability demonstrated by the most recent run of the Initial Test, or (b) Committed Capacity. If such test is not completed successfully, Seller shall provide notice to FPL as to when the Facility will be ready to reconduct the Initial Test. Subject to Section 9.4, Seller may perform the Initial Test any number of times prior to the Capacity Delivery Date until the Initial Test is completed successfully in accordance with this Section 9.0; provided, that nothing in this Section 9.0 shall be construed to extend the Scheduled Capacity Delivery Date.

9.2.3 The Level 1 Available Capacity shall be the lesser of (a) the Level 1 Committed Capacity or (b) the incremental Capacity associated with the Level 1 Mode of Operation demonstrated in the Initial Test.

9.2.4 The maximum Capacity associated with each incremental mode of operation will not exceed the maximum incremental Capacity demonstrated by the most recent run of Capacity Tests for each operating mode.

9.3 **Retesting**:

9.3.1 Subject to Section 9.4, after the Capacity Delivery Date, in order to establish a new level of Available Capacity, Seller may perform up to a maximum of four (4) Capacity Tests per Contract Year.

9.3.2 FPL may require Seller to perform Capacity Tests:

(a) Once per each Summer Period and once per each Winter Period at FPL's sole discretion;

(b) At any time Seller claims it is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure;

(c) At any time Seller fails two consecutive times to meet the operating level prescribed by FPL, as described in Section 13.11.

9.3.3 Upon completion of such Capacity Test(s), if any, Seller shall set the following:

(a) the new Available Capacity, at a level not less than the Minimum Capacity and not greater than the lesser of (i) the Continuous Capability demonstrated by the most recent Capacity Test, or (ii) Committed Capacity. Seller may not establish a new level of Available Capacity except upon completion of a Capacity Test;

(b) the Level 1 Available Capacity at the lesser of (i) the Level 1 Committed Capacity, or (ii) the incremental Capacity associated with Level 1 Mode of Operation demonstrated by the most recent Capacity Test; and

(c) the maximum level of incremental Capacity associated with each Other Operating Mode at the maximum level demonstrated by the most recent Capacity Test for each applicable Other Operating Mode.

9.4 **Conduct of Tests**: Seller shall perform each Capacity Test at a time approved by FPL (such approval not to be unreasonably withheld) not less than five (5) business days nor more than fourteen (14) calendar days after receipt of notice of such Capacity Test by the Party not requesting such test. FPL may be present on-site to monitor each such Capacity Test. Seller shall provide to FPL a complete

written report of all results of each such Capacity Test certified by a responsible officer of Seller, for FPL's review and verification, promptly upon becoming available to Seller. (including all pertinent "raw" data (written and electronic) and all pertinent calibration records of test instrumentation). Each Capacity Test shall be performed in compliance with all Environmental Requirements and in accordance with the capacity demonstration testing guidelines in Appendix I and the Test Protocol agreed under Section 9.1.

9.5 **FPL's Right to Observe Testing:** FPL shall have the right to observe all Capacity Tests and the right to receive copies of the results of such tests. FPL may have representative(s) attend and be present during such testing.

9.6 **Effectiveness of Capacity Tests**:

9.6.1 No Capacity Test shall be successful unless such Capacity Test demonstrates a Continuous Capability equal to or greater than the Minimum Capacity. At any time, the last Capacity Test performed (whether or not successful and whatever the Continuous Capability demonstrated) shall be the effective test as of such time.

9.6.2 If any Capacity Test demonstrates a Continuous Capability less than the Minimum Capacity, then Seller shall promptly take corrective action to restore the Continuous Capability to a level equal to or greater than the Minimum Capacity and shall reschedule a Capacity Test to demonstrate such Continuous Capability at a time approved by FPL (such approval not to be unreasonably withheld) as soon thereafter as practicable but in any event not less than five (5) business days nor more than fourteen (14) calendar days after receipt of notice of such rescheduled test by FPL. Any period following an unsuccessful Capacity Test until a successful Capacity Test is completed as provided herein shall be deemed to be an Unscheduled Outage.

10.0 INTERCONNECTION AND DELIVERY OF ENERGY, COMMITTED CAPACITY, AND ANCILLARY SERVICES; METERING

10.1 **Interconnection**:

10.1.1 Seller shall make all arrangements necessary to interconnect the Facility to the system of a third party or to the FPL system, as applicable.

10.1.2 As between FPL and Seller, Seller shall (a) be solely responsible for all costs of interconnection to a third party system, (b) be solely responsible for obtaining any credits against transmission charges available from the third party related to such interconnection costs, and (c) retain all rights to any such credits.

10.1.3 If the Facility is directly interconnected to the FPL system, the costs of such interconnection, including any transmission credits for such costs, shall be determined in accordance with FPL's open-access transmission tariff or an RTO or ISO or a similar organization open-access transmission tariff, as applicable.

10.2 **Delivery of Energy, Committed Capacity**:

10.2.1 This Section 10.2.1 shall apply (a) if the Facility is directly interconnected with the FPL system prior to the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff, or (b) if the Facility is not directly interconnected with the FPL system prior to the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff:

10.2.1.1 Seller shall deliver all Energy and Capacity required to be provided by Seller hereunder to the Receipt Point. Seller shall be responsible for all costs (including, losses pursuant to Section 10.2.1.2, balancing energy pursuant to Section 13.20 and congestion costs) associated with the delivery of such Energy and Capacity to the Receipt Point.

10.2.1.2 Seller shall be paid hereunder based upon the amount of Capacity and Energy delivered to the Receipt Point. Seller shall be responsible for all losses incurred to deliver such Energy and Capacity to the Receipt Point.

10.2.2 This Section 10.2.2 shall apply (a) if the Facility is directly interconnected with the FPL system beginning on the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff, or (b) if the Facility is not directly interconnected with the FPL system beginning on the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff:

10.2.2.1 FPL shall designate the Facility as a network resource or its replacement or equivalent under the RTO or ISO or a similar organization open-access transmission tariff, and shall pay the applicable access charge under the RTO or ISO or a similar organization open-access transmission tariff, provided that FPL only shall be responsible for such charge to the extent it recovers the applicable transmission owner's or owners' transmission revenue requirements. If an access charge includes costs over and above the amount FPL is responsible

for because of the Facility, such costs shall be allocated to Seller.

10.2.2.2 Seller shall deliver all Energy and Capacity required to be provided by Seller hereunder to the Receipt Point. Seller shall be responsible for all costs (including losses pursuant to Section 10.2.2.2, balancing energy pursuant to Section 13.20 and congestion costs) associated with the delivery of such Energy and Capacity to the Receipt Point.

10.2.2.3 Seller shall be paid hereunder based upon the amount of Capacity and Energy delivered to the Receipt Point. Seller shall be responsible for all losses incurred to deliver such Energy and Capacity to the Receipt Point.

10.3 **Third Party TSA**: If the Facility is not directly interconnected with the FPL system:

10.3.1 Seller shall within thirty (30) days of the date this Contract is executed apply for any firm point-to-point transmission service required on a third party system to deliver all Energy and Capacity required to be provided by Seller hereunder to the Receipt Point. Seller shall use best efforts to obtain any firm point-to-point transmission service required on a third party system to deliver such Energy and Capacity to the Receipt Point, and to obtain or have the third party transmission provider obtain any necessary Governmental Approvals of the Firm TSA, within one year of the date this Contract is executed. Prior to executing the Firm TSA, or seeking or requesting the third party transmission provider to seek any necessary Governmental Approval of the Firm TSA, Seller shall seek FPL approval of the Firm TSA in the form to be executed or filed, such approval not to be unreasonably withheld. Prior to execution or filing, Seller shall use best efforts to revise the Firm TSA in such manner specified by FPL in its reasonable discretion, as provided in writing by FPL to Seller, provided that Seller shall not execute the Firm TSA or consent to any filing of the Firm TSA until such time as FPL grants approval of such execution or filing, such approval not to be unreasonably withheld. The Firm TSA shall provide Seller a right to terminate the Firm TSA effective on such date that transmission service over the third party's transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff.

10.3.2 Upon execution of the Firm TSA, Seller shall assign all scheduling, dispatch, and operational rights under the Firm TSA to FPL, including all rights to transmit all Energy and Capacity required to be provided by Seller hereunder to alternate points of delivery, pursuant to the Assignment of Firm TSA. As between FPL and Seller, FPL shall have

the right to resell any unused transmission rights under the Firm TSA, and shall retain all revenues associated with any such sale.

10.3.3 Seller shall be responsible for all payment obligations under the Firm TSA and any additional payment obligations incurred for transmission service on the third party system. Subject to Section 10.3.4, Seller shall have the right to charge FPL for all costs incurred under the Firm TSA. Seller shall separately invoice FPL for all such costs charged to FPL for inclusion on the monthly invoice prepared by FPL pursuant to Section 7.0.

10.3.4 Upon receiving notice from FPL, Seller shall terminate the Firm TSA on such date that transmission service over the FPL transmission system or the third party transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff, or any other subsequent date specified by FPL. Upon the termination of the Firm TSA, (a) Seller shall not charge, and FPL shall not pay, any costs subsequently incurred by Seller for transmission service on the third-party system, and (b) FPL shall retain all scheduling, dispatch, and operational rights associated with the Facility under the RTO or ISO or a similar organization open-access transmission tariff.

10.4 **Metering**: Metering equipment necessary for determining the Energy and Capacity (real and reactive) for billing purposes shall comply with FPL's metering requirements for the Facility and pursuant to the Contract. Metering equipment shall include, but not be limited to, MWh and kvar meters, metering cabinets, metering panels, conduits, cabling, metering units, current transformers and potential transformers directly or indirectly providing input to meters or transducers, meter recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators and any other equipment necessary to implement the provisions of this Contract. All Energy meters for billing purposes will be revenue billing grade devices that meet Good Engineering and Operating Practices standards. All instrument transformers used for metering will be metering class devices with an accuracy of at least +/- 0.3%. Current transformer ratios will be chosen to measure minimum power within the devices accuracy range. FPL shall, at Seller's expense, design, own, purchase, install and maintain such metering equipment unless FPL agrees in writing to allow another party to design, own, purchase, install or maintain the metering equipment. FPL shall have approval rights over design and location of such installations. Seller shall be responsible for securing adequate space for such installations and shall assure FPL reasonable access to all metering equipment if installed at a facility other than a facility owned by FPL.

10.4.1 A primary meter and associated recording device shall measure and record the flow of Energy and Capacity (real and reactive) associated with the Facility. The meter shall measure the unidirectional watt-hour and var-hour quantities (or other quantities required by FPL) and

shall be used to determine the amount of Energy and Capacity received by FPL from the Seller.

10.4.2 A complete set of equivalent continuously operating redundant, back-up metering and recording devices shall be installed, at Seller's expense, and used for billing purposes only if the primary meters fail or are out of service for any reason.

10.4.3 FPL shall test, at Seller's expense, all metering equipment used to measure and record the receipt by FPL of Energy and Capacity for payment purposes. In those cases where FPL is not the owner of metering equipment used for measurement of Energy and Capacity for payment purposes, Seller shall test all such equipment in the presence of an FPL representative.

10.4.4 All metering equipment used by FPL for billing purposes pursuant to this Contract shall be sealed and shall be opened only by FPL in the presence of a representative of Seller, provided Seller elects to be present pursuant to Section 10.4.6.

10.4.5 Seller shall be responsible for the costs incurred by FPL in maintaining and upgrading the metering equipment required pursuant to this Contract.

10.4.6 At least every twelve months and, in addition, upon reasonable prior notice by Seller or FPL, meter tests will be conducted in accordance with the provisions for meter testing in FPL's approved Terms and Conditions for Supplying Electricity as filed with the FPSC. Seller may have a representative present during any metering inspection, test, or adjustment made by FPL. FPL shall provide Seller reasonable notice prior to such test, inspection, or adjustment. When, as a result of such a test, a meter is found to be no more than three tenths of one percent (0.3%) fast or slow because of incorrect calibration, no adjustment will be made in the amount paid to Seller for Energy and Capacity delivered to FPL. If the meter is found to be more than three tenths of one percent (0.3%) fast or slow, FPL will calculate the correct amount delivered to FPL for the actual period during which inaccurate measurements were made or, if the actual period cannot be determined to the mutual satisfaction of the Parties, for a period equal to one-half of the time elapsed since the most recent test, but in no case for a period in excess of twelve (12) months. The previous payments by FPL for this period shall be subtracted from the amount of payments that were calculated to have been owed under this Contract. The difference shall be offset against or added to the next payment to either Party as appropriate under this Contract.

10.5 Seller shall be entitled to any financial transmission rights allocated by an RTO or ISO or a similar organization associated with any transmission rights Seller obtained from a third party transmission provider for the delivery of Energy and Capacity from the Facility to the Receipt Point. FPL shall be entitled to all other physical or financial transmission rights allocated by an RTO or ISO or a similar organization associated with the delivery of Energy and Capacity.

11.0 OPERATING REPRESENTATIVES

11.1 **Operating Representatives**: At least nine months prior to the Scheduled Capacity Delivery Date, each Party shall appoint a member and an alternate member as Operating Representatives, and provide notice of such appointments to the other Party. Such appointments may be changed at any time by similar notice. The respective Operating Representatives shall meet as necessary at a mutually agreeable time and place upon prior notice. Each Operating Representative and alternate shall be a responsible person working with the day-to-day operations of each respective power system. Seller's Operating Representative shall be in direct contact with the Facility Site if the Facility's operator is a different entity than Seller. The Operating Representatives shall represent the Parties in all matters arising under this Contract which may be delegated to them by mutual agreement of the Parties.

11.2 **Duties**: The duties of the Operating Representatives shall include those specifically identified elsewhere in this Contract, plus the following consistent with the provisions of this Contract:

11.2.1 Coordinate operation outage schedules;

11.2.2 Establish control and operating procedures;

11.2.3 Provide a list of Operating Representatives of each Party; and

11.2.4 Such other duties as may be conferred upon them by mutual agreement of the Parties.

11.3 **Decisions/Disputes**: Each Party shall cooperate in providing to the Operating Representatives all information required in the performance of their duties. If the Operating Representatives are unable to agree on any matter falling under their jurisdiction, such matter shall be referred by the Operating Representatives to their principals for decision. All decisions and agreements made by the Operating Representatives or principals shall be evidenced in writing. The Operating Representatives shall have no authority to amend, modify, or waive this Contract, and no such decision or agreement of the Operating Representatives shall be considered an amendment, modification or waiver of this Contract, which only may be amended, modified, or waived as provided in Section 24.2.

12.0 PRE-OPERATION PERIOD

12.1 **Design, Engineering, Procurement, and Construction of Facility**: Seller shall design, engineer, procure, and construct the Facility in accordance with Good Engineering and Operating Practices, including Environmental Requirements, and shall ensure that all equipment to be installed in the Facility shall be suitable for the use intended, and shall meet the requirements of applicable codes and standards. During the design, engineering, procurement and construction of the Facility, Seller shall provide to FPL such information as FPL may reasonably request regarding the design, engineering, procurement, and construction of the Facility.

12.2 **Provision of Information**:

12.2.1 Seller shall update and maintain the CPM Schedule as a detailed, integrated schedule for the development, permitting, design, engineering, procurement, construction, testing, and completion of the Facility, which shall identify key milestone dates and activities consistent with the Milestones and Milestone Dates set forth on Appendix M.

12.2.2 Seller shall submit to FPL a start-up and test schedule for the Facility, at least one year prior to start-up and testing of the Facility, identifying key start-up and testing dates and activities and gas fuel quantity and schedule requirements and energy schedules.

12.2.3 Promptly after becoming aware that a Milestone Date reasonably could be expected to be missed, and in any event no later than five (5) business days after any missed Milestone Date, Seller shall notify FPL and shall submit to FPL for its review and comment a written recovery plan setting forth in reasonable detail, and with reasonable supporting documentation, (a) the causes and expected duration of the delay, and (b) Seller's plan to recover lost time and achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date.

12.2.4 Each calendar month until the Capacity Delivery Date, Seller shall submit progress reports in a form reasonably satisfactory to FPL, attaching reasonable supporting documentation and including an updated CPM Schedule, indicating percentage completion of each major task, including each Milestone, and reporting on any potentially significant developments that may delay the construction schedule, including the achievement of any Milestone (including the Capacity Delivery Date) and, if Seller shall have missed a Milestone Date and FPL shall not have exercised Step-In Rights or, with respect to a Major Milestone, terminated this Contract, updating FPL on Seller's progress in returning to the Milestone Date schedule set forth on Appendix M and in achieving the Capacity Delivery Date by the Scheduled Capacity Delivery Date.

12.3 **Development of Operating Procedures**: Seller and FPL shall mutually develop written system operating procedures no later than sixty (60) calendar days prior to the Initial Synchronization Date. The operating procedures shall be consistent with the requirements of this Contract and will be intended as a guide for how to integrate the Facility's Energy and Capacity into FPL's electrical system. Topics covered shall include, but not necessarily be limited to, dispatch procedures, including dispatch procedures during system emergencies; deliveries of Energy during start-up and testing of the Facility; the method of day-to-day communications between the Facility operators and the FPL system operators; key personnel lists for both Seller and FPL operating centers; clearance and switching practices; outage scheduling; daily Available Capacity and Energy reports; and Facility operations log and reactive power output. The Operating Representatives, designated pursuant to Section 11.1, shall be responsible for developing and modifying, from time to time, these operating procedures in writing to reflect agreed upon changes.

12.4 **Submission of Operation and Maintenance Plans**: Prior to the Initial Synchronization Date, Seller shall deliver an initial schedule and operation and maintenance plan covering the first five Contract Years. Such plan shall address ongoing maintenance, reliability, environmental compliance, spare parts inventory, and shall include an operation and maintenance plan for less frequent major overhaul work when required on the Facility's generator, turbine, boilers and auxiliary equipment, including spare parts replacements. Seller shall, at Seller's expense, cause an independent party with recognized experience in the electrical generation industry as may be chosen by Seller and approved by FPL (which approval shall not be unreasonably withheld or delayed) to conduct a review of the proposed operation and maintenance plan to ascertain whether such plan is (a) effective and consistent with Good Engineering and Operating Practices and (b) adequate to allow the Facility to operate reliably in accordance with this Contract. Seller shall provide FPL an updated plan meeting the requirements of this Section 12.4 by the last day of each May with respect to the succeeding five Contract Years or the remaining Contract Term, if less.

12.5 **Approval of Operation and Maintenance Plan**: The evaluation of the initial operation and maintenance plan by the independent party specified in Section 12.4 shall be provided to FPL, in writing, at least sixty (60) calendar days prior to the Initial Synchronization Date. Seller shall make all changes to the proposed operation and maintenance plan developed pursuant to Section 12.4, which the independent party determines are necessary for such plan to be (a) effective and consistent with Good Engineering and Operating Practices, (b) consistent with the requirements of this Contract, and (c) adequate to allow the Facility to operate as specified in this Contract unless (i) Seller disagrees with such determination(s), (ii) Seller provides FPL with a written explanation of the basis for such disagreement and the basis for Seller's belief that the proposed change is not needed to assure the reliable operation of the Facility as specified in Section 12.4 or is inconsistent with Good Engineering and Operating Practices or this Contract,

and (iii) (A) FPL concurs, or (B) a second qualified independent engineering firm which shall be chosen by Seller and approved by FPL (which approval shall not be unreasonably withheld) concludes, and provides a reasonable explanation thereof, that the change recommended by the first qualified independent engineering firm (x) is not needed under Good Engineering and Operating Practices, (y) is inconsistent with this Contract, or (z) is not needed to assure the reliable operation of the Facility as specified in this Contract. Seller shall perform Facility maintenance in accordance with such plan; provided, that Seller may vary from such plan when necessary due to changed circumstances, if said variance is required by Good Engineering and Operating Practices. Seller shall notify FPL within five business days any such change, including a detailed explanation of the change, the reasons for the change, and the expected impact on Facility operations or maintenance, and shall provide to FPL such supporting documentation as FPL reasonably may require.

12.6 **Initial Synchronization Date**: Seller shall provide notice to FPL confirming the Initial Synchronization Date no less than six (6) calendar months prior to such date, which synchronization shall not occur before the date on which all protective equipment shall have been installed and tested and is operating as required by this Contract or the Interconnection Agreement. FPL shall have the right to have representatives present and witness the synchronization at such time. Seller shall notify FPL immediately upon any change in the Initial Synchronization Date, and in no event shall synchronization occur without FPL's prior approval, which shall not be unreasonably withheld or delayed.

12.7 **Public Notice and Outreach**:

12.7.1 Seller shall use commercially reasonable efforts to undertake public outreach activities with the local community. Such outreach activities shall be designed to enhance, and implemented in a manner which reasonably could be expected to enhance, the likelihood that the Facility will receive all local Governmental Approvals required to construct, test, operate and maintain the Facility in a timely manner. FPL, in its sole and absolute discretion, may elect to review and assist with such outreach activities, but such assistance, if undertaken, shall not be construed to limit Seller's obligations hereunder or to create any liability on the part of FPL.

12.7.2 Seller shall comply with all public notice and publication requirements under Applicable Laws.

13.0 DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY

13.1 **Technical Requirements**: Power supplied by Seller hereunder shall be in the form of three-phase 60 Hertz alternating current, at a nominal operating voltage of *[_____ kV]* and power factor dispatchable and controllable in the range of 85% lagging to 90% leading as measured at the high side of the generator step-up

transformer to maintain system operating parameters, as specified by FPL, with a net generation Capacity equal to the Committed Capacity. *[Insert voltage appropriate to interconnection point.]*

13.2 **System Protection**: Seller shall operate the Facility with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, FPL's system. Seller shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal operation, testing and repair. Seller shall have qualified personnel test and calibrate all system protective equipment at regular intervals not to exceed two (2) years. A unit functional trip test shall be performed after each overhaul of a turbine, generator or boilers prior to returning the equipment to service. The specifics of the unit functional trip test shall be as recommended by the manufacturers, in accordance with applicable codes and standards (e.g., NFPA 85) and otherwise consistent with Good Engineering and Operating Practices and as agreed by the Parties. If, at any time, FPL has reason to doubt the integrity of the Facility's system protective equipment and reasonably suspects that such loss of integrity would in any way jeopardize the reliability of the FPL system or FPL's supply of electric energy to its customers, Seller shall be required to demonstrate to FPL's satisfaction the correct calibration and operation of the equipment in question.

13.3 **Additions, Deletions and Alterations**: Seller shall not, without prior written approval of FPL, make or cause to be made any additions, deletions or alterations to the Facility's protective equipment, which equipment is necessary for or would affect the safety, reliability or integrity of FPL's system or FPL's supply of electric energy to its customers.

13.4 **Reconnection with FPL System**: If the Facility is separated from the FPL system for any reason, under no circumstances shall Seller reclose into FPL's system without first obtaining FPL's specific approval in each instance, in the appropriate form, as determined by the Operating Representatives. Seller has no right of connection to the FPL system absent FPL's express direction to do so.

13.5 **Fuel**:

13.5.1 Subject to the provisions of this Contract, Seller shall, commencing on the Milestone Date set forth at Major Milestone A.2 on Appendix M and until the expiration of the Contract Term, execute and maintain (and shall deliver copies to FPL within thirty (30) days of execution) long-term contract(s) for any required firm transportation or associated service contract(s) for the Primary Fuel between Seller and its Primary Fuel supplier and transporter, which: (a) have a term of at least until the end of the Contract Term, (b) provide for firm transportation of at least ninety percent (90.0%) of the Facility's Fuel daily design maximum fuel requirements during such term, and (c) include remedies to address protracted inadequate deliverability or poor

quality performance (such contracts, collectively, the "Fuel Contracts").

13.5.2 Seller shall maintain at all times in on-site storage facilities at the Facility Site sufficient quantities of Back-up Fuel to operate the Facility solely on Back-up Fuel for a minimum of seventy two (72) continuous hours at the Committed Capacity. Seller shall replace any Back-up Fuel so consumed promptly and in no event in more than ten (10) business days. For avoidance of doubt failure to comply with this clause 13.5.2 shall constitute a material breach of this Contract.

13.6 **Control of Facility**:

13.6.1 Seller shall operate the Facility consistent with FPL's Dispatch and Control Rights. Control of the Facility will either be by Seller's manual control under the direction of FPL (whether orally or in writing) or by Automatic Generation Control by FPL's system control center as determined by FPL. FPL shall have Dispatch and Control Rights to control the Facility within the Facility Operating Capabilities up to *[___ MW]* above the Level 1 Available Capacity so as to be able to receive the Level 1 Available Capacity on an integrated hourly basis and to schedule the voltage desired by FPL for the Facility to maintain. *[Insert number of MW appropriate to Proposer's facility.]*

13.6.2 FPL may at times request that the real power output be equal to the Peaking Capability of the Facility but shall not require the real power output of the Facility to be below the Minimum Load without Decommitting the Facility. Seller shall meet this request or, within ten (10) calendar days, notify FPL of the engineering or operational circumstances which prevented Seller from complying with FPL's request. FPL's request shall be made orally with as much prior notice to Seller as practicable. Failure to operate at any point above the highest operating level specified in Appendix A pursuant to such request shall not be deemed to be an Unscheduled Outage.

13.6.3 FPL's exercise of its rights under this Section 13.6 shall not give rise to any liability on the part of FPL, including any claim for breach of contract or for breach of any covenant of good faith and fair dealing.

13.7 **Notice of Shutdown**: Seller shall decommit the Facility whenever directed to do so by FPL, whether orally or in writing. Whenever FPL requests Seller to Decommit the Facility, such requests should not cause the Facility to exceed the Facility Operating Capabilities, except as provided in this Section 13.7. For purposes of exercising its Dispatch and Control Rights, FPL agrees that the minimum notice period between an FPL request to Decommit and the time at which the Facility shall have completed shutdown shall be *[___ hours]* and the minimum run time between Successful Start-up and shutdown shall be *[____*

hours] [Insert minimum shutdown notice and minimum run time from Proposer's submission.]. Such notice and reference to the Facility Operating Capabilities shall not apply (a) to the extent determined by FPL to be necessary for safe and reliable operation and maintenance of any part of FPL's system, or (b) if FPL determines that a failure to interrupt or reduce deliveries of Energy is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers. In the event FPL requests Seller to Decommit the Facility with less than *[____ hours] [Insert minimum notice and minimum run time from Proposer's submission.];* Seller shall make all reasonable efforts to comply with such request.

13.8 **Startup of Facility**: Seller shall commit the Facility whenever directed to do so by FPL, whether orally or in writing. Whenever FPL requests Seller to Commit the Facility, such requests should not cause the Facility to exceed the Facility Operating Capabilities except as provided in this Section 13.8. For purposes of exercising its Dispatch and Control Rights, FPL agrees that the minimum notice period between an FPL request to Commit and the time at which the Facility shall have met its assigned Ready for Control shall be *[____ hours]* and the minimum run time between Successful Start-up and shutdown shall be *[_____ hours] [Insert minimum shutdown notice and minimum run time from Proposer's submission,].* Such notice and reference to the Facility Operating Capabilities shall not apply (a) to the extent determined by FPL to be necessary for safe and reliable operation and maintenance of any part of FPL's system, or (b) if FPL determines that a failure to start up the Facility is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers. In the event FPL requests Seller to Commit the Facility with less than *[_____ hours] [Insert minimum startup notice and minimum shutdown time from Proposer's submission.]*; Seller shall make all reasonable efforts to comply with such request.

13.9 **Projections of Available Capacity**: During the term of this Contract, Seller shall provide FPL, on a daily basis, projections of the Available Capacity, Level 1 Available Capacity, and the Capacity associated with any Other Operating Mode, for each hour of the current day and the next six (6) days. Such estimates shall be furnished by 8:00 A.M., EPT, each day, unless otherwise agreed in writing by the Parties, and shall be updated on a daily basis by 3:00 p.m. each day. Notwithstanding the above, Seller shall keep FPL informed at all times including but not limited to periods of Decommitment as to any change in the generation capability of the Facility, including Available Capacity, Level 1 Available Capacity, any Unscheduled Outages, including Level 1 Unscheduled Outages, or any unscheduled outages associated with any Other Operating Mode and applicable Scheduled Outages, as well as any Fuel-related operating, or maintenance concerns that could affect the generation capability of the Facility.

13.10 **Estimated Schedule of Operations**: FPL shall, by 10:00 A.M, EPT each day, provide Seller with an estimated schedule of operations for the next calendar day,

consistent with the Facility Operating Capabilities, including a Ready for Control, if applicable. FPL shall have the right to change such time by giving Seller a minimum of thirty (30) days notice. If the Facility fails to meet the Ready for Control specified by FPL, Seller shall declare the difference between the scheduled Ready for Control and the actual Ready for Control an Unscheduled Outage of the Facility, provided the specified Ready for Control was within the Facility Operating Capabilities of the Facility and consistent with Section 13.7 and Section 13.8.

13.11 **Failure to Achieve Operating Levels**:

13.11.1 For purposes of calculating the Capacity payment for each instance where Seller fails, after oral notification from FPL, or the Facility fails through automatic control while under Automatic Generation Control, to achieve the operating level requested by FPL up to the Available Capacity, the difference between Available Capacity and the actual operating level shall be designated an Unscheduled Outage for the Facility for the previous twenty-four (24) hour period.

13.11.2 For purposes of calculating the Capacity payment for each instance where Seller fails, after oral notification from FPL, or the Facility fails through automatic control while under Automatic Generation Control, to achieve the Level 1 Available Capacity, the difference between the Level 1 Available Capacity and the actual incremental Capacity provided above the Base Operation Mode shall be designated an Unscheduled Outage for the Facility for the previous twenty-four (24) hour period.

13.11.3 For purposes of calculating the Energy payment during each hour where Seller fails, after oral notification from FPL, or the Facility fails through automatic control while under Automatic Generation Control, to achieve the operating level requested by FPL the heat rate adjustment factor shall be equal to1.0.

13.12 **Outages**: No later than April 1 of the calendar year prior to unit in-service date (e.g., April 1, 2008 for a unit with in service date of June 2009), and no later than April 1 of each year thereafter during the term of this Contract, Seller shall submit to FPL, in writing, Seller's preliminary desired scheduled outages for the following five (5) calendar years and a detailed plan for the first calendar year of the five (5) calendar year schedule ("Scheduled Outages"); provided, that under no circumstances shall Seller be permitted to request Scheduled Outages during the Peak Months. The Facility shall be treated as being subject to a Scheduled Outage only for the period(s) of time it actually experiences a reduction in Capacity due to the work being performed on the Facility by Seller. Following the Capacity Delivery Date, Seller may request FPL's approval for additional outages for the purpose of performing work on specific components of the Facility that would limit the Facility's output and which should not, in the

reasonable opinion of Seller, be postponed until the next Scheduled Outage (a "Maintenance Outage"). In no event shall the total of requested Scheduled Outage Hours and Maintenance Outage Hours exceed the total number of Planned and Maintenance Outage Hours included in (and as defined in) Appendix G in any calendar year. The preliminary outage schedule submitted April 1 of each year may be revised by Seller by August 15 of each year. By October 31 of each year, FPL shall notify Seller whether the requested Scheduled Outages are acceptable. If FPL cannot accept any of the requested Scheduled Outages or Maintenance Outages, FPL shall advise Seller of the time period closest to the requested period(s) when the outage(s) can be scheduled. Such approval of Scheduled Outages and Maintenance Outages shall not be withheld unreasonably. In the event FPL requests Seller to change a Scheduled Outage or Maintenance Outage after November 1 for the following year, Seller shall make all reasonable efforts to comply with such request. Except as may be specified within this Section 13.12, Seller shall perform Facility maintenance in accordance with such plan.

FPL shall have the right, upon giving twelve (12) months prior notice to Seller, to change the Months that shall be treated as Peak Months, provided, however, the total number of Peak Months in a calendar year shall never be greater than seven.

13.13 **Maintenance of Records**: Each Party, respectively, shall keep and maintain complete and accurate records and all other data required by each of them for the purposes of proper administration of this Contract.

13.13.1 Seller shall maintain an accurate and up-to-date operating log at the Facility with records of (a) real and reactive power production for each clock hour; (b) changes in operating status, Scheduled Outages, and outages and deratings using the latest version of the NERC operating guidelines; and (c) any unusual conditions found during inspections.

13.13.2 Seller shall maintain accurate maintenance records showing work history and schedule for all scheduled and unscheduled maintenance work performed.

13.13.3 Starting with the second (2nd) calendar month immediately following the Initial Synchronization Date, Seller shall provide a report to FPL by the fifteenth (15th) calendar day of each calendar month, utilizing the format detailed in Appendix D, as may be revised by FPL from time to time.

13.13.4 Either Party shall have the right from time to time, and upon at least fourteen (14) calendar days' notice to the other Party, to examine the records and data of the other Party relating to this Contract during the period the records are required to be maintained.

13.14 **Reports, Etc.**: During the financing term and to the extent that Seller has access, Seller will ensure that FPL receives copies of any construction progress reports, maintenance evaluations or maintenance reports and environmental compliance reports to be provided to any third party with a financial security interest in or lien on the Facility, including evaluations or reports generated at the request of such third party or performed by a consultant engaged by such third party.

13.15 **Qualified Personnel**: During the term of this Contract, Seller shall employ qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. Seller shall ensure that such personnel are on duty at the Facility Site at all times, twenty-four (24) hours every calendar day during the term of this Contract.

13.16 **Compliance with Reliability Requirements**: The Parties recognize that FPL is a member of NERC and FRCC, and that, to ensure continuous and reliable electric service, FPL operates its system in accordance with the operating criteria and guidelines of NERC and/or FRCC or to the extent applicable an RTO or ISO or a similar organization If an emergency is declared by FPL, FPL shall verbally notify Seller's personnel and, if requested by FPL, Seller's personnel shall place the Capacity of the Facility within exclusive control of FPL or its designee for the duration of such emergency.

13.17 **Emergency Plans**: Seller shall cooperate with FPL in establishing emergency plans, including recovery from a local or widespread electrical blackout, or a voltage reduction, in order to effect load curtailment, and other plans which may be necessary. Seller shall make technical references available concerning Start-up Times, black-start capabilities, black-stop capabilities and minimum load carrying ability. In addition, Seller shall develop a hurricane preparedness plan . Such plan shall include but not be limited to operation of the Facility before, during and after experiencing hurricane conditions. FPL shall have the right to approve such hurricane preparedness plan prior to its implementation which approval shall not be unreasonably withheld. Seller agrees that FPL's approval of such hurricane preparedness plan shall in no way create any liability for FPL nor shall such approval eliminate the need for Seller to perform its own due diligence to determine the adequacy of its hurricane preparedness plans.

13.18 **Cooperation During Emergency**: Seller shall, during an emergency, supply Energy to FPL as required by FPL orally or in writing up to the Facility's Peaking Capability that FPL is able to receive. If the Facility has any Unscheduled Outages or Scheduled Outages during such an emergency, Seller shall make all good faith efforts to reschedule the outage(s) or, if the outage(s) has begun, expedite the completion thereof.

13.19 **Operation of Facility**:

13.19.1 Seller shall operate and maintain the Facility in accordance with Good Engineering and Operating Practices, including Environmental

Requirements, and shall ensure that all equipment to be installed in the Facility shall be suitable for the intended purpose, and shall meet the requirements of applicable codes and standards.

13.19.2 Seller shall operate the Facility with all automatic controls (except the Automatic Generation Control) and protection equipment, speed governors and voltage regulators and safety interlock controls at the Facility in service whenever the Facility is connected to, or operated in parallel with, the FPL system. The Automatic Generation Control shall be operated pursuant to FPL's Dispatch and Control Rights.

13.19.3 For avoidance of doubt, in no event shall Seller be entitled to compensation for any Energy generated by the Facility in excess of the level requested by FPL during any hour that the Facility's actual output exceeds the output level requested by FPL. All Energy payments shall be in accordance with Section 7.0.

13.20 **Responsibility for Imbalance Payments under RTO or ISO or a similar organization or Standard Electric Market Rules**: In the event that: (i) an RTO or ISO or a similar organization is established that owns or exercises operational control over FPL's transmission system; or (ii) FERC establishes or approves electric market rules ("Market Rules") that apply to FPL's system, then responsibility for imbalance or other payments associated with imbalances required to be paid by or to the RTO or ISO or a similar organization or under the Market Rules shall be as follows:

13.20.1 Seller shall be responsible for imbalance payments associated with Seller's failure to follow FPL's dispatch instructions issued pursuant to Section 13.0 or dispatch instructions of an RTO or ISO or a similar organization in an amount equal to the sum of (a) the product of (i) the difference between Facility's actual output during each applicable hour and the output level requested by FPL or an RTO or ISO or a similar organization multiplied by (ii) the positive difference, if any, of (x) price required to be paid by FPL to the RTO or ISO or a similar organization for any imbalance during such hour, minus (y) the price FPL would have paid Seller for the energy that Seller failed to deliver which caused the imbalance, plus (b) any other associated penalties, amounts or costs to FPL.

13.20.2 If Seller operates at the levels specified in FPL's dispatch instructions issued pursuant to Section 13.0, then Seller shall not be responsible for any imbalance payments.

13.21 **Seller as Operator**: Except with the prior written consent of FPL, Seller or an affiliate thereof shall be the sole operator of the Facility; provided, that Seller shall be entitled to appoint a qualified third-party operator in its place, with FPL's consent, such consent not to be unreasonably withheld. No appointment of an

affiliate or third-party operator by Seller shall relieve Seller of any obligation or liability under this Contract.

13.22 **Dispatch, Control, Operation and Maintenance of the Facility**: With respect to control, operation, and maintenance of the Facility, it is agreed by the Parties that Seller and not FPL is solely responsible for implementation of all control, operating and maintenance procedures which relate to the possession, control, use or custody of the Facility.

14.0 DATA ACQUISITION

14.1 **Installation of Equipment**: Except as may be provided in this Section 14.1 and Section 14.3, Seller shall, at its own expense, design, engineer, purchase, install, connect, operate, repair, maintain and own all telemetering equipment, the generator control unit and the generator control panel for the Facility as may reasonably be required in compliance with the specifications for such equipment and software set forth in Appendix J or as updated from time to time by FPL by notice to Seller in order to receive telemetry and to control the Energy and Capacity from the Facility as required to dispatch the Facility and to provide for the safe and reliable operation of FPL's electric system. Such equipment shall meet FPL's reasonable specifications for transmission of telemetered data to and from locations specified by FPL. Telemetering equipment shall include, but not be limited to, transducers, meters, test switches for transducers and meters, alternating current and direct current sources, telephone lines and interconnecting wiring with proper identification for supervisory and communication equipment. FPL shall, at Seller's expense, own, design, engineer, purchase, install, connect, terminate, repair, maintain, replace, relocate and remove a work station and/or remote terminal unit ("RTU") to link the Facility and FPL's system control center ("Plant RTU"). Seller shall provide adequate space for the FPL work station and/or Plant RTU, coordinate planning and installation of the FPL work station and/or Plant RTU and provide FPL twenty-four hour access each day to the FPL work station and/or Plant RTU.

14.2 **Data Acquisition Equipment**: The data acquisition equipment shall monitor analog and digital signals deemed necessary and shall meet FPL specifications set forth in Appendix J or otherwise reasonably determined as necessary from time to time by FPL to implement the provisions of this Contract. Such data acquisition equipment and software shall be state-of-the-art at the time it is purchased, be compatible at all times with the computer master equipment and software receiving the telemetry signals (including Automatic Generation Control) and supply status information, MWh, voltage, MW and MVAR analog information, certified site data (at locations as agreed to by FPL) including dry bulb, wet bulb, or relative humidity and barometric pressure, as well as any other data reasonably required by FPL or Seller from time to time, with respect to the Facility. Such data acquisition equipment and software shall be separate from or capable of operating independently of, any equipment and software of any person or entity other than Seller or any equipment and software of Seller other than the Facility

located at the Facility Site. Data available on such data acquisition equipment shall not be accessible to any person or entity other than Seller without the prior written approval from FPL. Seller agrees to treat as proprietary to FPL and confidential any and all data available on such data acquisition equipment.

14.3 **FPL Switchyard RTU:** If required by FPL, the FPL switchyard RTU shall be installed by FPL to provide interconnection telemetry exclusively to the FPL system control center. The FPL switchyard RTU shall be in addition to the Plant RTU provided for in Section 14.1, and any other RTUs which may be installed in the future to supply data to or from FPL. The FPL switchyard RTU shall, at Seller's expense, be owned, designed, engineered, purchased, installed, repaired, maintained, replaced, relocated or removed by FPL, subject to Seller approval.

15.0 RECORDS AND AUDITS

15.1 **Books and Records**: Seller's books, records and accounts, correspondence, accounting procedures and practices and any other supporting evidence pertaining to the Facility or this Contract (all the foregoing hereinafter referred to as "Records") shall be open to inspection, audit and reproduction, during normal working hours by FPL or its authorized representative on ten (10) calendar days prior notice, to the extent necessary to permit adequate evaluation and verification of any invoices, payments or claims based on Seller's actual costs incurred. For the purpose of evaluating or verifying such actual or claimed costs incurred or units expended, FPL and its authorized representatives shall have access to said Records from the Commencement Date until seven (7) years after the close of each Contract Year to which such Records relate.

15.2 **Inspection; Construction; Environmental and Operating Records**:

15.2.1 Subject to Seller's reasonable safety and security requirements, FPL employees or its agents shall have the right to monitor the licensing, permitting, construction, start-up, testing , and commissioning of the Facility, either onsite or off-site. Seller shall comply with all reasonable requests of FPL for information resulting therefrom.

15.2.2 FPL-authorized representatives may, from time to time during normal business hours and with reasonable advance written or verbal notice, have access to the Facility to inspect the environmental and operation and maintenance records of the Facility or for other purposes necessary to determine Seller's performance under the terms of this Contract, provided that FPL's inspections do not unreasonably interfere with Seller's operation and maintenance of the Facility.

15.3 **FPL Audit Rights**: Seller shall cooperate in such physical inspections of the Facility as may be reasonably required by FPL during and after completion of construction. FPL or its authorized representative shall have access during normal working hours to all necessary facilities of Seller, and shall be provided

adequate and appropriate work space, in order to conduct the audits in compliance with the provisions of this Section 15.0.

15.4 **FPL Access to Records**: Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as well as future amendments and interpretations of those rules, may require FPL to evaluate whether the Seller must be consolidated, as a variable interest entity (as defined in FIN 46R), in the financial statements of FPL. Seller agrees to fully cooperate with FPL and make available to FPL all financial data and other information, as deemed necessary by FPL, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R.

If the result of the evaluation under FIN 46R indicates that Seller must be consolidated in the financial statements of FPL, Seller agrees to provide financial statements, together with other required information, as determined by FPL, for inclusion in disclosures contained in the footnotes to the financial statements and in FPL's required filings with the Securities and Exchange Commission (SEC). This information must be received by FPL in a timeframe consistent with FPL's earnings release and SEC filing schedules, to be determined at the sole discretion of FPL. Additionally, Seller agrees to fully cooperate with FPL and their independent auditors in completing an assessment of Seller's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of FPL

16.0 INSURANCE

16.1 **Liability Insurance**: Seller shall procure or cause to be procured a policy or policies of liability insurance issued by an insurer satisfactory to FPL on a standard "Insurance Services Office" commercial general liability form, or an Associated Electric and Gas Insurance Services ("AEGIS") form or other industry form acceptable to FPL. Said policy(ies) shall cover liabilities which might arise under, or in the performance or nonperformance of, this Contract. A Certificate of Insurance shall be delivered to FPL at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, said policy(ies) shall contain (i) an endorsement providing coverage, including products liability/completed operations coverage for the term of the Contract, and (ii) a broad form contractual liability endorsement for FPL Entities. Effective at least fifteen (15) calendar days prior to the Initial Synchronization Date, the policy(ies) shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards.

16.2 **Coverage Required**: The policy(ies) described in Section 16.1 shall have a limit of not less than Ten Million Dollars ($10,000,000.00) per occurrence, combined single limit, for personal injury, bodily injury (including death), and property damage; provided, that in the event that such insurance becomes totally unavailable or procurement becomes commercially impracticable, such

unavailability or impracticability shall not constitute an Event of Default under this Contract, but FPL and Seller shall enter into negotiations to develop substitute protection for FPL Entities which FPL, in its reasonable judgment, deems adequate. Any premium assessment or deductible shall be for the account of Seller and not FPL Entities.

16.3 **Conditions of Coverage**: In the event that the policy(ies) is on a "claims made" basis, the retroactive date(s) of the policy(ies) shall be the Commencement Date or such other date as to protect the interests of FPL Entities. Furthermore, if the policy(ies) is on a "claims made" basis, Seller's duty to provide such coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort; if coverage is on an "occurrence" basis, such insurance shall be maintained by Seller during the entire period of interconnection and performance by the Parties under this Contract. The policy(ies) shall not be canceled or materially altered without at least thirty (30) calendar days' written notice from the insurer to FPL. Coverage must be reasonably acceptable to FPL.

16.4 **FPL as Additional Insured, Etc**: Depending on the policy procured by Seller, and with FPL's concurrence, FPL Entities shall be designated either as an additional named insured or as an additional insured for all policies specified in Section 16.1, and each policy(ies) shall be endorsed to be primary to any insurance which may be maintained by, or on behalf of, FPL Entities. All policies shall include waivers of subrogation in favor of FPL Entities.

16.5 **Property Insurance**: Seller shall procure or cause to be procured "All Risk" property insurance, including boiler and machinery insurance, in an amount equal to the replacement cost of the Facility to provide comprehensive coverage for the Facility. Such policy(ies) shall include waivers of subrogation in favor of FPL Entities.

16.6 **Environmental Pollution Liability Insurance**: Seller shall procure or cause to be procured environmental pollution liability insurance, which shall include clean up, bodily injury and property damage for existing and new pollution conditions both on and offsite. Such insurance shall be in an amount of no less than Ten Million Dollars ($10,000,000.00) per occurrence and in the policy aggregate and contain a deductible of no more than One Million Dollars ($1,000,000.00) per occurrence. Environmental pollution liability may be written on claims made form. FPL Entities shall be designated as an additional insured for such policy(ies), and such policy(ies) shall be endorsed to be primary to any insurance which may be maintained by, or on behalf of, FPL Entities. Such policy(ies) shall include waivers of subrogation in favor of FPL Entities.

16.7 **Copies of Policies:** Certificates of insurance or a copy of the policy(ies) referenced in Sections 16.1, 16.5, and 16.6 shall be made available for inspection by FPL at Seller's offices upon reasonable advance notice to Seller.

17.0 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

17.1 **Compliance with Applicable Laws**: Seller shall operate and maintain the Facility in compliance with all Applicable Laws.

17.2 **Governmental Approvals**: Seller hereby agrees to seek, obtain, maintain, comply with and, as necessary, renew, replace, or modify from time to time, and in a timely manner, any and all Governmental Approvals, including Environmental Licenses, which are required by Applicable Law as prerequisites to engaging in the activities envisioned by this Contract. The cost of compliance with all Governmental Approvals, including Environmental Licenses, which are required by Law as of [*NOTE: insert due date of submissions*] is the Seller's sole responsibility. If the cost of complying with Governmental Approvals, including Environmental Licenses, which may be required by Applicable Laws that have been enacted after the date stated in the previous sentence of this paragraph, as prerequisites to engaging in the activities envisioned by this Contract, are expected to be significant (i.e., greater than **$XXXXXX**); then the Parties will agree to reopen this Contract for the sole purpose of addressing the cost responsibility of each Party for such costs of compliance with new Applicable Laws.

17.3 **Design and Permitting**:

17.3.1 Seller shall design, engineer, procure, construct, operate and maintain the Facility, and shall obtain and maintain Governmental Approvals and environmental emission allowances, credits or approvals on terms and conditions, such that Seller will be in compliance with, and the Facility will be designed, engineered, constructed, procured, operated and maintained, in accordance with the requirements of this Contract (including pursuant to FPL's Dispatch and Control Rights) without violating Applicable Laws, including Environmental Requirements, and Seller shall not be excused from any obligation under this Contract nor shall any right of FPL (including FPL's Dispatch and Control Rights) be limited because of any conflict between the requirements hereof and the requirements of Applicable Law, including Environmental Requirements, or because of any failure to obtain or maintain any Governmental Approval or environmental emissions allowance, credit or approvals. Any Governmental Approvals or permits that can not be transferred due to sale or transfer of ownership shall be noted.

17.3.2 Without limiting the generality of Section 17.1, 17.2, or 17.3.1, Seller shall design, engineer, procure, construct, test, operate and maintain the Facility, and shall obtain and maintain Governmental Approvals on terms and conditions, such that:

(a) at the point in time when the Facility is Ready for Control, the Facility shall have full load-following capability equal to the Maximum Sustained Rate;

(b) the Peaking Capability shall be not less than *[____ MW]* in the Winter Period and *[___ MW]* in the Summer Period *[Insert numbers of MW from Proposer's submission]*; and

(c) the Facility shall operate in accordance with the Facility Operating Capabilities.

17.3.3 Seller shall use commercially reasonable efforts to obtain and maintain all Governmental Approvals required to allow, and shall design, engineer, procure, construct, and, subject to receipt of such Governmental Approvals, test, operate and maintain the Facility, such that:

(a) the Facility shall be capable of operating on Back-up Fuel at the Committed Capacity for up to five hundred (500) hours per calendar year;

(b) the Facility shall be capable of operating for a minimum of one hundred and eight (108) continuous hours at the Committed Capacity using Back-up Fuel stored at the Facility Site without replenishment;

(c) the Facility shall be capable of achieving Successful Start-up operating solely on Back-up Fuel; and

(d) the Facility shall be capable of switching from the Primary Fuel to the Back-up Fuel without interruption or diminution in output and without disconnecting from the transmission system.

17.4 **Environmental Reporting**:

17.4.1 Seller shall submit to FPL an annual environmental summary report describing the Facility's status and stating whether or not Seller is in compliance with all applicable Environmental Requirements and Environmental Licenses, including certification conditions under the Florida Electrical Power Plant Siting Act and the National Environmental Policy Act, if necessary. Such report shall be submitted annually, on or before the anniversary of the Commencement Date, or coincident with periodic reports to Governmental Authorities.

17.4.2 Seller shall notify FPL within five (5) business days of any violations or alleged violations of Environmental Requirements (as evidenced by agency warning letters, notices of violations, or similar written or verbal communications to or from any environmental agency), describing the matter in reasonable detail, including the anticipated resolution, and attaching copies of such communications and Seller's responses, if any.

17.5 **Environmental Allowances**: Seller shall be responsible for obtaining, at its expense, all applicable environmental allowances, offsets or credits, if any, necessary under Applicable Law and Governmental Approvals required as of [*NOTE; INSERT DUE DATE OF SUBMISSIONS*] for the construction or operation of the Facility as required by this Contract. Seller shall be responsible for obtaining all applicable environmental allowances, offsets or credits, if any, necessary under new Applicable Law and Governmental Approvals (i.e., Applicable Laws and Governmental Approvals that have been enacted after the date stated in the previous sentence of this paragraph); however, if the costs of obtaining all applicable environmental allowances, offsets or credits, if any, necessary under new Applicable Law and Governmental Approvals (i.e., Applicable Laws and Governmental Approvals that have been enacted after the date stated in the first sentence of this paragraph) are significant (greater than $ **XXXXXXX**) then the Parties will agree to reopen this Contract for the sole purpose of addressing each Party's cost responsibility for obtaining all applicable environmental allowances, offsets or credits, if any, necessary under new Applicable Law and Governmental Approvals.

17.6 **EEO Compliance**: Seller shall conform to the requirements of the Equal Employment Opportunity clause in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended; applicable portions of Executive Orders 11701 and 11758, relative to Equal Employment Opportunity; Section 503 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; and the Implementing Rules and Regulations of the Office of Federal Contract Compliance Programs; and shall impose such requirements on its applicable contractors, subcontractors, vendors and suppliers.

17.7 **Rate Regulation**:

17.7.1 Notwithstanding anything to the contrary in this Contract, if FPL, at any time during the term of this Contract, fails to obtain or is denied the authorization of the FPSC, or the authorization of any other legislative, administrative, judicial or regulatory body which now has, or in the future may have, jurisdiction over FPL's rates and charges, to recover from its customers all of the payments required to be made to Seller under the terms of this Contract or any subsequent amendment hereto, FPL may, at its sole option, adjust the payments made under the Contract to the amount(s) which FPL is authorized to recover from

its customers. In the event that FPL so adjusts the payments to which Seller is entitled under this Contract, then, Seller may, at its sole option, terminate this Contract upon ninety (90) days notice to FPL. If such determination of disallowance is ultimately reversed and such payments previously disallowed are recovered, FPL shall pay all withheld payments. Seller acknowledges that any amounts initially received by FPL from its customers, but for which recovery is subsequently disallowed and charged back to FPL, may be offset or credited, against subsequent payments to be made by FPL to Seller under this Contract.

17.7.2 If, at any time, FPL receives notice that the FPSC or any other legislative, administrative, judicial or regulatory body seeks or will seek to prevent full recovery by FPL from its customers of all payments required to be made under the terms of this Contract or any subsequent amendments to this Contract, then FPL shall, within thirty (30) days of such notice, give notice thereof to Seller. FPL shall use reasonable efforts to defend and uphold the validity of this Contract and its right to recover from its customers all payments required to be made by FPL hereunder, and will cooperate in any effort by Seller to intervene in any proceeding challenging, or to otherwise be allowed to defend, the validity of the Contract and the right of FPL to recover from its customers all payments to be made by it hereunder.

The Parties do not intend this Section 17.7 to grant any rights or remedies to any third party(ies) or to any legislative, administrative, judicial or regulatory body; and this Section 17.7 shall not operate to release any person from any claim or cause of action which Seller may have relating to, or to preclude Seller from asserting, the validity or enforceability of any obligation undertaken by FPL under this Contract.

17.8 **No Application to FERC**: This Contract shall not be subject to change through application to the FERC pursuant to the provisions of Sections 205 or 206 of the Federal Power Act absent the prior written agreement of each of the Parties.

17.9 **Community Relations**: Seller shall maintain good relations with labor, suppliers, vendors, Governmental Authorities, and the local community.

18.0 FORCE MAJEURE

18.1 **Force Majeure Relief**: Except as otherwise provided in this Contract, each Party shall be excused, pursuant to the procedures set forth in this Section 18.0, from performance to the extent its nonperformance is caused by Force Majeure.

18.2 **Notice of Force Majeure, Etc**:

18.2.1 In the event of any delay or nonperformance resulting from Force Majeure, the Party suffering an occurrence of Force Majeure shall notify the other of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any date(s) for performance may be affected thereby. Such notice shall be given to the other Party as soon as practicable but in no event later than five (5) business days after the claiming Party's awareness of the Force Majeure, i.e., the effect of such event or circumstance, and in no event later than fifteen (15) days after the occurrence of such event or circumstance, and shall provide such substantiating documentation as may be required to verify such event or circumstances and its effects within fifteen (15) days of such notice. The Party claiming Force Majeure shall endeavor in good faith to notify the other Party earlier than five (5) business days but shall not be in breach of this Contract for any failure to provide such notice any sooner than five (5) business days, and shall notify the other Party of the status of its efforts in such form and with such frequency as the other Party reasonably may request under the circumstances (but not less than weekly). When the Party claiming Force Majeure is able to resume performance of its obligations under this Contract, such claiming Party shall give the other Party prompt notice to such effect.

18.2.2 The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. Prior to the Capacity Delivery Date, no event of Force Majeure shall be deemed to extend, or to excuse failure of Seller to achieve, any Milestone under Section 3.0, to extend the Schedule Capacity Delivery Date, or to excuse failure to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date, except to the extent such event of Force Majeure (a) substantially impairs a critical-path item on the CPM Schedule, and (b) cannot be overcome by revising, rearranging, expediting, or accelerating such CPM Schedule or by the payment of money to expedite or accelerate such CPM Schedule.

18.3 **Mitigation of Force Majeure**: Any Party suffering an occurrence of Force Majeure shall use commercially reasonable efforts to remedy the cause(s) preventing its performance of this Contract as promptly as possible.

18.4 **Effect of Force Majeure on Capacity Payments**: If in any Month the Available Capacity of the Facility is decreased with respect to any hour or Peak Hour as a result of Force Majeure, then:

18.4.1 Without limiting the generality of Section 18.3, Seller shall endeavor diligently to cause the Available Capacity of the Facility to be restored promptly to a level not less than the Minimum Capacity, and Seller shall cause a Capacity Test to be conducted as promptly thereafter as possible as provided in Section 9.0. Any whole or partial interruption

or reduction in the Facility's Capacity to a level below Committed Capacity until the conclusion of such Capacity Test shall be deemed to be an Unscheduled Outage.

18.4.2 Upon conclusion of the Capacity Test, if the Continuous Capability is less than the Minimum Capacity, and if Seller provides to FPL evidence reasonably satisfactory to FPL that such shortfall is a direct consequence of such event of Force Majeure, and that Seller, notwithstanding Seller's efforts to mitigate the effects of such Force Majeure, has not been able to restore the Facility, then, until the earlier of the demonstration by Seller in a Capacity Test that the Continuous Capability is not less than the Minimum Capacity or the expiration of the Force Majeure Aggregate Allowance:

(a) the Committed Capacity shall be deemed to be equal to the Continuous Capability demonstrated by the most recent Capacity Test;

(b) Seller shall set the Available Capacity at a level not more than such Continuous Capability; and

(c) FPL's Dispatch and Control Rights, and its payment obligations hereunder, shall be prorated accordingly.

18.5 **Limitation**: FPL at its option may terminate this Contract as provided in Section 19.3 to the extent that (a) performance by Seller of its obligations hereunder shall have been excused pursuant to this Section 18.0 for a period in excess of the Force Majeure Aggregate Allowance, or (b) Seller shall have been excused pursuant to this Section 18.0 from achieving the Capacity Delivery Date by the Final Capacity Delivery Date.

19.0 DEFAULT AND TERMINATION

19.1 **Seller Events of Default**: Each of the following shall constitute an Event of Default by Seller:

19.1.1 Seller abandons construction or operation of the Facility;

19.1.2 Seller fails to achieve a Major Milestone by the corresponding Milestone Date (other than failure to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date) and Seller has failed to cure such failure within thirty (30) days of such Milestone Date;

19.1.3 Seller (a) fails to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date and fails to pay delay liquidated damages or otherwise fails to comply with the provisions of Section 3.2.3; or (b) fails to achieve the Capacity Delivery Date by the Final Capacity Delivery Date;

19.1.4 After the Capacity Delivery Date, the Facility fails to maintain a Capacity Billing Factor of at least sixty-four percent (64%);

19.1.5 The Facility fails to demonstrate a Continuous Capability at least equal to the Minimum Capacity in three successive Capacity Tests after the Capacity Delivery Date;

19.1.6 Seller sells electrical Capacity, Energy or Ancillary Services from the Facility to a third party other than as expressly provided in Section 6.4.1;

19.1.7 Seller (a) fails to make a payment to FPL that is not subject to a good-faith dispute within thirty (30) days after notice from FPL that such payment is due under this Contract, or (b) fails to pay any liquidated damage amount as and when due hereunder;

19.1.8 If (a) a receiver or liquidator or trustee of Seller or Seller's Guarantor or of a substantial part of the assets of Seller or Seller's Guarantor is appointed by order of a court of competent jurisdiction, and such receiver or liquidator or trustee is not discharged within a period of sixty calendar days; (b) by decree of such a court, Seller or Seller's Guarantor is adjudicated bankrupt or insolvent or a substantial part of the assets of Seller or Seller's Guarantor are sequestered, and such decree continues undischarged and unstayed for a period of sixty (60) calendar days after the entry thereof; (c) a petition to declare bankruptcy or to reorganize a party pursuant to any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to Seller or Seller's Guarantor, as now or hereafter in effect, is filed against Seller or Seller's Guarantor and is not dismissed within sixty (60) calendar days after such filing; (d) Seller or Seller's Guarantor files a voluntary petition to declare bankruptcy or to reorganize pursuant to any bankruptcy law or insolvency law, or consents to the filing of any bankruptcy or reorganization petition against it under any similar law; or (e) without limitation of the generality of the foregoing, Seller or Seller's Guarantor files a petition or answer or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to Seller or Seller's Guarantor, as now or hereafter in effect, or Seller or Seller's Guarantor files an answer admitting the material allegations of a petition filed against it in such a proceeding;

19.1.9 Seller is in default of any material provision of this Contract not specifically mentioned in this Section 19.1 and Seller has failed to cure such default within thirty (30) days after notice of such default from FPL to Seller; provided, that so long as such default of Seller is not a

failure to pay money, (a) if it is not feasible to correct such default within thirty (30) days after FPL has delivered notice of such default to Seller, but it remains feasible to correct within sixty (60) days, and (b) if within ten days after said notice from FPL, Seller provides FPL notice of its intention to cure such default and evidence that it remains feasible to correct such default within sixty (60) days after such notice from FPL, it shall not constitute an Event of Default hereunder until the earliest feasible date within such sixty (60) day period when a cure could be effected so long as (w) corrective action by Seller is instituted within ten days following the notice from FPL, (x) such corrective action is diligently pursued, (y) Seller provides FPL bi-weekly written reports as to the nature and progress of such corrective action, and (z) such cure is effected within sixty (60) days of the notice from FPL; or

19.1.10 Seller fails to provide and maintain the Completion Security or the Performance Security required under Section 4.0, or FPL shall have made a drawing on any Liquid Security and such Liquid Security shall not have been replaced or replenished when and as required by Section 4.0.

19.1.11 Seller fails to comply with the requirements of section 15.4 of this Contract.

19.2 **FPL Events of Default:** Each of the following shall constitute an Event of Default by FPL:

19.2.1 FPL fails to make a payment due to Seller that is not subject to a good-faith dispute within thirty (30) days after notice from Seller that such payment is due under this Contract; or

19.2.2 If (a) a receiver or liquidator or trustee of FPL or of a substantial part of the assets of FPL is appointed by order of a court of competent jurisdiction, and such receiver or liquidator or trustee is not discharged within a period of sixty calendar days; (b) by decree of such a court, FPL is adjudicated bankrupt or insolvent or a substantial part of the assets of FPL are sequestered, and such decree continues undischarged and unstayed for a period of sixty (60) calendar days after the entry thereof; (c) a petition to declare bankruptcy or to reorganize a party pursuant to any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to FPL, as now or hereafter in effect, is filed against FPL and is not dismissed within sixty (60) calendar days after such filing; (d) FPL files a voluntary petition to declare bankruptcy or to reorganize pursuant to any bankruptcy law or insolvency law, or consents to the filing of any bankruptcy or reorganization petition against it under any similar law; or (e) without limitation of the generality of the foregoing, FPL files a petition or

answer or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to FPL, as now or hereafter in effect, or FPL files an answer admitting the material allegations of a petition filed against it in such a proceeding.

19.3 **Termination for Prolonged Force Majeure**: To the extent any event or events of Force Majeure (a) excuse Seller from achieving the Capacity Delivery Date by the Final Capacity Delivery Date pursuant to the provisions of Section 18.0, or (b) after the Capacity Delivery Date, excuse Seller from performing any of its material obligations hereunder pursuant to the provisions of Section 18.0 for four thousand, three hundred twenty (4,320) hours in the aggregate (whether resulting from the same or multiple events or circumstance and whether or not continuous) (the "Force Majeure Aggregate Allowance"): (i) FPL may terminate this Contract without penalty or further liability for either Party upon thirty (30) days notice to Seller, and (ii) upon such termination, FPL shall return any undrawn Completion Security or Performance Security within sixty (60) days of the effective date of such termination.

19.4 **Remedies**: Upon the occurrence of any Event of Default, the non-defaulting Party may, at its option:

19.4.1 Terminate this Contract without penalty or further obligation by the non-defaulting Party, by notice to the defaulting Party, and, if prior to the Capacity Delivery Date, Seller shall pay FPL liquidated damages as provided in Section 3.0;

19.4.2 Offset from any payment(s), due from the non-defaulting Party to the defaulting Party, any amount otherwise due from the defaulting Party to the non-defaulting Party;

19.4.3 In the case of an Event of Default by Seller, draw on the Completion Security or the Performance Security, as the case may be, in the amount of the non-defaulting party's damages (including liquidated damages payable under Section 3.0);

19.4.4 In the case of an Event of Default by Seller, FPL, at its option, may apply to any court of competent jurisdiction for the appointment of a receiver to take charge of, manage, preserve, protect, complete construction of, and operate the Facility, to make all necessary and needed repairs to the Facility, and to pay all taxes and assessments against the Facility and insurance premiums for insurance thereof, it being hereby agreed that, upon occurrence of an Event of Default, (a) FPL shall be entitled to such appointment; (b) upon application by FPL, the court may forthwith appoint such receiver with the usual powers and duties thereof; (c) Seller consents, and Seller shall not

object to such appointment; and (d) appointment of a receiver under this Section 19.4 shall not in and of itself terminate this Contract;

19.4.5 In the case of an Event of Default by Seller, if (and only if) FPL shall have terminated this Contract pursuant to Section 3.0 or Section 19.0 as a consequence of such Event of Default, FPL may, at its option, but subject to the Intercreditor Agreement, exercise any or all of its remedies under the Mortgage and Security Agreement;

19.4.6 In the case of an Event of Default by FPL, then, notwithstanding the exclusivity requirement set forth in Section 6.4, Seller may cover FPL's obligations to pay for Capacity under this Contract by selling such Capacity to a third party, in which event FPL shall pay to Seller, within ten (10) days after Seller's invoice (with such supporting documentation as may be required to verify such failure and the amounts set forth on such invoice), an amount equal to the amount, if any, by which the amount received by Seller from reselling such Capacity at the Receipt Point, acting in a commercially reasonable manner, is less then the amount required to be paid by FPL to Seller hereunder with respect to such Capacity ("Seller's Cost of Cover");

19.4.7 In the case of default by Seller under Section 19.1.6 "Sales to third parties" FPL will receive the higher of the profits from such unauthorized sale or FPL's costs to cover.

19.4.8 Exercise any other right or remedy available to it in equity or, subject to Section 19.5, any other right or remedy available to it hereunder or at law or in equity.

19.5 **Liquidated Damages**: The Parties acknowledge and agree that the damages which FPL would actually suffer as a result of (a) delay by Seller in achieving the Capacity Delivery Date by the Scheduled Capacity Delivery Date, or (b) termination of this Contract upon Seller's failure to achieve a Major Milestone under Section 3.0, including failure to achieve the Capacity Delivery Date as provided therein, or upon any other Seller Event of Default prior to the Capacity Delivery Date, are now, and will in the future remain, incapable of determination with any mathematical precision or certainty, and that the mutually agreed liquidated damages required to be paid upon such failure hereunder (i) are in the nature of liquidated damages, (ii) are not unconscionable, (iii) do and will not constitute a conversion by or unjust enrichment of FPL, (iv) are unequivocal, fair and reasonable under the circumstances and not a penalty, (v) shall constitute FPL's sole and exclusive damages upon such delay or termination (FPL hereby waiving, in consideration of the right to such liquidated damages in such events, any rights it may have to seek damages in excess of such agreed delay or termination liquidated damages), and (vi) were bargained for and derived through mutual negotiations and agreement between Seller and FPL and constitute a material and integral part of the agreement between the Parties; provided, that

nothing herein shall limit FPL's rights to seek any equitable remedies otherwise available to FPL; provided, further, that such liquidated damages shall not be FPL's sole and exclusive damages with respect to any default or Event of Default not expressly described in Section 3.2, with respect to which FPL shall continue to have all rights and remedies described herein; and provided, further, that during any period in which FPL has exercised Step-In Rights as provided in Section 5.1 and has not relinquished possession of the Facility and the Facility Site to Seller or terminated this Contract pursuant to Section 19.3, Seller shall not be obligated to pay such liquidated damages.

19.6 **FPL's Cost of Cover**:

19.6.1 If Energy, Capacity or Ancillary Services are not delivered or made available from the Facility at the Receipt Point due to Unscheduled Outage(s) or for any reason in breach of Seller's obligations hereunder, and FPL in its absolute and sole discretion, for any reason it deems appropriate, or for no reason at all, elects to cover Seller's obligations under this from a third party:

(a) unless Seller's failure is excused pursuant to Section 18.0, Seller shall pay to FPL, within ten business days of Seller's receipt of the Monthly Billing Statement, an amount equal to the amount, if any, by which the cost to FPL of obtaining such deliveries at the Receipt Point, acting in a commercially reasonable manner (including without duplication brokerage or other transaction costs, generation charges, fuel charges, reservation charges, start-up costs, transmission charges, transmission losses, and charges for ancillary services) exceeds the amount required to be paid by FPL to Seller hereunder with respect to such Energy or Capacity ("FPL's Cost of Cover");

(b) any capacity used in the production of such replacement capacity or energy shall not be treated as Committed Capacity, or Available Capacity for purposes of this Contract unless purchased by FPL from an entity with an Investment Grade Credit Rating (or which has provided security equivalent to the security required to be provided by Seller hereunder) pursuant to a firm contract with a term not less than the remaining portion of the Contract Term, which means, in any hour or Peak Hour, that neither such capacity nor the energy delivered by such entity in replacement of Energy or Capacity shall be treated as Committed Capacity, Available Capacity or as Energy delivered in such hour or Peak Hour hereunder, including for purpose of clauses (a)(i) of the definition of "Hourly Capacity Factor" or "Hourly Peak Capacity Factor"; and

(c) for avoidance of doubt, FPL shall not have any obligation to obtain or continue such deliveries.

19.6.2 For avoidance of doubt, Seller shall have no right to substitute electrical capacity or energy, at the Receipt Point or otherwise, generated at any facility other than the Facility, for Capacity or Energy which Seller has failed for any reason to generate at the Facility and to deliver or make available at the Receipt Point.

19.7 **Survival of Rights**: Remedies Cumulative. No termination under this Section 19.0 (or otherwise under this Contract) shall affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from breach of this Contract. Except as expressly provided in Section 19.5, the rights and remedies of the Parties hereunder shall not be exclusive of any other right or remedy available hereunder or at law or in equity and shall be cumulative.

20.0 INDEMNIFICATION

20.1 **Indemnification**: FPL and Seller shall each be responsible for its own facilities, for protection of its own generating system, and for ensuring adequate safeguards for FPL customers, and the personnel and equipment of Seller and FPL. Seller shall indemnify and save FPL Entities harmless, on an After-Tax Basis and FPL shall indemnify and save Seller Entities harmless, on an After-Tax Basis from any and all claims, demands, costs or expenses (including court costs and attorneys' fees related to any claim, administrative proceeding, pretrial, trial or appellate proceeding), for loss, damage or injury to persons or property caused by, arising out of, or resulting from (a) any act or omission by the respective Party or that Party's contractors, agents, servants and employees in connection with the installation or operation of that Party's generation system or Facility, or the operation thereof in connection with the other Party's system or Facility, (b) any defect in, failure of, or fault related to, a Party's system or Facility, or (c) the negligence of the respective Party or negligence of that Party's contractors, agents, servants or employees.

20.2 **Environmental Indemnity**: Seller agrees to hold FPL Entities harmless on an After-Tax Basis from any liability associated with on-site or off-site contamination or other environmental damage resulting from any prior uses or from construction and operating activities except as and to the extent such contamination or other environmental damage was the direct result of FPL actions, other than actions performed pursuant to FPL's rights under this Contract.

21.0 LIMITATIONS OF LIABILITY

21.1 **Limitation on Seller's Liability**: No Seller Entity shall be liable (in contract or in tort, including negligence, or otherwise) to FPL for indirect, incidental or consequential damages resulting from Seller's performance, nonperformance or delay in performance of its obligations under this Contract; provided, that this Section 21.1 shall not be construed to limit any liability Seller otherwise may

have for liquidated damages under this Contract, any liability of any Seller Entity due to its gross negligence or willful misconduct, or any other right or remedy of FPL Entities expressly set forth in this Contract.

21.2 **Limitation on Liability of FPL Entities**: No FPL Entity shall be liable (in contract or in tort, including negligence, or otherwise) to Seller or its suppliers or its subcontractors for indirect, incidental or consequential damages resulting from FPL's performance, nonperformance or delay in performance of its obligations under this Contract; provided, that this Section 21.2 shall not be construed to limit any liability of any FPL Entity due to its gross negligence or willful misconduct, or any other right or remedy of Seller Entities expressly set forth in this Contract.

21.3 **Effect of Security**: The liability of Seller hereunder shall not be affected by the existence, amount, waiver, or release of, or exercise or failure to exercise remedies with respect to, FPL's Lien, Step-In Rights, any Completion Security, any Performance Security, or any other security for Seller's obligations hereunder. FPL may draw on or exercise other rights or remedies with respect to, all or any part of such security to the extent available hereunder, and from all such forms, and in any sequence, as FPL in its sole discretion may elect, except as such rights are specifically limited in the express provisions of this Contract.

21.4 **Cost of Cover**: Seller and FPL acknowledge and agree that among other things, FPL's Cost of Cover and Seller's Cost of Cover constitute direct damages and shall not be limited by Section 21.1 or Section 21.2, respectively.

22.0 NOTICES

22.1 **Notices**: All notices required under this Contract shall be in writing unless expressly specified otherwise herein, and shall be delivered in person, by certified mail or by a nationally recognized overnight courier, return receipt requested, or by facsimile transmission with confirmation by voice or automatic answer-back service, as specified below:

To Seller:

_____

_____

_____

Fax _____ - _____ - _____

Telephone _____ - _____ - _____

To FPL:

_____

_____

_____

Fax _____ - _____ - _____

Telephone _____ - _____ - _____

22.2 **Notices Effective:** Notices shall be effective upon receipt; provided, that in the event a Party fails to notify the other of the correct person and address for notices pursuant to Section 22.3 below, any notice to that Party shall be deemed effective on the third day following the date such notice is sent to the person and address last provided by such Party.

22.3 **Designation of New Notice Recipients**: Either Party may, at any time, by notice designate any different person(s) or different address(es) or phone number(s) for receipt of notices and correspondence.

23.0 REPRESENTATIONS AND WARRANTIES

23.1 **Seller's Representations and Warranties**: Seller hereby represents and warrants as follows:

23.1.1 Seller is a *[type of entity]* duly organized, validly existing and in good standing under the laws of the State of *[State]* and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Contract.

23.1.2 The execution, delivery, and performance of its obligations under this Contract by Seller have been duly authorized by all necessary *[corporate, company, partnership]* company action, and do not and will not:

(a) Require any consent or approval of Seller's *[governing body or owners]*, other than that which has been obtained and is in full force and effect;

(b) Violate any provision of Applicable Law or violate any provision in any *[constitutive documents*] of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this Contract;

(c) Result in a breach or constitute a default under Seller's *[constitutive documents]*, or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Contract; or

(d) Result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligation under this Contract.

23.1.3 This Contract is a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors, or by general principles of equity).

23.1.4 The execution, delivery, and performance of this Contract will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.

23.1.5 All approvals, authorizations, consents, or other action required by any Governmental Authority to authorize Seller's execution, delivery, and performance under this Contract have been duly obtained and are in full force and effect, except for those approvals described in Section 2.1 or the Deferred Governmental Approvals.

23.2 **FPL's Representation and Warranties**: FPL hereby represents and warrants the following:

23.2.1 FPL is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of FPL; and FPL has all requisite power and authority to conduct its business, to own its properties, and to execute, delivery, and perform its obligations under this Contract.

23.2.2 The execution, delivery, and performance of its obligations under this Contract by FPL have been duly authorized by all necessary corporate action, and do not and will not:

(a) Require any consent or approval of FPL's Board of Directors, or shareholders, other than that which has been obtained and is in full force and effect;

(b) Violate any provision of Applicable Law or violate any provision in any corporate documents of FPL, the violation of which could have a material adverse effect on the ability of FPL to perform its obligations under this Contract;

(c) Result in a breach or constitute a default under FPL's corporate charter or bylaws, or under any agreement relating to the management or affairs of FPL or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which FPL is a party or by which FPL or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of FPL to perform its obligations under this Contract; or

(d) Result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Contract) upon or with respect to any of the assets or properties of FPL now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of FPL to perform its obligation under this Contract.

23.2.3 This Contract is a valid and binding obligation of FPL, enforceable against FPL in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors or by general principles of equity).

23.2.4 The execution, delivery, and performance of this Contract will not conflict with or constitute a breach or default under any contract or agreement of any kind to which FPL is a party or any judgment, order, statute, or regulation that is applicable to FPL.

23.2.5 Except for those approvals described in Section 2.1, all Governmental Approvals required by any Governmental Authority to authorize FPL's execution, delivery, and performance under this Contract have been duly obtained and are in full force and effect.

24.0 MISCELLANEOUS

24.1 **Assignment or Sale, Etc.**:

24.1.1 Seller may not (a) assign any of its rights or obligations under this Contract (whether directly or through the assignment, sale, lease, transfer or other disposition of any direct or indirect interest in Seller by any direct or indirect owner of Seller) or (b) sell, lease, assign, transfer or otherwise dispose of all or a portion of the Facility (whether directly or through the assignment, sale, lease, transfer or other disposition of any direct or indirect interest in Seller by any direct or indirect owner of Seller) without the prior written consent of FPL; provided, that (subject to the Mortgage and Security Agreement and the Intercreditor Agreement) without the prior consent of FPL, Seller

may assign its rights and interests under this Contract to the Lenders as collateral security, or create a security interest in favor of the Lenders over its rights and interests in this Contract; provided, further, that it shall be a condition to any such assignment, sale, lease, transfer, or other disposition (including any collateral assignment or any exercise of remedies by the lenders pursuant thereto) that all security required under Section 4.0 or Section 5.0, as applicable, shall be, or shall remain, in place notwithstanding such disposition, or that replacement security in form, substance and amount reasonably satisfactory to FPL shall have been provided prior to such disposition.

24.1.2 Prior to any assignment, sale, lease, transfer, or other disposition (a) by Seller of all or any portion of the Facility (other than sales of surplus or used equipment no longer required for operation of the Facility in accordance with this Contract), or (b) any assignment, sale, lease, transfer, or other disposition by any direct or indirect owner of Seller of its direct or indirect ownership interest in Seller, Seller shall (or shall cause such owner to) give FPL at least thirty (30) days prior written notice of the complete, material proposed terms and conditions of such disposition. FPL at its sole and absolute option shall have the exclusive right to acquire the Facility or such portion thereof, or such direct or indirect ownership interest, proposed to be transferred for the same consideration and on terms and conditions no less favorable to Seller than those offered by the proposed transferee. To give effect to this right of first refusal, FPL shall notify Seller of its intent to purchase (together with a proposed purchase contract) within ten (10) business days after the expiration of the thirty (30) day notice of proposed terms and conditions required above, and the resulting transaction shall close within thirty (30) days after such notice of intent to purchase from FPL; provided, that failure by FPL to give the notice of intent to purchase within ten business days shall be deemed to be an election by FPL not to exercise such right. In the event FPL notifies Seller that regulatory approval is useful or required for the close of the transaction, FPL shall take all actions required to seek approval of such closing within the second thirty (30) day period including the submittal of all necessary applications, and the second thirty (30) day period shall be extended for the period of time necessary to obtain final and non-appealable approvals. Seller shall cause all contracts, agreements, or other understandings with respect to any such assignment, sale, lease, transfer or other disposition described in this Section 24.1 to specifically set forth and acknowledge FPL's exclusive right of first refusal set forth in this Section 24.1.2. Seller immediately shall notify (or shall cause such direct or indirect owner to notify) FPL of any material change to the terms or conditions set forth in Seller's notice to FPL of such proposed disposition, and upon receipt of such notice the time periods set forth in this Section 24.1.2

shall be extended and shall be deemed to have begun on the effective date of such second notice from Seller or such owner.

24.1.3 Seller shall not be released from its obligations hereunder by virtue of any assignment, sale, lease, transfer, or other disposition described in this Section 24.1 unless such release is expressly agreed upon by FPL in writing.

24.1.4 Any attempt by Seller to make any assignment, sale, lease, transfer or other disposition described in this Section 24.1 in violation of this Section 24.1 shall be void ab initio and shall not be effective.

24.2 **Amendments**: This Contract shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in a written instrument authorized and executed by the Parties and, if requested by FPL, approved by the FPSC. This Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest and permitted assigns.

24.3 **Conflict in Provisions**: In case of conflict between this Contract's Sections 1.0 through 24.0 and appendices to this Contract, Sections 1.0 through 24.0 shall take precedence.

24.4 **Survival**: The obligations, rights, and remedies of the Parties hereunder, which by their nature survive the termination of this Contract, shall survive such termination and inure to the benefit of the Parties.

24.5 **No Waiver**: Any waiver by either Party of its rights with respect to a default (including Events of Default) under this Contract, or with respect to any other matters arising in connection with this Contract, shall not be deemed a waiver with respect to any subsequent default (including Events of Default) or other matter. The failure of either Party to enforce strict performance by the other Party of any of the provisions of this Contract or to exercise any rights under this Contract shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provisions or rights in that or any other instance.

24.6 **Section Headings**: Section headings appearing in this Contract are inserted for convenience only and shall not be construed as interpretations of text.

24.7 **Service Agreement**: This Contract is intended to strictly provide services which are not subject to Florida sales/use Tax and is not intended and shall not be construed, interpreted, or applied to create a lease, license or similar arrangement for the use, possession, custody or control of property.

24.8 **Review, Approval, Etc. by FPL**: The Parties explicitly acknowledge and agree that FPL's reviews, agreement, comment, approvals, disapprovals and

authorizations pursuant to this Contract are administrative in nature and do not relieve Seller of its obligations for the design, engineering, procurement, construction, operation, or maintenance of the Facility including Environmental Licensing and compliance with Environmental Requirements or other Applicable Laws or Governmental Approvals, or impose any such obligations on FPL, and that FPL's technical review and inspections of the Facility, or of drawings, plans, or other technical data, whether before or after the Capacity Delivery Date, and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility or relieve Seller of any of its obligations, duties or responsibilities hereunder.

24.9 **Construction of Contract**: The Parties expressly agree that no provision of this Contract should be construed against or interpreted to the disadvantage of any Party by any court or other governmental or judicial authority by reason of such Party having been deemed to have structured or dictated such provision.

24.10 **Complete Agreement**: This Contract is intended as the complete and exclusive statement of the agreement between the Parties. Parol or extrinsic evidence shall not be used to vary or contradict the express terms of this Contract and recourse may not be had to alleged prior drafts, negotiations, prior dealings, usage of trade, course of dealing or course of performance to explain or supplement the express terms of this Contract.

24.11 **Counterparts**: This Contract may be executed and delivered in counterparts, and may be delivered by facsimile transmission.

24.12 **Severability**: In the event that any provision of this Contract shall be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Contract or the application of the provisions hereof to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

24.13 **Good Faith**: The Parties agree to act in accordance with the principles of good faith and fair dealing in the performance of this Contract.

24.14 **No Partnership**: Nothing contained in this Contract shall be construed to create an association, trust, partnership or joint venture between Seller and FPL or, except as expressly set forth in Section 5.0, an agency relationship between Seller and FPL. Each Party shall be individually and severally liable for its own obligations under this Contract.

24.15 **GOVERNING LAW; SUBMISSION TO JURISDICTION**

24.15.1 THIS CONTRACT AND THE RIGHTS AND THE OBLIGATIONS OF THE PARTIES HEREUNDER (OTHER THAN APPENDIX C) SHALL BE CONSTRUED UNDER, AND IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.

24.15.2 ANY LITIGATION BETWEEN THE PARTIES SHALL BE CONDUCTED IN THE COURTS OF THE STATE OF FLORIDA OR IN FEDERAL COURTS SITUATED IN FLORIDA AND THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS; PROVIDED, THAT IF A FLORIDA COURT OR FEDERAL COURT SITUATED IN FLORIDA SHALL HAVE DETERMINED THAT IT CANNOT ACCEPT JURISDICTION OVER ANY ACTION BECAUSE OF THE FAILURE TO JOIN AN INDISPENSABLE PARTY, THEN ANY PARTY HERETO MAY BRING AN ACTION IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION.

24.15.3 EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT OR ANY MATTER ARISING HEREUNDER.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed by their respective duly authorized officers

[SELLER]	**FLORIDA POWER & LIGHT COMPANY, a Florida corporation**
By: _____	By: _____
Date: _____	Date _____
Asst: _____ [Secretary] (Corporate Seal)	Asst: _____ [Assistant Secretary] (Corporate Seal)
Date: _____	Date _____

APPENDIX A

MONTHLY CAPACITY AND ENERGY PAYMENT CALCULATION

I. Monthly Capacity Payment (MCPTotal)

The Monthly Capacity Payment for each Monthly Billing Period shall be determined according to the following formula:

MCPTotal = MCPBase - MCD Level 1 + MCPother

A. Calculation of MCPBase

In the event that the CBF<64%, then no MCP shall be due

MCPBase = 0

In the event that the CBF is greater than or equal to 64% but less than 94%, then

MCPBase = CC* [B $/MW-Month] * [(98 – 2*(94-CBF))/100]

In the event that the CBF is equal to or greater than 94% but less than 98%, then

MCPBase = CC* [B $/MW-Month] * [(100 – 0.5 *(98 - CBF))/100]

In the event that the CBF is equal to or greater than 98%, then

MCPBase = CC* [B $/MW-Month]

Where:

CC = Committed Capacity, expressed in MW

B = $/MW-Month *[Insert the adjusted price of the capacity, measured in $/MW-Month, taking into account the Base and Level 1 mode of operation (i.e., (Base $/MW-Month * CC in MW) + (Level 1 $/MW-Month * Level 1 Incremental Capacity in MW) / (CC in MW), from Proposer's submission.]*

CBF = Capacity Billing Factor for such Monthly Billing Period

B. Calculation of MCDLevel 1

In the event that the L1BF is equal to or greater than 98%, then

MCDLevel 1 = 0; i.e., no dollars are to be subtracted from MCP Base

In the event that the L1BF is equal to or greater than 94% but less than 98%, then

MCDLevel 1 = L1CC * [$ X/MW-Month] * [(98 - L1BF)/100]

In the event that the L1BF is greater than or equal to 75% but less than 94%, then

MCDLevel 1 = L1CC * [$ X /MW-Month] * [.04 + (3*(94 - L1BF))/100]

In the event that the L1BF<75%, then all of the dollars associated with operating the Facility Level 1 Mode of Operation are to be subtracted from MCPBase, and

MCDlevel 1 = L1CC * [$ X /MW-Month]

Where:

L1CC = Level 1 Incremental Committed Capacity, expressed in MW.

X = __ $/MW-Month *[Insert the price per MW-Month submitted by Proposer for Level 1 Mode of Operation]*

L1BF = Level 1 Capacity Billing Factor calculated based on the performance for such Monthly Billing Period, as follows:

$$L1BF = \Sigma^{n}_{k=1} (L1AC/L1CC)/ n$$

L1AC = the Level 1 Available Capacity for Level 1 Mode of Operation for such Monthly Billing Period, expressed in MW. L1AC shall never be greater than L1CC.

n = number of hours in the Monthly Billing Period

k = each hour, for the Monthly Billing Period

C. Calculation Of Payments Associated With Other Modes Of Operation (MCPother)

[Payments for incremental capacity provided from other operating modes included in Proposer's submission, which include additional operating limitations and/or are not able to be placed under FPL'S AGC, to be inserted here, taking account of the following:

1. *The amount of the incremental capacity associated with the specific operating mode proposed in the Submittal.*

2. *The availability of the incremental capacity.*

3. *The operating limitations associated with supplying the incremental level of capacity (e.g., notice period, continuous capability, limitations per cycle etc.).*

4. *Actual measured performance associated with incremental capacity.*

5. *The incremental heat rate will be taken into account for the pricing of energy.*

Corresponding changes will be made to definitions and to substantive provisions of PPA, to address such matters as testing, dispatch, etc.]

II. Energy Payment

The Energy Payment for each Monthly Billing Period shall be determined according to the following formula:

$$EP = [\Sigma^{n}_{k=1} (NEO1_{k} * GHR1_{k} * HAF1_{k} * FP1)] + [\Sigma^{n}_{k=1} (NEO2_{k} * GHR2_{k} * HAF2_{k} * FP2)] + [\Sigma^{n}_{k=1} (NEO1_{k} + NEO2_{k}) * VOM] + SP$$

Where:

EP = the Energy Payment, expressed in dollars, for the Monthly Billing Period;

NEO1 = the hourly Net Energy Output generated using the Primary Fuel for hour k of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

NEO2 = the hourly Net Energy Output generated using the Back-up Fuel for hour k of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

GHR1 = Guaranteed Heat Rate, expressed in mmBtu/MWh, equal to *[To be inserted from Proposer's submission based on heat rate data associated with the Primary Fuel.];*

GHR2 = Guaranteed Heat Rate, expressed in mmBtu/MWh, equal to *[To be inserted from Proposer's submission based on heat rate data associated with the Back-up Fuel.];*

HAF1 = heat rate adjustment factor associated with the Primary Fuel for hour k of the Monthly Billing Period, calculated pursuant to Exhibit 1 to Appendix A

HAF2 = heat rate adjustment factor associated with the Back-up Fuel for hour k of the Monthly Billing Period, calculated pursuant to Exhibit 1 to Appendix A

FP1 = Fuel (commodity and transportation) Price, expressed in dollars per mmBtu, equal to *[To be inserted from Proposer's submittal[1] based on the Facility's Primary Fuel type];*

FP2 = Fuel (commodity and transportation) Price, expressed in dollars per mmBtu, equal to *[To be inserted from Proposer's submittal[1] based on the Facility's Back-up Fuel type];*

VOM = Variable Operations and Maintenance charge, expressed in dollars per MWh, equal to *[To be inserted from Proposer's submission.];*

n = number of hours in the Monthly Billing Period;

k = each hour, for the Monthly Billing Period: and

SP = any Start-up Cost(s) for such Monthly Billing Period for which Seller is entitled to payment.

[1] Fuel Prices may be as guaranteed in the proposal or indexed to a mutually acceptable benchmark.

A sample calculation of the Monthly Capacity Payment and the Energy Payment is attached hereto as Exhibit 2 for illustrative purposes only

Exhibit 1
to Appendix A

HEAT RATE ADJUSTMENT FACTOR TABLE FOR PRIMARY FUEL

NEO/CC Range	HAF1[1,2]
> 1.0	1.?
0.81- 1.0	1.0
0.61 – 0.8	1.?
0.41 – 0.6	1.??
0.21 – 0.4	1.???

HEAT RATE ADJUSTMENT FACTOR TABLE FOR BACK-UP FUEL

NEO/CC Range	HAF2[1,2]
> 1.0	1.?
0.81- 1.0	1.0
0.61 – 0.8	1.?
0.41 – 0.6	1.??
0.21 – 0.4	1.???

1. Anytime there is an Unscheduled Outage the heat rate adjustment factor shall be equal to 1.0.

2.[The heat rate Adjustment Factors to be calculated based on a weighted average of the Guaranteed Base Load Heat Rate and the Guaranteed Heat Rate for other Operating Modes based on Proposer's submission]

Exhibit 2
to Appendix A

SAMPLE PAYMENT CALCULATION

Capacity Payment Calculation for a Monthly Billing Period

Assumptions
CC = 100 MW
L1CC = 30 MW
CBF = 98%
L1BF = 94%
Base $/MW-Month = 8,000
Level 1 $/MW-Month = 5,000
B = adjusted price = [(100 * 8,000) + (30 * 5,000)] / 100 = 9500 $/MW-Month
Calculation
MCPTotal = MCPBase - MCD Level 1
MCPBase = 100*9500
MCPBase = $950,000
MCD Level 1 = 30*5,000*[(98-94)/100]
MCD Level 1 = $6,000
MCPTotal = 950,000 – 6,000 = $944,000

Energy Payment Calculation
Assumptions
NEO1 = 74,100 MWh
NEO2 = 0 MWh
GHR = 7 mmBtu/MWh
HAF1 = 1.1 for 70 hours Facility was dispatched to Level 1 AC *
HAF1 = 1 for all other hours Facility was available during the Monthly Billing Period (i.e., 650 hours)
FP1 = 5 $/mmBtu
VOM = 3 $/MWh
SP = $ 0
Calculation
$EP = [\Sigma^{n}_{k=1} (NEO1*GHR1*HAF1*FP1)] + [\Sigma^{n}_{k=1} (NEO1 + NEO2) *VOM] + SP$
EP = 650 (100 * 7 * 1.0 * 5) + 70 (130* 7*1.1*5) + (74,100*3) + 0
EP = 2,275,000 + 350,350 + 222,300 + 0
EP = $2,847,650

* 1.1 value is used for illustrative purposes only. It represents the weighted average Guaranteed Heat Rate for Base Load and Level 1 modes of operation.

APPENDIX B

DEFERRED GOVERNMENTAL APPROVALS

[Seller to provide]

APPENDIX C

[FORM OF] GUARANTY

This Guaranty (the "Guaranty") is given as of this ___ day of _____, 20__, by *[Seller's Guarantor,]* a _____ *[type of entity]* ("Guarantor") to Florida Power & Light Company, a Florida corporation ("FPL").

WHEREAS, Guarantor [owns, directly or indirectly, *[all]* of the outstanding *[shares of capital stock]]* of [*Seller]* ("Seller");

WHEREAS, Seller [wishes to enter][has entered] into [a Contract] with FPL *[, dated as of _____, 20__,]* for the purchase and sale of electrical energy and capacity from Seller's *[Facility]* located at *[_____]* (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Contract");

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Contract;

WHEREAS, *[FPL is willing to enter into the Contract on the condition that Guarantor enters into this Guaranty] [pursuant to the terms of the Contract, Seller is required, under the circumstances set forth therein, to provide Completion Security or Performance Security to FPL, which security may include a guaranty from Seller's Guarantor, substantially in the form of this Guaranty];*

WHEREAS, Guarantor will benefit from the transactions contemplated by the Contract;

NOW, THEREFORE, in consideration of the foregoing, *[and as an inducement to FPL to enter into the Contract,]* Guarantor hereby agrees as follows:

1. **Guaranty**: Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to FPL, as primary obligor and not merely as a surety, the due and punctual payment and performance by Seller of all obligations to be paid or performed by Seller under the Contract, all as and when required to be paid or performed under the Contract, in all respects strictly in accordance with the terms, conditions and limitations contained in the Contract (the "Obligations"). This Guaranty is a continuing guarantee of the full and punctual payment and performance of the Obligations and is in no way conditioned upon any requirement that FPL first attempt to enforce any of the Obligations against Seller, any other guarantor of the Obligations, or any other person or entity, or resort to any other means of obtaining payment or performance of any of the Obligations. This Guaranty is a guarantee of performance and payment and not of collection.

2. **Guaranty Absolute**: This Guaranty shall continue in full force and effect until Seller or Guarantor shall have performed or discharged all of the Obligations in

full. Further, this Guaranty shall remain in full force and effect without regard to, and shall not be affected or impaired by, any of the following:

(a) any invalidity, irregularity or unenforceability in whole or in part of this Guaranty or the Contract;

(b) the existence of any claim, setoff, defense or other right which Guarantor or Seller may have against FPL or any other person or entity;

(c) any release or discharge (whether by operation of law or otherwise) of Seller, Guarantor, or any other person or entity from its obligations under the Contract;

(d) the occurrence or continuance of any event of bankruptcy, reorganization or insolvency with respect to Seller, Guarantor, or any other person or entity, or the dissolution, liquidation or winding up of Seller, Guarantor, or any other person or entity;

(e) any amendment, supplement, reformation or other modification of the Contract;

(f) the exercise, non exercise or delay in exercising, by FPL or any other person or entity of any of its rights or remedies under this Guaranty or the Contract;

(g) any assignment or other transfer of this Guaranty by FPL, or any assignment or other transfer of the Contract in whole or in part;

(h) any sale, transfer or other disposition by Guarantor of any direct or indirect interest it may have in Seller;

(i) the absence of any notice to, or knowledge by, Guarantor of the existence or occurrence of any of the matters or events set forth in the foregoing clauses; or

(j) any other event, occurrence or circumstance that might otherwise constitute or give rise to a defense to performance by a surety or a guarantor.

3. **Waivers by Guarantor**: In addition to waiving any defenses to which clauses (a) through (j) of Section 2 may refer, Guarantor hereby unconditionally and irrevocably waives, as a condition precedent to the performance of its obligations hereunder, (a) notice of acceptance hereof, (b) notice of any action taken or omitted to be taken by FPL in reliance hereon, (c) any requirement that FPL be diligent or prompt in making demands hereunder or giving notice to Guarantor of any default by Seller, (d) any requirement that FPL exhaust any right, power or remedy or proceed against Seller under the Contract or any other agreement or instrument referred to therein, or against any other person or entity under any

other guarantee of any of the Obligations, and (e) any claim or defense that FPL shall have impaired any right of Guarantor against Seller, any other guarantor of any of the Obligations, or any other person or entity, by way of reimbursement, subrogation or otherwise. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of Guarantor hereunder:

(i) at any time or from time to time, without notice to Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of the Contract or any other agreement or instrument referred to therein shall be done or omitted; or

(iii) any of the Obligations shall be modified, supplemented or amended in any respect in accordance with the terms of the Contract with or without notice to Guarantor.

4. **Limit**: The liability of Guarantor hereunder shall not exceed at any time the sum of (a) the amount payable by Guarantor pursuant to Section 11, plus (b) an amount equal to (i) on or prior to the Capacity Delivery Date, the difference equal to (A) the Completion Security Amount, minus (B) the amount of Liquid Security provided by Seller to FPL at such time, or (ii) after the Capacity Delivery Date, the difference equal to (A) the Performance Security Amount, minus the amount of Liquid Security provided by Seller to FPL at such time.

5. **Bankruptcy; Reinstatement; Subrogation**:

(a) Guarantor shall not commence or join with any other person or entity in commencing any bankruptcy, reorganization or insolvency proceedings of or against Seller. Guarantor understands and acknowledges that by virtue of this Guaranty, Guarantor specifically has assumed any and all risks of a bankruptcy or reorganization case or similar proceeding with respect to Seller. As an example and not in any way a limitation, a subsequent modification of the Obligations or any rejection or disaffirmance thereof by any trustee, receiver or liquidating agency of Seller or of any of its respective properties, or any settlement or compromise of any claim made in any such case, in any reorganization case concerning Seller, shall not affect the obligations of Guarantor to pay and perform the Obligations in accordance with their original terms.

(b) The obligations of Guarantor under this Guaranty automatically shall be reinstated if and to the extent that for any reason any payment by or on behalf of Seller in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

(c) Subrogation. Guarantor hereby agrees that until the performance and satisfaction in full of all Obligations and the expiration and termination of all Obligations, it shall not exercise any right or remedy arising by reason of the performance of any of its obligations under this Guaranty, whether by reimbursement, subrogation or otherwise, against Seller, or any other guarantor of any of the Obligations, or any security for any of the Obligations.

6. **Representations and Warranties**: Guarantor represents and warrants as follows:

(a) Due Organization. Guarantor is a *[corporation]* duly organized and validly existing under the laws of the state of its formation.

(b) Power and Authority. Guarantor has full *[corporate]* power, authority and legal right to enter into this Guaranty and to perform its obligations hereunder.

(c) Due Authorization. This Guaranty has been duly authorized, executed and delivered by Guarantor.

(d) Enforceability. This Guaranty constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(e) No Conflicts. The execution and delivery by Guarantor of this Guaranty and the performance by Guarantor of its obligations hereunder will not (i) violate the provisions of Guarantor's *[certificate of incorporation or bylaws]*; (ii) violate the provisions of any Applicable Law; or (iii) result in a breach of or constitute a default under any agreement to which Guarantor is a party or by which it or its assets or property are bound.

(f) No Proceedings. There is no action, suit or proceeding at law or in equity or by or before any Governmental Authority now pending or, to the best knowledge of Guarantor, threatened against Guarantor which reasonably could be expected to have a material adverse effect on Guarantor's ability to perform its obligations under this Guaranty.

(g) Financial Condition. The balance sheet of Guarantor as of _____, 20__, and the related statement of income for the 12 month period ending on such date, heretofore furnished by Guarantor to FPL, present fairly the financial condition and results of operations of Guarantor as of such date and for such period in conformity with generally accepted accounting

principles and practices applied on a consistent basis. Guarantor on such date did not have any material contingent liabilities, liabilities for Taxes, unusual forward or long term commitments, swap obligations or guarantee obligations, or unrealized or anticipated losses from any unfavorable commitments that are not reflected or provided for in said financial statements as of such date. Since such date, there has been no material adverse change in the financial condition, operations or properties of Guarantor. Guarantor was solvent immediately after the execution and delivery of this Guaranty and since that time no winding up order has been made or any resolution passed for the winding up of Guarantor and no administration order has been made and no receiver, administrative receiver, administrator or liquidator has been appointed in respect of Guarantor. Guarantor is Seller's Guarantor and the amount set forth in Section 4 does not exceed Guarantor's Credit Limit.

7. **Affirmative Covenants**:

(a) Existence. Guarantor shall preserve and maintain its *[corporate]* existence.

(b) Rights, Franchises. Guarantor shall preserve and maintain all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business, except where the failure to maintain any such right, privilege, or franchise could not reasonably be expected to have a material adverse effect on the ability of Guarantor to perform its obligations hereunder.

(c) Compliance with Law. Guarantor shall comply with the requirements of Applicable Law, except where the failure to comply could not reasonably be expected to have a material adverse effect on the ability of Guarantor to perform its obligations hereunder.

(d) Interest in Seller. Guarantor shall cause to be maintained and preserved the [corporate] existence of Seller, and Guarantor shall maintain, directly or indirectly, legal and beneficial ownership (free and clear of any lien or encumbrance of any kind) of at least fifty percent (50%) of the ownership interests in Seller.

(e) Financial Status. Guarantor at all times shall have an Investment Grade Credit Rating.

8. **Independent and Separate Obligations**: The obligations of Guarantor hereunder are independent of the obligations of Seller with respect to all or any part of the Obligations and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not any other such obligations exist, whether or not Guarantor is the alter ego of Seller, and whether or not Seller is joined therein or a separate action or actions are brought against Seller.

9. **Payment**: All payments hereunder shall be made in the currency and type of funds specified for payments in the Contract. Any and all payments made hereunder shall be made free and clear of and without deduction for any and all present or future Taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, or any set off or counterclaim.

10. **Full Recourse** The obligations of Guarantor set forth herein constitute the full recourse obligations of Guarantor, enforceable against Guarantor to the full extent of all the assets and properties of Guarantor.

11. **Indemnification** Guarantor shall indemnify and hold harmless on an After- Tax Basis FPL from and against any and all loss, liability and expense (including reasonable fees and disbursements of counsel to FPL) which may be sustained or incurred by or on behalf of FPL in enforcing any obligations of Guarantor hereunder.

12. **Amendments; Waivers; Etc.**: Neither this instrument nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by FPL and Guarantor. No delay or failure by FPL to exercise any remedy against Seller or Guarantor will be construed as a waiver of that right or remedy. No failure on the part of FPL to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder against Guarantor preclude any exercise of such right against or any other or further exercise thereof against Guarantor or the exercise of any other right against Guarantor. The remedies herein provided are cumulative and not exclusive of any remedies provided at law or in equity.

13. **Severability** In the event that the provisions of this Guaranty should be claimed or held to be inconsistent with any other instrument evidencing or securing the Obligations, the terms of this Guaranty shall remain fully valid and effective. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective.

14. **Assignment**:

    (a) Assignability. Guarantor shall not assign any of its rights or obligations under this Guaranty. FPL may, at any time and from time to time, assign, in whole or in part, the rights of FPL hereunder to any person or entity to whom FPL may assign all or any of its rights or obligations under the Contract, whereupon such assignee shall succeed to the rights of FPL hereunder to the extent so assigned.

    (b) Successors and Assigns. Subject to Section 14(a) hereof, this instrument shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of FPL and its successors and assigns.

15. **Address for Notices**: All notices and other communications provided for hereunder shall be given in accordance with the notice requirements of the Contract, and if to Guarantor, at the address specified below the space for its execution of this Guaranty.

16. **JURISDICTION**:

(a) **SERVICE OF PROCESS**. GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF ANY PROCESS, PLEADING, NOTICE OR OTHER PAPERS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO GUARANTOR AT ITS ADDRESS SPECIFIED BELOW THE SPACE FOR ITS EXECUTION OF THIS GUARANTY OR BY ANY OTHER METHOD PROVIDED OR PERMITTED UNDER NEW YORK LAW.

(b) **NON-EXCLUSIVE JURISDICTION**. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY: (i) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF THIS GUARANTY SHALL BE CONDUCTED IN THE COURTS OF THE STATE OF NEW YORK OR IN FEDERAL COURTS SITUATED IN NEW YORK AND THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS; PROVIDED, THAT IF A NEW YORK COURT OR FEDERAL COURT SITUATED IN NEW YORK SHALL HAVE DETERMINED THAT IT CANNOT ACCEPT JURISDICTION OVER ANY ACTION BECAUSE OF THE FAILURE TO JOIN AN INDISPENSABLE PARTY, THEN FPL MAY BRING AN ACTION IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION; (ii) CONSENTS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION, OR PROCEEDING; AND (iii) WAIVES ANY OBJECTION WHICH GUARANTOR MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION, OR PROCEEDING IN ANY SUCH COURT. GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. GUARANTOR AT FPL'S OPTION MAY BE JOINED IN ANY PROCEEDING AGAINST SELLER.

17. **GOVERNING LAW**: THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CHOICE OF LAW (OTHER THAN SECTION 5 1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

18. **WAIVER OF JURY TRIAL**: GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR THE CONTRACT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN), OR ACTION OF GUARANTOR, SELLER, OR FPL.

19. **Entire Agreement**: This Guaranty contains the complete agreement of Guarantor with respect to the matters contained herein and supersedes all other negotiations or agreements, whether written or oral, with respect to the subject matter hereof.

20. **Section Headings**. Section headings contained herein are for convenience of reference only and shall not be considered in the interpretation or enforcement of the provisions hereof.

IN WITNESS WHEREOF, Guarantor has duly executed and delivered this Guaranty effective as of _____, 20__.

[SELLER'S GUARANTOR]

By: _____

Name: _____

Title: _____

Address: _____

_____

_____

Attn: _____

Telephone: _____

Facsimile: _____

APPENDIX D

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

MONTH OF: _____

[FPL to provide form appropriate to Proposer's project.]

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

YEAR OF: _____

DATE	OUTAGE TYPE (1)	HOURS	(MW) AFFECTED	DESCRIPTION

(1) FO – FORCED OUTAGE
MO – MAINTENANCE OUTAGE
PD – PLANNED DERATING
MD – MAINTENANCE DERATING
FD – FORCED DERATING
PO – PLANNED OUTAGE

APPENDIX E

START-UP COSTS

Type of Start –up	Cost (Dollars per Successful Start-up)
Hot (0-4 hours offline)	
Warm/Hot (4-12 hours offline)	
Warm/Cold (12-48 hours offline)	
Cold (greater than 48 hours offline)	

[Insert dollars from Proposer's submission.]

APPENDIX F

FACILITY OPERATING CAPABILITIES

[To include, among other things, types of information in Proposer's submission.]

APPENDIX G

PLANNED OUTAGE HOURS

[Define Planned Outage Hours and attach schedule from Proposer's submission.]

APPENDIX H

RECEIPT POINT

[Insert description of Receipt Point from Proposer's submission.]

APPENDIX I

CAPACITY DEMONSTRATION TESTING GUIDELINES

1.0 Introduction

This document provides guidelines for conducting capacity demonstration testing on a power plant unit and its components. Capacity demonstrations tests may be conducted as the Initial Test or as periodic Capacity Test. The objective of the Initial Test and of each other Capacity Test described in Section 9.0 of the Contract is to establish the Facility's Continuous Capability and incremental Capacity associated with each applicable mode of operation above the Base Operation Mode.

2.0 Capacity Demonstration Test Protocol Development

Seller will develop, and submit to FPL for review and approval, a Capacity demonstration test protocol (the "Test Protocol") that will be used to perform the Initial Test and periodic Capacity Tests required by the PPA. The following describes the essential components of the Test Protocol and identifies specific areas of focus.

2.1 *Instrumentation*

An instrument list will be developed identifying the instruments to be used for test data. The instrument list will include identification of type, accuracy, location, and calibration requirements for all instruments utilized in the test(s). If temporary instrumentation is to be used, the specified accuracy and connection points for such instrumentation will be described. Continuous Capability will be metered by the billing meters.

2.2 *Test Uncertainty*

Provisions will be included for a pre-test and post-test uncertainty analysis. This analysis is to be used as a measure of the quality of the test only, and should conform to the guidance in ASME 19.1.

2.3 *Test Tolerance*

No test tolerance is to be applied in calculation procedures or in comparison of test results to Committed Capacity or to Minimum Capacity. Continuous Capability will be the corrected as-tested Capacity (see part 2.8) less calculated post-test uncertainty, as determined under part 2.2.

2.4 *Fuel Heat Content*

Fuel heat content will be measured using Fuel samples drawn during each Capacity Test procedure. If the Facility has an on-line gas chromatograph, these samples may be compared with the measured values in order to establish accuracy

of the gas chromatograph. Future tests may rely solely on the gas chromatograph provided it has an acceptable accuracy of. < 0.1% and assuming calibration status and associated documentation are provided to the satisfaction of FPL.

2.5 *Test Conditions*

The Test Protocol will detail the plant operational condition(s) under which the test will be conducted. The description will include a mechanical valve lineup, an electrical distribution lineup, definition of steady-state conditions and the status of various power augmentation equipment/systems (including inlet air treatment devices) during the test(s). These conditions will be in general agreement with the guidance of ASME PTC-46.

Each incremental Capacity level (e.g., Base Operation Mode, Level 1 Mode of *Operation [Add Other Operating Modes, if any])* will be specifically defined and described such as to represent a separate demonstration test lineup in accordance with Section 9.0 of the Contract.

The plant shall be in reliable operation prior to conducting any test.

The Test Protocol will provide for initial and periodic Capacity demonstrations of the Facility to be conducted in part while on the Back-up Fuel. As part of this demonstration, the unit will successfully transition from the primary to the Back-up Fuel without disconnecting from the grid. In a separate test, Seller will demonstrate the ability of the Facility to start up using only the Back-up Fuel.

Facility operation during the Capacity Tests must conform to all Applicable Laws, including all Environmental Licenses. Compliance with emissions requirements will be demonstrated through the Facility's CEMS system. The CEMS system must be certified at the time of the Initial Test and each other Capacity Test.

The test periods will be defined as three one-half hour test periods for each operating mode, all run in a single continuous four hour period The corrected results for each period must satisfy the repeatability requirements of ASME PTC-46. If possible, test periods should be held at times when ambient conditions are close to reference ambient conditions to minimize corrections.

2.6 *Data Collection*

The Test Protocol will detail all data collection requirements. The description will include minimum data intervals and DCS or equipment control system settings (dead-bands, compression, averaging, etc.) to be used during the test period.

2.7 *Correction Curves*

The Test Protocol will provide plant correction curves only for ambient dry-bulb temperature, ambient atmospheric pressure, ambient relative humidity and Fuel constituents to correct test conditions to Reference Conditions. Seller will be required to demonstrate the methods and models used to develop the plant correction curves including the individual equipment data and correction curves utilized to develop the Facility-level corrections. Seller shall provide sample calculations that demonstrate how the correction curves are applied.

2.8 *Results*

The Test Protocol will define the calculation of and corrections to the test results in keeping with the requirements of the PPA. The corrected as-tested Capacity of the Facility will be the average of the three qualified test periods, and the Continuous Capability of the Facility will be the corrected as-tested Capacity less the post-test uncertainty (as determined under part 2.2).

2.9 *Reporting*

The Test Protocol will describe the content and time requirements to provide preliminary and final reports for the Initial Test and periodic Capacity Tests. "Raw" written and electronic data shall be provided to FPL within two working days following each test. Calibration records pertaining to that test instrumentation shall also be provided.

3.0 References

The following are identified as the reference documents to be used in the general development of the Test Protocol. Where these references are non-committal, or there is a potential for conflicting interpretation, the Test Protocol will specify the mutually agreed interpretation to be used.

- ASME PTC 1-1991, General Instructions
- ASME PTC 19.1, Instrument Uncertainty
- ASME PTC 46-1996, Performance Test Code on Overall Plant Performance
- ASME PTC 6, Steam Turbine Generator
- ASTM D1945-1996, Standard Test Method for Analysis of Natural Gas by Gas Chromatography
- ASTM D3588-1998, Standard Practice for Calculating Heat Value, Compressibility Factor, and Relative Density of Gaseous Fuels
- AGA Report No. 8 - 1994, Compressibility and Super compressibility for Natural Gas and Other Hydrocarbon Gases

- ASME MFC 3M-1989 (ISO 5167), Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi
- ASME Steam Tables, 1967
- ASHRAE Psychometric Charts

APPENDIX J

TELEMETERING SPECIFICATIONS

Each installation shall be evaluated separately for SCADA requirements because of the many possible agreements and interconnection configurations. Generally, equipment will be specified capable of supporting the following data points:

Megawatt-hours received

Megawatt-hours delivered

KQ-hours received

KQ-hours delivered

Voltage

Current

+/- Megawatts, instantaneous value and limits

+/- Megavars, instantaneous value and limits

Control indication and current Maximum Sustained Rating (MSR)

Breaker and Switch positions

Equipment Trouble Alarms

Generator Voltage Regulator Status, and

other Generator Parameters.

Quantities shall be provided to various Parties through various information or communication systems. Specific designs will be developed to meet those requirements. Multi-ported remote terminal units (RTUs) accessible by all appropriate Parties shall be used, provided the appropriate security levels are implemented. Equipment control of breakers, switches and other devices via SCADA shall be provided to only one responsible Party.

Power for SCADA or metering communication equipment shall be provided by the station battery. Office power systems and switching networks are not acceptable.

APPENDIX K

DESCRIPTION OF FACILITY SITE

[Proposer to provide site description survey map with site boundaries, facility layout diagram, and USGS 1:24.000 scale quad map with site boundary]

APPENDIX L

REFERENCE CONDITIONS

[Insert information from Proposer's submission.]

APPENDIX M

MILESTONES

A. Major Milestones

MAJOR MILESTONE	MILESTONE DATE	LIQUIDATED DAMAGES AMOUNT FOR FAILURE TO MEET MAJOR MILESTONE
1. Commencement Date of PPA	The date on which both parties shall have executed and delivered this Contract	*[Insert product of $110.00 per kW multiplied by Committed Capacity]*
2. Seller (a) shall place firm, irrevocable orders for all Major Equipment with delivery schedule commitments no later than the dates specified.*[Insert information from Proposer's submission]*; and (b) shall (i) obtain legal title to, or a valid and binding leasehold interest in, the Facility Site, and (ii) shall enter into the Mortgage and Security Agreement	28 months prior to unit in-service date e.g. February 2007 for a unit with an in-service date of June, 2009	*[Insert product of $166.00 per kW multiplied by Committed Capacity]*
3. Seller shall execute and deliver, and provide copies to FPL, Fuel Contracts meeting the requirements of Section 13.5	24 months prior to unit in-service date e.g. June 2007 for a unit with an in-service date of June, 2009	*[Insert product of $203.00 per kW multiplied by Committed Capacity]*
4. Seller (a) shall achieve the closing on the full amount of construction loan from the Lenders for the Facility and shall make the first draw on such loan, and the Lenders shall enter into the Intercreditor Agreement; and (b) shall issue full notice to proceed to the Facility construction contractor and such contractor shall commence mobilization at the Facility Site and initiation of construction	20 months prior to unit in service date e.g. October 2007 for a unit with an in-service date of June, 2009	*[Insert product of $211.00 per kW multiplied by Committed Capacity]*
5. Seller shall achieve the Capacity Delivery Date	The Scheduled Capacity Delivery Date	*[Insert product of $289.00 per kW multiplied by Committed Capacity]*
6. Seller shall achieve the Capacity Delivery Date as extended pursuant to Section 3.2.3	The Final Capacity Delivery Date (or earlier failure to comply with Section 3.2.3)	*[Insert product of $289.00 per kW multiplied by Committed Capacity]*

B. Additional Milestones

MILESTONE	MILESTONE DATE[1]
1. Seller shall obtain all Governmental Approvals required to be obtained from local, state, and Federal authorities (including the FERC) under Applicable Law to construct, own and operate the Facility and to perform its obligations under the Contract, in final and non-appealable form	
2. Seller shall have entered into the Firm TSA and assigned the Firm TSA to FPL if required under Section 10.3	
3. The major equipment shall be delivered to the site.	
4. Construction of the CTG,STG and HRSG Foundation(s) complete.	
5. The Fuel interconnection shall be tested and the Primary Fuel shall be available to the Facility under the Fuel Contracts	
6. The Initial Synchronization Date of the Facility STG shall be achieved	
7. All air emissions/RATA tests shall be completed successfully	
8. Performance tests of the Facility shall demonstrate that the Facility meets all minimum performance guarantees under the Facility construction contract	
9. Seller shall complete the Initial Test	

[1] *[Milestone Dates for Milestones other than Major Milestones to be established based on agreed CPM Schedule.]*

APPENDIX N

FORM OF MORTGAGE AND SECURITY AGREEMENT

[Attach form of Mortgage and Security Agreement [to be provided]]

APPENDIX O

FORM OF ASSIGNMENT OF FIRM TSA

[Attach form of Assignment of Firm TSA [to be provided]]

APPENDIX P

CPM SCHEDULE

[Attach agreed CPM Schedule.]

GAS TOLLING CONTRACT FOR THE PURCHASE OF ENERGY CONVERSION SERVICES AND FIRM CAPACITY

between

_____

and

FLORIDA POWER & LIGHT COMPANY

dated as of

_____, ___

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GUARANTEED CAPACITY AND HEAT RATE CURVES Q1

THIS CONTRACT is made and entered as of the __the day of _____, ____, by and between _____ ("Seller"), a _____ organized and existing under the laws of the State of _____ , having its principal place of business in _____, _____, and FLORIDA POWER & LIGHT COMPANY ("FPL"), a corporation organized and existing under the laws of the State of Florida, having its principal place of business in Juno Beach, Florida. Seller and FPL shall collectively herein be called the "Parties" and each may be individually identified herein from time to time as a "Party".

WITNESSETH:

WHEREAS, Seller will construct and be the owner and operator of an independent power production facility; and

WHEREAS, Seller desires to sell, and FPL desires to purchase, services to convert fossil fuels to electricity by such facility;

NOW, THEREFORE, for mutual consideration, the Parties agree as follows:

1.0 DEFINITIONS; RULES OF CONSTRUCTION

1.1. **Definitions**: When used herein with initial or complete capitalization, whether in the singular or in the plural, the following terms shall have the following defined meanings; however, such defined terms shall not apply except as otherwise specified therein to Appendix D.

"Actual Heat Rate" - the amount of Fuel (measured at the Gas Delivery Point for natural gas) consumed per unit of Energy delivered, expressed in Btu's per net kWh (Btu/kWh).

"**After-Tax Basis**" - shall mean, with respect to any payment to be received by any Party, the amount of such payment (the base payment) supplemented by a further payment (the additional payment) to that Party so that the sum of the base payment plus the additional payment shall, after deduction of the amount of all Federal, state and local Taxes required to be paid by such Party in respect of the receipt or accrual of the base payment and the additional payment (taking into account the net present value of any reduction in such Taxes resulting from Tax benefits realized by the recipient as a result of the payment or the event giving rise to the payment), be equal to the amount required to be received. Such calculations shall be made on the basis of the highest generally applicable Federal, state and local Tax rates applicable to the corporation for whom the calculation is being made for all relevant periods, and shall take into account the deductibility of state and local Taxes for Federal income tax purposes.

"**Ancillary Services**" – all commercial products produced by or related to the Facility, including spinning reserves, operating reserves, black start capability, black stop capability, balancing energy, reactive power, regulation service, emissions credits (including NO_x, SO_2, and CO_2 credits), renewable energy

credits, any other environmental or regulatory credits or allowance resulting from operation of the Facility or any similar benefit FPL otherwise would have realized from or related to the Facility if FPL rather than Seller had constructed, owned or operated the Facility.

"**Annual Capacity Factor" or "ACF**" – the arithmetic average of the last twelve Monthly Capacity Factors, expressed as a percentage. Until the first twelve Months of Monthly Capacity Factors of the Contract Term have been calculated, the arithmetic average of the Monthly Capacity Factors to date shall be used as the Annual Capacity Factor.

"**Annual Peak Capacity Factor" or "APCF**" – the sum of the last twelve Monthly Weighted Peak Capacity Factors, expressed as a percentage. Until the first twelve months of Monthly Peak Capacity Factors of the Contract Term have been calculated, the arithmetic average of the Monthly Peak Capacity Factors to date shall be used as the Annual Peak Capacity Factor.

"**Applicable Laws**" – any and all federal, state, regional or local statutes, laws, municipal charter provisions, regulations, ordinances, rules, mandates, judgments, orders, decrees, Governmental Approvals, codes, licenses or permit requirements or other governmental requirements or restrictions, or any interpretation or administration of any of the foregoing by any governmental authority, that apply to the facilities, services or obligations of either Party under this Contract, whether now or hereafter in effect.

"**Assignment of Firm TSA**" – *[the Assignment of Firm TSA, to be entered into by and between Seller [, Seller's third-party transmission provider,] and FPL.]*

"**Associated Facility**" – as defined in Section 403.503 (12), Florida Statutes.

"**Automatic Generation Control" or "AGC**" – procedures and equipment which automatically adjust a control area's generation to maintain its net interchange schedule plus frequency bias.

"**Available Capacity" or "AC**" –The Continuous Capability less all Unscheduled Outages and Scheduled Reductions, expressed in the nearest whole megawatt ("MW") quantities, which shall be reported by Seller pursuant to Section 13.9. Available Capacity shall never be greater than Committed Capacity.

"**Back-up Fuel**" – *[No. 2 low-sulphur fuel oil].*

"**Base Operation Mode**" – the mode of operation which, under normal circumstances, achieves net generation levels in a range from minimum hourly net generation to maximum hourly net generation which can be obtained from the Facility while under FPL control. Base Operation Mode generation levels can be maintained for sustained periods without operating difficulties taking into account

reference conditions (i.e., summer conditions). The maximum hourly net generation for the Base Operation Mode corresponds to the high generation limit set into the AGC by Seller under normal conditions. The minimum hourly net generation for the Base Operation Mode corresponds to the low generation limit set into the AGC by Seller under normal conditions.

"**Business Day**" - any Day on which Federal Reserve Member Banks in Miami, Florida are open for business. A Business Day shall begin at 0800 Eastern Prevailing Time "EPT" and end at 1700 EPT.

"**Capacity**" – net electrical power, in MW, generated by the Facility and delivered to or available for FPL's system at the Receipt Point.

"**Capacity Billing Factor" or "CBF**" – the product of the Annual Capacity Factor and 0.4 plus the product of the Annual Peak Capacity Factor and 0.6 (i.e., CBF = (0.4 * ACF) + (0.6 * APCF)). For purposes of determining the Capacity Billing Factor, neither the Annual Capacity Factor nor the Annual Peak Capacity Factor shall be greater than one hundred percent (100%).

"**Capacity Delivery Date**" – the date on which the Facility begins delivering Available Capacity hereunder, which shall be the later of (a) the Scheduled Capacity Delivery Date, (b) the calendar day immediately following the date of successful completion of the Initial Test in accordance with Section 9.0 as demonstrated by written test results and reports certified by a responsible officer of Seller and confirmed by FPL, or (c) the date on which the other conditions set forth in Section 9.1 shall have been satisfied.

"**Capacity Test**" – the Initial Test and each other test as described in Section 9.0 that is performed by Seller to determine the Continuous Capability and the incremental Capacity associated with each applicable mode of operation above the Base Operation Mode included in Appendix A of this Contract. *[Insert other modes of operation from Proposer's submission.]*

"**Commencement Date**" – the date on which both Parties shall have executed and delivered this Contract.

"**Commit" or "Commitment**" – to initiate (or the initiation of) the start-up sequence of the Facility at FPL's request.

"**Committed Capacity" or "CC**" – the firm Capacity of the Facility associated with the Base Operation Mode at Reference Conditions using the correction curves provided in the Test Protocol, equal to ___*MW. [Insert Guaranteed Firm Capacity associated with Base Operation at Reference Conditions from Proposer's submission.]*

"**Completion Security**" – the security provided by or on behalf of Seller for the benefit of FPL pursuant to Section 4.1.

"**Completion Security Amount**" – the aggregate amount of Completion Security, equal to [_____ *Dollars ($_____)] [Insert amount equal to the product of the Committed Capacity (in kW) multiplied by Two Hundred Eighty Nine Dollars ($289.00) per kW.][Seller acknowledges that additional security will be required to cover costs that may arise from any firm transportation agreement entered into by FPL to support the project in the event of a Seller's default]*

"**Completion Security Liquid Amount**" – the amount of Completion Security required to be satisfied through Liquid Security, equal to (i) the Completion Security Amount, minus (ii) the Seller Credit Limit, provided however, that the Completion Security Liquid amount shall be, at a minimum, ten percent (10%) of the Completion Security Amount if the entity providing credit support has a Credit Rating of BBB/Baa2 or lower. The Completion Security Liquid Amount shall be adjusted, if necessary, quarterly, within five (5) Days of the issuance of quarterly financial statements of Seller or Seller's Guarantor and within five (5) Days of a change in the Seller's or Seller's Guarantor's, as applicable, Credit Rating, in any such case to reflect any adjustment in the Seller's Credit Limit .

"**Continuous Capability**" – the highest sustained net Capacity associated with the maximum hourly net generation Base Operation Mode at which the Facility can operate consistent with Environmental Requirements without exceeding the design operating conditions, temperatures, pressures, etc. defined by the applicable manufacturer(s), as determined by a Capacity Test pursuant to Section 9.0.

"**Contract**" – this Contract for the Purchase of Firm Capacity and Energy, which is comprised of Sections 1.0 through 24.0 and Appendices A through R.

"**Contract Term**" – has the meaning given thereto in Section 2.4.

"**Contract Year**" – the twelve Monthly Billing Periods preceding each anniversary of the first day of the first full Monthly Billing Period following the Capacity Delivery Date.

"**CPM Schedule**" – the detailed, integrated schedule for the development, permitting, design, engineering, procurement, construction, testing and completion of the Facility, using the "critical path management" method, attached hereto as Appendix P, as revised from time to time as provided herein.

"**Credit Limit**" – the amount, in United States Dollars, equal to the percentage of an entity's Tangible Net Worth corresponding to its Credit Rating from time to time, as set forth below:

Credit Rating (S&P/Moody's)	Percent (%) of Tangible Net Worth

AAA+/Aaa1 to AA-/Aa3	20%
A+/A1 to A-/A3	15%
BBB+/Baa1 to BBB-/Baa3	10%
BB+/Ba1 and below or unrated	0%

"**Credit Rating**" – the credit rating assigned to an entity's unsecured debt (or the issuer rating if an unsecured rating is not available) by Standard & Poor's ("S&P"), a division of The McGraw-Hill Companies, Inc. or the equivalent rating assigned by Moody's Investors Service ("Moody's). In the event an entity is assigned a rating by both S&P and Moody's and one rating is lower than the other, the lower rating will be considered the "Credit Rating" of such entity.

"**Custody Transfer Point**"- shall mean the point where the ownership of the Primary Fuel is transferred from the supplier/transporter to the Facility.

"**Decommit**", "**Decommitting**" or "**Decommitment**" – to initiate (or the initiation of) the shutdown sequence of the Facility at FPL's request.

"**Deferred Governmental Approvals**" – those Governmental Approvals, including Environmental Licenses, which are required under Applicable Law for Seller to own, operate, or maintain the Facility, but which cannot be obtained under Applicable Law prior to the Capacity Delivery Date, all of which Governmental Approvals are listed on Appendix B.

"**Determination of Need**" – a determination made by the FPSC under Section 403.519, Florida Statutes, that there is a need for the Facility.

"**Dispatch and Control Rights**" – the absolute and sole right of FPL in any manner, for any reason it deems appropriate, or for no reason at all, in FPL's unfettered discretion, solely in FPL's own interest, without regard to Seller's interest, and without any liability or obligation in connection therewith, (a) to Commit and Decommit the Facility and (b) through supervisory equipment (e.g., AGC) or otherwise, to control the Capacity and Energy output of the Facility pursuant to this Contract, subject only to the Facility Operating Capabilities. These rights also extend to control of the reactive power output of the Facility, voltage, frequency and other characteristics of such Energy output, including all Ancillary Services. FPL's exercise of its Dispatch and Control Rights as defined herein shall not give rise to any liability on the part of FPL, including any claim for breach of contract and/or for breach of any covenant of good faith and fair dealing.

"**Energy**" – electrical energy in MWh generated by the Facility and delivered to FPL at the Receipt Point.

"**Energy Conversion Services**" - operation of the Facilities by Seller to combust Fuel in order to generate and deliver energy at the Receipt Point.

"**Environmental License/Licensing**" – any and all Governmental Approvals applicable to the Facility, the Facility Site, or Associated Facility relating to environmental protection, natural resource protection, land use or zoning.

"**Environmental Requirements**" – any and all requirements applicable to the Facility, the Facility Site, or Associated Facility under any Environmental License or any Applicable Laws relating to environmental protection, natural resource protection, land use or zoning.

"**Event of Default**" – for Seller, any of those occurrences specified in Section 19.1 and, for FPL, any of those occurrences specified in Section 19.2.

"**Facility**" – *[Insert description of Proposer's facility.] Note that all equipment and facilities installed on Seller's side of the Gas Delivery Point shall be considered to be part of the Facility.*

"**Facility Operating Capabilities**" – certain operating capabilities of the Facility which shall be available to FPL pursuant to this Contract as set forth in Appendix F. *[To include, among other things, types of information in Proposer's submission.]*

"**Facility Site**" – the real property described in Appendix K.

"**FERC**" – the Federal Energy Regulatory Commission and any successor thereto.

"**Final Capacity Delivery Date**" – 6 months after unit in-service date (e.g., December 1, 2009 for unit with June 1, 2009 in-service date.)

"**Firm TSA**" – the agreement between Seller and Seller's third-party transmission provider entered into pursuant to Section 10.3.1 for firm point-to-point transmission service on a third party system to deliver all Capacity and Energy required to be provided by Seller hereunder to the Receipt Point by Seller pursuant to this Contract.

"**Force Majeure**" – an event or circumstance that is not reasonably foreseeable, is beyond the reasonable control of and is not caused by the negligence or lack of due diligence of the affected Party or its contractors or suppliers. Such events or circumstances may include, but are not limited to, actions or inactions of civil or military authority (including Governmental Authority); acts of God; war, riot or insurrection; blockades; embargoes; sabotage; epidemics; explosions and fires not originating in the Facility or caused by its operation; hurricanes; floods; general strikes, lockouts or other labor disputes or difficulties affecting the electric power

industry or the State of Florida generally (and excluding, for avoidance of doubt, strikes, lockouts or other labor disputes or difficulties located solely at the Facility or Facility Site or solely with respect to Seller or its affiliates or Seller's vendors, suppliers or contractors). Force Majeure shall not include normal climatic conditions (including normal inclement weather) affecting construction, testing, start-up, operation or maintenance of the Facility or related facilities, equipment breakdown (or inability to use equipment) caused by its design, engineering, construction, operation, or maintenance, or otherwise caused by an event originating at the Facility, or the inability of Seller, for any reason to obtain or maintain adequate transmission service or inability of Seller or the Facility to meet the requirements of Applicable Law, to obtain required environmental allowances, offsets or credits, or to obtain, maintain, or comply with all Governmental Approvals required under Applicable Law, including Environmental Requirements and Environmental Licenses (whether such Applicable Law is in effect on the Commencement Date or is subsequently amended, modified, enacted, or promulgated). Seller's failure to perform during hurricane conditions shall not be excused as Force Majeure in the event Seller has not acted in a diligent and prudent manner to adopt and/or implement a hurricane preparedness plan. In addition, interruption in supply or transportation of Fuel to the Facility shall not be considered Force Majeure except to the extent caused by an event that otherwise would constitute Force Majeure hereunder.

"**Force Majeure Aggregate Allowance**" – has the meaning given thereto in Section 19.3.

"**FPL Control**" – FPL's Dispatch and Control Rights with respect to Committing and Decommitting the Facility and controlling the Capacity and Energy output of the Facility.

"**FPL Entities**" – FPL, its parent, present and future subsidiaries and affiliated entities and any other entity which directly or indirectly controls, is controlled by or under common control with any of the foregoing, and each of their respective officers, directors, employees, and agents.

"**FPL's Avoided Cost**" – the "Standard Rate for Purchase of As-Available Energy from Qualifying Cogeneration and Small Power Production Facilities," as described in Appendix A of FPL's COG-1 Tariff and as calculated each hour for the Power Production Pricing Area corresponding to the Receipt Point.

"**FPL's Cost of Cover**" – has the meaning given thereto in Section 19.6.

"**FPL's Lien**" – has the meaning given thereto in Section 5.2.

FPL's Marginal Gas Cost – shall be deemed to be the cost of the next increment of gas which could be procured by FPL's Energy Marketing and Trading group on any given day including any costs and fees associated with delivery of the gas to the facility. For illustrative purposes, this cost for gas will include commodity

gas purchases, incremental transportation, compression losses, variable transportation costs etc.

"**FPSC**" – the Florida Public Service Commission and any successor thereto.

"**FRCC**" – the Florida Reliability Coordinating Council and any successor thereto.

"**Fuel**" – Primary Fuel or Back-up Fuel, as applicable.

"**GAAP**" – generally accepted accounting principles in the United States.

"**Gas Delivery Point**" – the natural gas custody transfer point between the facilities of Florida Gas Transmission Company or Gulfstream Natural Gas System, L.L.C. and the Gas receipt facilities of the Facility.

"**Gas Interconnection Meters**" – all gas delivered to the Gas Delivery Point will be measured by Florida Gas Transmission Company or Gulfstream Natural Gas System, L.L.C.'s gas yard meter station facilities in accordance with the gas interconnection agreement.

"**Guaranteed Heat Rate**" - means the targeted quantity of Fuel, in Btu's, needed to generate one kWh of electricity on a higher heating value basis over a period not less than four (4) consecutive hours expressed in Btu's per KWh. Such Guaranteed Heat Rates shall be as set forth in the following Tables:

[Insert *from Proposer's submission for each Operating Mode submitted and type of fuel]*

"**Good Engineering and Operating Practices**" – generally accepted and sound electric utility generation industry practices, methods and acts applicable to similarly situated regulated electric utility owned generation facilities in the United States which at a particular time, in the exercise of reasonable judgment in light of the facts known or that reasonably should be known at the time a decision is made, would be expected to accomplish the desired result in a manner consistent with Applicable Laws, reliability, safety, environmental protection, economy and expedition. With respect to the Facility, Good Engineering and Operating Practices include, but are not limited to, taking reasonable steps to ensure that:

(a) Adequate materials, equipment redundancy, spare parts, resources and supplies, including Fuel in sufficient reliable volumes and quality, are available to meet the Facility's needs under normal conditions and reasonably anticipated abnormal conditions;

(b) Sufficient qualified operating, maintenance and supervisory personnel are available and adequately experienced and trained to operate, maintain and supervise the Facility properly, efficiently and within

manufacturer's guidelines and specifications and are capable of responding to emergency conditions;

(c) Preventive, routine and non-routine maintenance and repairs are performed on a basis that ensures reliable long-term and safe operation, and are performed by knowledgeable, trained and experienced personnel utilizing proper equipment, tools and procedures;

(d) Appropriate monitoring and testing are done periodically to ensure that equipment and systems are functioning as designed and to provide assurance that equipment and systems will function properly under normal conditions and emergency conditions; and

(e) Equipment and systems are operated in a safe manner and in a manner safe to workers, the general public and the environment and with regard to design and operating limitations such as steam pressure, temperature and moisture content, chemical content and quality of make-up water, operating voltage range, current, frequency, rotational speed, polarity, synchronization, control system limits, etc.

"**Governmental Approval**" – any and all licenses, permits, franchises, agreements, approvals, authorizations, consents, waivers, rights, exemptions, releases, variances, exceptions, or order of or issued by, or filings with, or notice to, any Governmental Authority under Applicable Laws.

"**Governmental Authority**" – any national, state, regional or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, executive, legislative, administrative, public or statutory instrumentality, authority, body, agency, department, bureau or entity or any arbitrator with authority to bind a party at law.

"**Guaranty**" – shall mean credit support in the form of a guaranty agreement from Seller's Guarantor in a form substantially the same as that set out in Appendix C.

"**Heat Rate Adjustment Payment**" – has the meaning given such term in Section 7.5

"Heat Rate Curves" - Operating curves of Heat Rate vs Capability (BTU/kWh vs. MW) based on test points specified in Appendix Q hereto and adjusted for actual ambient operating conditions.

"Heat Rate Test" – The initial Test and each other Test as described in Section 9.0 that is performed by Seller to determine the heat rate of the Facility under test conditions associated with the operation of the Facility. *[For each Operating Mode in Proposer's submission]*

"**Hourly Capacity Factor" or "HCF**" – (a) during any hour that the Facility is not undergoing a Scheduled Reduction, a figure (expressed as a percentage) calculated by (i) dividing the Available Capacity in such hour by the Committed Capacity, and (ii) multiplying by 100 (provided that for purposes of this definition the Available Capacity of the Facility shall be subject to reduction pursuant to Section 13.11); or (b) during any hour during which the Facility is undergoing a Scheduled Reduction or is decommitted by FPL, the Hourly Capacity Factor shall be equal to the ACF of the preceding Monthly Billing Period. *[Note: This definition would be later modified to reflect the modes of operation of the facility submitted by the Proposer.]*

"**Hourly Peak Capacity Factor" or "HPCF**" – (a) in any Peak Hour that the Facility is not undergoing a Scheduled Reduction, a figure (expressed as a percentage) calculated by (i) dividing the Available Capacity in such hour by the Committed Capacity, and (ii) multiplying by 100 (provided that for purposes of this definition the Available Capacity of the Facility shall be subject to reduction pursuant to Section 13.11); or (b) during any Peak Hour during which the Facility is undergoing a Scheduled Reduction or is decommitted by FPL, the Hourly Peak Capacity Factor shall be equal to the APCF of the preceding Monthly Billing Period. *[Note: This definition would be later modified to reflect the modes of operation of the facility submitted by the Proposer.]*

"**Initial Synchronization Date**" – the first date upon which (a) Energy is generated by the Facility, and (b) such Energy is delivered to FPL and metered by the FPL-owned or FPL-approved metering equipment, all pursuant to Section 12.6.

"**Initial Test**" – the first Capacity Test of the Facility completed successfully as described in Section 9.0.

"**Interconnection Agreement**" – the contract between FPL and Seller which principally delineates and governs (a) the interconnection of FPL's electrical system and the Facility, (b) Seller's responsibility for the costs of installing, operating, maintaining, repairing, upgrading and removing the interconnection facilities and related equipment necessary to safely and effectively connect the Facility to FPL's electrical system, and (c) the Parties' respective ownership rights and other obligations with respect to the interconnection.

"**Intercreditor Agreement**" – the Intercreditor Agreement to be entered into by FPL and the Lenders, in form and substance satisfactory to FPL, with respect to FPL's Lien and any lien of the Lenders on the Facility or Facility Site.

"**Investment Grade Credit Rating**" – with respect to (a) a corporation, limited liability company, partnership, or other entity other than a financial institution, a long-term unsecured, general obligation bond rating of BBB- or above from Standard & Poor's Corporation ("S&P") or Baa3 or above from Moody's Investors Services ("Moody's") with , in the case of a rating of BBB-/Baa3 a "stable"

outlook, and (b)with respect to a financial institution, a Credit Rating of A- or above from S&P or A3 or above from Moody's.

"**Lenders**" – any entity or group of entities (including, upon prior notice to FPL, any and all successors pursuant to refinancing but excluding Seller or any affiliate thereof) providing all or substantially all of the debt financing, in any form (including lease financing), for the development, construction or improvement of the Facility.

"**Level 1 Available Capacity" or "L1AC**" – Level 1 Capability less all Level 1 Unscheduled Outages and Scheduled Reductions, expressed in the nearest whole MW quantities, which shall be reported by Seller pursuant to Section 13.9. Level 1 Available Committed Capacity shall never be greater than Level 1 Committed Capacity.

"**Level 1 Capability" or "L1C**" – the highest sustained Capacity associated with the Level 1 Mode of Operation at which the facility can operate consistent with Environmental requirements without exceeding the design operating conditions, temperatures, pressures etc. for Level 1 Mode of Operation defined by the applicable manufacturer(s), as determined by the Capacity Test pursuant to Section 9.0.

"**Level 1 Committed Capacity**" – the incremental maximum Capacity for Level 1 Mode of Operation equal to _____*MW* at Reference Conditions using applicable manufacturers' correction curves. *[Insert incremental capacity, at Reference Conditions, for Level 1 Mode of Operations, from Proposer's submission.]*

"**Level 1 Mode of Operation**" – *[Insert description, from Proposer's submission, of Level 1 Mode of Operation, which must be capable of being placed under FPL's Automatic Generation Control and must not have additional operating limitations.]*

"**Level 1 Unscheduled Outage**" – a whole or partial interruption or reduction of the Facility's Capacity to a level below the Level 1 Committed Capacity, whether the Facility is on-line or off-line, expressed in the nearest whole MW, that does not qualify as a Scheduled Reduction.

"**Liquid Security**" – security in the form of one or more of the following: (a) direct obligations of (other than obligations issued or held in book entry form on the books of) the Department of the Treasury of the United State of America deposited with a depositary bank acceptable to FPL, (b) a cash deposit in United States dollars, or (c) an unconditional, irrevocable, stand-by letter of credit issued by an issuer acceptable to FPL capable of issuing letters of credit and having an Investment Grade Credit Rating, in form and substance acceptable to FPL (including, in the case of a letter of credit, provisions (i) for partial draws, and (ii) permitting FPL to draw upon such letter of credit in full, if such letter of credit is not renewed or replaced at least twenty (20) business days prior to its expiry date

(or as otherwise required by Section 4.0), without further notice to or action by any party).

"**Maintenance Outage**" – has the meaning given thereto in Section 13.12.

"**Major Equipment**" – the *[combustion turbine generator set, heat recovery steam generator, and steam turbine]. [Insert additional major equipment from Proposer's submission.]*

"**Major Milestone**" – a Milestone specified as a Major Milestone in Part A of Appendix M.

"**Market Rules**" – has the meaning given thereto in Section 13.20.

"**Maximum Sustained Rate**" – the maximum safe and continuous load-following capability of the Facility, expressed in MW per minute, to which the Facility can be raised or lowered to meet FPL's dispatch instructions.

"**Milestone**" – has the meaning given thereto in Section 3.1.

"**Milestone Date**" – has the meaning given thereto in Section 3.1.

"**Minimum Capacity**"– a Capacity equal to *[_____ MW]* which is equal to ninety-five percent (95%) of the Committed Capacity.

"**Minimum Load**" – the minimum MW level below which FPL shall not dispatch the Facility without Decommitting the Facility, which minimum shall be equal to ____ MW net of internal electrical requirements of the Facility. *[Insert number of MW from Proposer's submission.]*

"**Month**" – a calendar month.

"**Monthly Billing Period**" – the period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m. on the Initial Synchronization Date and ending with the last calendar day of such month.

"**Monthly Billing Statement**" – a monthly summary prepared by Seller in accordance with Section 8.1.

"**Monthly Capacity Factor" or "MCF**" – in any Month, the arithmetic average of the Hourly Capacity Factors for the Monthly Billing Period, expressed as a percentage.

"**Monthly Capacity Payment" or "MCP**" – monthly payments for Committed Capacity calculated in accordance with Appendix A.

"**Monthly Energy Payment" or "MEP**"– monthly payments for Energy calculated in accordance with Appendix A.

"**Monthly Peak Capacity Factor" or "MPCF**"– in any Month, the arithmetic average of the Hourly Peak Capacity Factors for the Monthly Billing Period, expressed as a percentage.

"**Monthly Weighted Peak Capacity Factor" or "MWPCF**"– the product of the Monthly Peak Capacity Factor and a monthly weight factor, where the monthly weight factor is equal to 0.1 for the Peak Months and 0.06 for the Non-Peak Months.

"**Mortgage and Security Agreement**" – the Mortgage and Security Agreement to be entered into between Seller and FPL, securing the FPL Lien and substantially in the form of Appendix N.

"**NERC**" – North American Electric Reliability Council, including any successor thereto and subdivisions thereof.

"**Net Energy Output" or "NEO**" – in any Monthly Billing Period, the Energy in such Monthly Billing Period.

"**Non-Peak Months**" – those Months which are not Peak Months.

"**Operating Representatives**" – the Parties' representatives designated pursuant to Section 11.0, who act in matters pertaining to detailed operating arrangements for the delivery of Capacity and Energy provided under this Contract.

"**Other Operating Mode**" – *[Insert description of each other operating mode included in Proposer's submission.]*

"**Peak Hour**" – those hours occurring April 1 through October 31, from noon to 9:00 p.m., and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. FPL shall have the right to change such Peak Hours by providing Seller a minimum ninety (90) calendar days notice. The total number of Peak Hours shall not exceed thirty eight percent (38.0%) of the total hours during a calendar year.

"**Peak Months**" – the Months of January, February, June, July, August, September and December, as such Peak Months may be modified in accordance with Section 13.12.

"**Peaking Capability**" – the maximum Capacity the Facility can achieve for a period of at least *[_____]* continuous hours and at least *[____ hours]* per year, without exceeding the design pressures and temperatures recommended by the Major Equipment manufacturers. *[To include limitations from Proposer's submission.]*

"**Performance Security**" – the security provided by or on behalf of Seller for the benefit of FPL pursuant to Section 4.2.

"**Performance Security Amount**" – the aggregate amount of Performance Security, equal to *[_____ Dollars ($_____)] [Insert amount equal to the product of the Committed Capacity (in kW) multiplied by One Hundred Forty Five Dollars ($145.00) per kW.] [Seller acknowledges that additional security will be required to cover costs that may arise from any firm transportation agreement entered into by FPL to support the project in the event of a Seller's default]*

"**Performance Security Liquid Amount**" – the amount of Performance Security required to be satisfied through Liquid Security, equal to (i) the Performance Security Amount, minus (ii) Seller's Credit Limit, provided however, that the Performance Security Liquid Amount shall be, at a minimum ten percent (10%) of the Performance Security Amount if the entity providing credit support has a Credit Rating of BBB/Baa2 or lower. The Performance Security Liquid Amount shall be adjusted, if necessary, quarterly, within five (5) Days of the issuance of quarterly financial statements of Seller or Seller's Guarantor and within five (5) Days of a change in Seller's or Seller's Guarantor's, as applicable, Credit Rating, in any such case to reflect any adjustment in the Seller's Credit Limit.

"**Plant RTU**" – has the meaning given thereto in Section 14.1.

"**Primary Fuel**" – natural gas which conforms to the tariff quality specifications of the pipeline through which the natural gas is shipped.

"**Ready for Control**" – a point in time, for the most part to start at the top of the hour, when the Facility is turned over to FPL's system control center for Automatic Generation Control or manual control.

"**Receipt Point**" – (a) if the Facility is directly interconnected with the FPL system, the point where the Facility interconnects with the FPL system, or (b) if the Facility is not directly interconnected with the FPL system, the location where the transmission system of the transmission provider under the Firm TSA interconnects with FPL's transmission system.

"**Reference Conditions**" – the ambient dry-bulb temperature, ambient relative humidity, and ambient atmospheric pressure set forth on Appendix L.

"**Records**" – has the meaning given thereto in Section 15.1.

"**RTO or ISO or a similar organization**" – an independent entity authorized by FERC to operate the FPL transmission system or the transmission system of the third party to which the Facility is directly interconnected.

"**RTU**" – has the meaning given thereto in Section 14.1.

"**Scheduled Capacity Delivery Date**" – June 1, ___ as such date may be extended pursuant to Section 3.3.[Insert date from Proposer's submission.]

"**Scheduled Outages**" – has the meaning given thereto in Section 13.12.

"**Scheduled Reduction**" – any reduction in generating capability of the Facility, expressed in the nearest whole MW, as a result of a Scheduled Outage or a Maintenance Outage.

"**Security Account**" – has the meaning given thereto in Section 4.3.

"**Seller's Cost of Cover**" – has the meaning given thereto in Section 19.4.

"**Sellers Guarantor**" – shall mean an Affiliate of Seller or other entity providing credit support having an Investment Grade Credit Rating.

"**Start-up Cost**" – a one-time payment, payable once per Successful Start-up, in the applicable amount set forth in Appendix E.

"**Start-up Time**" – the time it takes from the moment the Facility is Committed until it is on-line and Ready for Control.

"**Step-In Rights**" – has the meaning given thereto in Section 5.1.1.

"**Successful Start-up**" – a start-up of the Facility pursuant to an FPL Commitment of the Facility, which start-up (a) is not undertaken in connection with a Capacity Test (whether or not such Capacity Test is requested by FPL), (b) follows a shutdown of the Facility pursuant to an FPL-initiated Decommitment of the Facility, (c) results in the Facility achieving Ready for Control status, and (d) results in the Facility reaching the level of dispatch and/or commitment requested by FPL.

"**Summer Period**" – the seven (7) Month period beginning immediately after 12:00 midnight on March 31 and ending at 12:00 midnight on the following October 31st.

"**Tangible Net Worth**" – at any time, an amount as set forth in an entity's most recent annual audited or quarterly financial statements, equal to (a) the total assets of an entity and its subsidiaries which would be shown as assets on a consolidated balance sheet of such entity and its subsidiaries as of such time prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of subsidiaries, minus (b) the total liabilities of such entity and its subsidiaries which would be shown as liabilities on a consolidated balance sheet of such entity and its subsidiaries as of such time prepared in accordance with GAAP, minus (c) the net book value, after deducting any reserves applicable thereto, of all assets which would be treated as intangible under GAAP, including good will, trademarks, trade names, service marks, brand names, copyrights, patents and unamortized debt discount and

expense, organizational expenses and the excess of the equity in any subsidiary over the cost of the investment in such subsidiary.

"**Tax**" – any or all ad valorem, property, net income, gross receipts, net worth, franchise, occupational, severance, emissions, generation, first use, conservation, energy, transmission, utility, privilege, sales, use, excise and other taxes, governmental charges, licenses, fees, permits and assessments. Tax is meant to include any other similar taxes or charges levied by a Governmental Authority. Tax also includes any penalties and interest that may be imposed for underreporting, failure to report or late filing of returns or reports for any Tax.

"**Test Protocol**" – has the meaning given thereto in Appendix I.

"**Unscheduled Outage**" – a whole or partial interruption or reduction of the Facility's Capacity to a level below Committed Capacity, whether the Facility is on-line or off-line, expressed in the nearest whole MW, that does not qualify as a Scheduled Reduction.

"**Variable O&M Payment**" means the payment to be made by FPL to Seller in respect of energy scheduled and dispatched by FPL and delivered during the Monthly Billing Period pursuant to section 7.4

"**Winter Period**" – the five (5) Month period beginning immediately after 12:00 midnight on October 31 and ending at 12:00 midnight on the following March 31.

1.2. **Rules of Construction:** In this Contract: (a) words denoting any gender include each other gender; (b) the singular includes the plural and the plural includes the singular; (c) the word "or" is not exclusive; (d) a reference to an Applicable Law includes any amendment or modification to such Applicable Law, and all regulations, rulings and other Applicable Laws promulgated under such Applicable Law; (e) a reference to a person or entity includes its successors and permitted assigns; (f) the words "include", "includes" and "including" are not limiting; (g) exhibits, schedules, annexes or appendices to any document shall be deemed incorporated by reference in such document; (h) references to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto, (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time; and (i) the words "hereof," "herein" and "hereunder" and words of similar import refer to this Contract as a whole and not to any particular provision, unless otherwise indicated.

2.0 CONDITIONS PRECEDENT; CONTRACT TERM

2.1. **Condition Precedent to Purchase and Sale**: The obligations of Seller to generate, deliver and sell, and of FPL to accept delivery of and purchase, Capacity

and Energy Conversion Services hereunder shall be subject to the satisfaction of the conditions precedent that: (a) the FPSC shall have issued a final Determination of Need for the Facility, which order is not subject to appeal, (b) the FPSC shall have issued a final order approving this Contract, and finding that FPL is entitled to recover from its customers all payments for Energy Conversion Services and Capacity, which order is no longer subject to appeal, (c) the FERC shall have issued a final order authorizing Seller to make the sales of electrical energy and capacity contemplated by this Contract, which order is no longer subject to appeal, (d) each other Governmental Authority having jurisdiction over this Contract shall have issued a final order approving this Contract or otherwise authorizing sales of electrical energy and capacity under this Contract, as applicable, which orders are no longer subject to appeal, and (e) FPL shall have obtained, on terms satisfactory to FPL, additional gas pipeline transportation capacity for the Contract Term in excess of FPL's internal requirements for gas pipeline capacity and that such pipeline capacity shall be sufficient to meet the Primary Fuel requirements of Seller under this Contract. FPL and Seller shall be co-petitioners on the application for such Determination of Need, and each Party shall cooperate in making such application (and each other application for a Governmental Approval under this Section 2.1) promptly after execution of this Contract, and shall prosecute such application diligently and in good faith; provided, that nothing in this Section 2.1 shall be construed to require FPL to consent to any modification of this Contract or any other condition or requirement imposed on FPL relating to such application, which modifications, conditions or requirements may be rejected by FPL in its sole and absolute discretion.

2.2. **Completion Security**: All obligations and liabilities of FPL hereunder, and all rights of Seller hereunder, shall be subject to the satisfaction of the condition precedent that Seller shall have delivered the Completion Security to FPL not later than the Commencement Date.

2.3. **Failure of Conditions Precedent**:

2.3.1. If the condition precedent set forth in Section 2.1 shall not have been satisfied on or prior to the first anniversary of the Commencement Date, (a) FPL by thirty (30) days notice to Seller may terminate this Contract without penalty or further liability, and (b) FPL shall return any undrawn Completion Security to Seller within thirty (30) days of the effective date of such termination.

2.3.2. If the condition precedent set forth in Section 2.2 shall not have been satisfied on or prior to the Commencement Date, FPL by notice to Seller may terminate this Contract without penalty or further liability for FPL.

2.4. **Contract Term**: The term of this Contract (the "Contract Term") shall commence on the Commencement Date and shall expire on_____ 20__, *[Insert term, of not less than fifteen (15) years nor more than twenty-five (25)*

years from Scheduled Capacity Delivery Date, from Proposer's submission] unless sooner terminated in accordance with Section 3.0 or Section 19.0 hereof.

3.0 CONTRACT MILESTONES

3.1. **Contract Milestones**. Seller shall achieve each of the milestones set forth in Parts A and B of Appendix M in connection with its ownership, development and construction of the Facility (a "Milestone") on or (except in the case of Capacity Delivery Date) prior to the milestone date set forth on Appendix M corresponding to such Milestone (a "Milestone Date"). Time is of the essence of this Contract with respect to Seller's obligation to meet each Milestone (including each Major Milestone).

3.2. Failure to Achieve Milestone(s):

3.2.1. If Seller fails to achieve any Milestone (including any Major Milestone) by the corresponding Milestone Date, then (a) Seller shall give FPL notice of such failure as provided in Section 12.2, and (b) FPL shall have the right, but not the obligation, to exercise Step-In Rights as provided in Section 5.0.

3.2.2. If Seller fails to achieve any Major Milestone by the corresponding Milestone Date (including failure to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date) or upon any other Seller Event of Default prior to the Capacity Delivery Date, then, except as provided in Section 3.3 (and provided that FPL is not then exercising Step-In Rights with respect to such failure and that Seller is not paying delay liquidated damages as provided in Section 3.2.3), FPL shall be entitled to terminate this Contract by notice to Seller as provided in Section 19.0. Upon such termination, Seller shall pay to FPL, on demand, in immediately available funds (or if not so paid, FPL shall be entitled to draw upon the Completion Security or to exercise its remedies under the Mortgage and Security Agreement), liquidated damages at the rate set forth on Appendix M with respect to such Major Milestone (or, in the case of an Event of Default other than failure to achieve a Major Milestone by the corresponding Milestone Date, at the rate set forth therein with respect to the next unmet Major Milestone).

3.2.3. Notwithstanding the provisions of Section 3.2.2, if Seller fails to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date, then, except as provided in Section 3.3, and provided that FPL is not then exercising Step-In Rights with respect to such failure, Seller may extend the Scheduled Completion Date day-for-day to a date not later than the Final Capacity Delivery Date by paying to FPL delay liquidated damages at a rate equal to *[_____ Dollars ($_____)] [Insert amount equal to product of Committed*

Capacity (in kW) multiplied by $0.38 per kW] per day. FPL shall not be entitled to terminate this Contract with respect to such failure unless Seller shall have failed to pay such liquidated damages, shall have failed to comply with the security requirements set forth in Section 4.0, or shall have failed to achieve the Capacity Delivery Date by the Final Capacity Delivery Date, whereupon FPL shall be entitled to terminate this Contract as provided in Section 19.0. Upon such termination, Seller shall pay to FPL, on demand, in immediately available funds (or if not so paid, FPL shall be entitled to draw upon the Completion Security or to exercise its remedies under the Mortgage and Security Agreement), liquidated damages at the rate set forth on Appendix M with respect to such failure.

3.3. **Effect of Force Majeure; Final Capacity Delivery Date:**

3.3.1. The Milestone Dates (including, for avoidance of doubt, the Scheduled Capacity Delivery Date) may be extended upon the occurrence of an event of Force Majeure as and to the extent provided in Section 18.0; provided, that in no event shall the total number of days of all the extensions made pursuant to this Section 3.3 and Section 18.0 as a result of Force Majeure exceed one hundred eighty (180) days in the aggregate; provided, further, that if Seller shall fail to achieve the Capacity Delivery Date on or prior to the Final Capacity Delivery Date, then regardless of the extent to which such failure is excused for Force Majeure as provided in Section 18.0, such failure shall be deemed an Event of Default by Seller, and in addition to FPL's right to terminate this Contract as provided in Section 19.3 and in addition to any delay liquidated damages paid or owed by Seller to FPL. Seller shall also pay FPL the sum of _____*($_____)* as liquidated damages for failure to achieve the Final Capacity Delivery Date

3.3.2. The Final Capacity Delivery Date shall not be extended for any reason, including payment of liquidated damages, renewal or replenishment of Completion Security, or Force Majeure.

4.0 COMPLETION SECURITY; PERFORMANCE SECURITY

4.1. **Completion Security**: Not later than the Commencement Date, and as a condition thereto, Seller shall provide FPL security for completion of the Facility when and as required hereunder, and for performance of all of Seller's obligations hereunder to be performed on or prior to the Capacity Delivery Date (the "Completion Security"). Such Completion Security shall be in an amount equal to the Completion Security Amount, and may be provided in the form of one or both of a Guaranty or Liquid Security; provided, that the amount of Liquid Security provided by Seller with respect thereto shall not at any time be less than the Completion Security Liquid Amount at such time.

4.2. **Security for Performance**: Not later than Capacity Delivery Date, and as a condition thereto, Seller shall provide FPL security for performance of all of Seller's obligations hereunder to be performed after the Capacity Delivery Date (the "Performance Security"). Such Performance Security shall be in an amount equal to the Performance Security Amount, and may be provided in the form of one or both of a Guaranty or Liquid Security; provided, that the amount of Liquid Security provided by Seller with respect thereto shall not at any time be less than the Performance Security Liquid Amount at such time.

4.3. **Security Account**: All cash deposits or other Liquid Security shall be held in an account designated by FPL (the "Security Account") for the benefit of FPL, free and clear of all liens (including the liens of the Lenders) of any person or entity other than FPL. Any Security Account shall be established and maintained at the expense of Seller and held by a depositary bank or securities intermediary acceptable to FPL pursuant to a control agreement in form and substance acceptable to FPL. Prior to the establishment of any Security Account, or to the entering into or refinancing of any loan, credit, or reimbursement agreement, indenture, other debt or security arrangement with any Lender, Seller shall obtain the express written waiver of the Lenders (in form and substance satisfactory to FPL) which are entitled to liens at that time, to any and all rights in and to the Completion Security or Performance Security, as applicable, and the proceeds there from.

4.4. **Replacement of Security**:

4.4.1. Seller shall maintain the applicable security required under this Contract as set forth herein at all times during the Contract Term. Seller shall give FPL notice thirty (30) days prior to the date, if any, on which any Completion Security or Performance Security is due to expire, advising FPL of the scheduled expiration of such security. Seller shall replace any such security not later than ten (10) business days prior to such expiration with security meeting the requirements of this Contract. Seller shall replenish any amount drawn by FPL against the Completion Security or the Performance Security within five (5) business days of such draw.

4.4.2. FPL shall have the right to monitor the financial condition of Seller and of the issuer of any Guaranty or letter of credit, and Seller shall notify FPL within three (3) business days of becoming aware that any such entity's Credit Rating has been downgraded or its outlook changed. In addition, Seller shall provide to FPL, no later than the Commencement Date and at the beginning of each calendar quarter thereafter until the Capacity Delivery Date, and again on the Capacity Delivery Date and at the beginning of each calendar quarter thereafter, evidence satisfactory to FPL sufficient to establish that Seller is in compliance with the security requirements set forth in this Section 4.0, including such evidence sufficient to establish that Seller,

any Seller's Guarantor, or any issuer of a letter of credit as set forth herein has the required Credit Rating, as applicable, and sufficient to establish the Credit Limit of Seller and any Seller's Guarantor, as applicable.

4.4.3. In the event that the financial condition of any such entity has deteriorated to a level below Investment Grade Credit Rating or its Credit Limit has been reduced, such that the amount of Liquid Security provided by Seller to or for the benefit of FPL is less than the Completion Security Liquid Amount or the Performance Security Liquid Amount, as applicable, Seller shall replace such Completion Security or Performance Security, or shall provide additional Liquid Security, such that the aggregate amount of Liquid Security is not less than the Completion Security Liquid Amount or the Performance Security Liquid Amount, as applicable, which replacement security shall be issued by an entity with an Investment Grade Credit Rating, as applicable, and otherwise shall meet the requirements of this Section 4.0, within five (5) business days following the date Seller becomes aware of such failure to maintain an Investment Grade Credit Rating or reduction in Credit Limit or the date of any public announcement of such failure or reduction in Credit Limit.

4.5. **Achievement of Capacity Delivery Date**: If the Capacity Delivery Date occurs on the Scheduled Capacity Delivery Date (as extended pursuant to Section 3.0) and Seller has provided the Performance Security as provided herein, then Seller shall be entitled to require FPL to terminate and refund or release to Seller any undrawn portion of the Completion Security. Any refund of Completion Security pursuant to this Section 4.5 shall be made at within thirty (30) calendar days after Seller's application for such release is received and accepted by FPL.

5.0 STEP-IN RIGHTS; FPL'S LIEN

5.1. **Operation by FPL Following Missed Milestone or Event of Default by Seller**:

5.1.1. Upon the occurrence of (a) the failure of Seller to meet any Milestone by the corresponding Milestone Date, or (b) any Event of Default by Seller (whether before or after the Capacity Delivery Date) and the failure of Seller to cure such Event of Default within the applicable cure period, FPL or its designee shall have the right, but not the obligation, to enter upon and complete the licensing, permitting, construction, start-up, testing and commissioning of, or operate and maintain, the Facility as agent for Seller ("Step-In Rights"), until the earliest of (x) the date upon which Seller shall provide to FPL a certificate of an independent engineer reasonably acceptable to FPL or otherwise demonstrate to FPL's reasonable satisfaction that the circumstance which gave rise to Seller's failure to meet a Milestone or such Event of Default no longer exists, (y) the date FPL in its sole

discretion elects by notice to Seller to cease exercising Step-In Rights, or (z) the expiration or earlier termination of this Contract.

5.1.2. Subject to Section 5.1.3, during any period of exercise of Step-In Rights by FPL, FPL (a) shall use commercially reasonable efforts to complete the licensing, permitting, construction, start-up, testing and commissioning of the Facility as provided herein, or operate and maintain the Facility in accordance with Seller's obligations hereunder, and in accordance with all existing agreements to which Seller is a party and all applicable Governmental Approvals, and (b) shall continue to pay Monthly Capacity Payments and Monthly Energy Payments to the extent otherwise required to be paid hereunder.

5.1.3. Seller shall reimburse, indemnify and hold harmless FPL, within fifteen (15) days of submission of a reimbursement request by FPL, for the reasonable and necessary costs and expenses incurred by FPL or its designee in exercising Step-In Rights, including costs and expenses incurred in completing the licensing, permitting, construction, start-up, testing and commissioning of the Facility, or in the operation and maintenance of the Facility, on behalf of Seller, costs and expenses (including reasonable fees and expenses of counsel) in enforcing its Step-In Rights, and the cost of funds with respect to such all costs and expenses at FPL's overall cost of capital, in each case supported by reasonable documentation. FPL shall provide ten (10) days notice in reasonable detail to Seller of the need for any capital expenses, or any other extraordinary expenses in excess of Five Hundred Thousand Dollars ($500,000.00) not approved by the Operating Representatives, and shall obtain the consent of Seller for such capital expenses or other extraordinary expenses, such consent not unreasonably to be withheld or delayed. Without limiting any other right or remedy of FPL with respect thereto, FPL shall be entitled to draw amounts to which it is entitled to be reimbursed for or indemnified or held harmless against under this Section 5.1 from the Completion Security or the Performance Security, as applicable, or by set-off of amounts due to Seller hereunder; provided, that any amounts due to Seller hereunder after payment of such amounts and Seller's debt service to the Lenders shall be remitted to Seller.

5.1.4. In connection with the exercise of Step-In Rights, FPL and its employees and representatives designated in writing to Seller shall be entitled to access Seller's agreements, books and records, operating manuals, and other documents relating to the Facility and the Facility Site, and shall have access to the Facility and the Facility Site, for the purpose of exercising Step-In Rights, subject to reasonable safety and

confidentiality requirements. FPL shall notify Seller of any documents or actions by Seller reasonably necessary for FPL to exercise its Step-In Rights, which shall be subject to the consent of Seller, such consent not unreasonably to be withheld or delayed.

5.1.5. During any period that FPL or its designee is in possession of the Facility and the Facility Site upon exercise of Step-In Rights, Seller shall retain legal title to and ownership and risk of loss of the Facility and the Facility Site, and FPL or its designee shall complete the licensing, permitting, construction, start-up, testing and commissioning of, or operate and maintain, the Facility as an agent of Seller in accordance with this Contract. Upon the termination of FPL's exercise of its Step-In Rights pursuant to Section 5.1.1, FPL or its designee shall relinquish the Facility and the Facility Site to Seller.

5.1.6. FPL's exercise of its Step-In Rights shall not be deemed a termination of this Contract or an assumption, release, or waiver by FPL of any liability of Seller to third parties or of any obligation or liability of Seller to FPL or (except as expressly provided in Section 3.2 or Section 19.5) any right or remedy of FPL with respect thereto; provided, that this Section 5.1.6 shall not excuse any liability of FPL expressly assumed in writing or incurred by FPL in its own right and not in its capacity as Seller's agent or attorney-in-fact in acting in Seller's stead and on Seller's behalf in connection with the exercise of its Step-In Rights.

5.1.7. Seller hereby constitutes and appoints FPL or its designee its agent and true and lawful attorney-in-fact to exercise Step-In Rights, and to act thereafter in Seller's stead and on Seller's behalf, as provided in this Section 5.0. This power is a power coupled with an interest and is irrevocable for the Contract Term.

5.2. **FPL's Lien**:

5.2.1. As security for Seller's performance of all of its obligations hereunder, including payment of any amounts owed by Seller to FPL pursuant to this Contract, Seller or FPL shall execute and record, as appropriate, the Mortgage and Security Agreement and all other agreements, documents, or instruments required or useful to provide FPL with a fully perfected subordinated security interest and mortgage lien in the Facility, the Facility Site, and any and all real and personal property rights, contractual rights, or other rights that Seller acquires or requires in order to develop, procure, construct, operate and maintain the Facility ("FPL's Lien"). FPL's Lien shall be subordinate in right of payment, priority and remedies only to the interests of the Lenders in accordance with the terms of the Intercreditor Agreement. The collateral secured by the Mortgage and Security Agreement shall not

include the pledge, assignment, or other interest in any stock or ownership interest in Seller; provided, that Seller shall not pledge or assign, or cause or permit to be pledged or assigned, any stock or ownership interest in Seller as collateral to any party other than the Lenders party to the Intercreditor Agreement.

5.2.2. FPL and Seller shall confirm, define, and perfect FPL's Lien by executing, filing, and recording, at the expense of Seller, the Mortgage and Security Agreement no later than the Milestone Date set forth at the Major Milestone A.1 on Appendix M. In addition, Seller agrees to execute and to authorize FPL to file such financing statements under the Uniform Commercial Code, and to take such further action and execute such further instruments, as reasonably shall be requested by FPL to confirm and continue the validity, priority, and perfection of FPL's Lien. The granting of FPL's Lien shall not be to the exclusion of, nor be construed to limit, the amount of any further claims, causes of action or other rights accruing to FPL by reason of any breach or default by Seller under this Contract or the termination of this Contract prior to the expiration of its term. FPL's Lien and the Mortgage and Security Agreement shall be discharged and released, and FPL shall take any steps reasonably required by Seller to effect and record such discharge and release, upon the expiration of the Contract Term and satisfaction by Seller of all of its obligations hereunder. Seller shall reimburse FPL for its reasonable costs associated with the discharge and release of the Mortgage and Security Agreement and any other documents evidencing FPL's Lien.

5.3. **Permits and Contracts**: Seller shall (a) use all reasonable efforts to ensure that all Governmental Approvals and environmental emission allowances, credit or approvals required for the construction and operation of the Facility and powers of attorney related to such Governmental Approvals and environmental emission allowances, credits or approvals are transferable to FPL or its designee or exercisable by FPL or its designee upon exercise of Step-In Rights or upon exercise of remedies by FPL with respect to FPL's Lien, (b) shall ensure that such Step-In Rights and FPL's Lien are recognized by Seller's Lenders, vendors, suppliers and subcontractors and are recognized in any employment or labor contract respecting the Facility's work force, and that FPL's exercise thereof will not cause a breach, default, or lien under, or permit the termination of, any material contract relating to the Facility or the Facility Site, and (c) shall use its best efforts to effect the transfer of such Governmental Approvals, emissions allowances, credits, or approvals, powers of attorney, and contracts to FPL or its designee upon such exercise to the extent requested by FPL.

6.0 SALE OF ENERGY CONVERSION SERVICES AND CAPACITY

6.1. **Test Energy**: Commencing on the Initial Synchronization Date and until the Capacity Delivery Date, Seller shall sell to FPL, and FPL shall purchase from

Seller, all Energy, but no Capacity, in excess of Seller's internal consumption of electric energy in accordance with Section 7.0, except to the extent that FPL is not obligated to purchase such Energy under the terms of this Contract other than Section 6.3; provided, that FPL shall not be required to accept delivery of or purchase such Energy to the extent FPL would be required to back down its own baseload generation or baseload generation under firm contract to accommodate such deliveries, and Seller shall schedule all tests accordingly.

6.2. **Energy Conversion Services and Capacity**: Commencing on the Capacity Delivery Date, Seller shall sell to FPL and FPL shall purchase from Seller all Energy Conversion Services and Capacity in excess of Seller's internal consumption of energy and capacity, in accordance with Section 7.0, except to the extent that FPL is not obligated to purchase such Energy Conversion Services and Capacity under the terms of this Contract.

6.3. **Purchase Obligation Excused**:

6.3.1. FPL shall not be obligated to purchase, and may require interrupted or reduced deliveries of, Energy for any reason, or for no reason at all, whenever FPL deems it appropriate, in its sole and absolute discretion.

6.3.2. FPL shall not be obligated to purchase any Capacity in excess of the Committed Capacity for any reason, or for no reason at all, whenever FPL deems it appropriate, in its sole and absolute discretion.

6.3.3. FPL in the exercise of its Dispatch and Control Rights shall not be obligated to accept delivery of any Energy or Capacity not dispatched by FPL pursuant thereto or to pay for such Energy if delivered.

6.4. **Exclusivity; Specific Performance**:

6.4.1. Except to the limited extent of unintentional sales of imbalance energy upon formation of an RTO or ISO or similar organization as contemplated by Section 13.20, or upon an Event of Default by FPL under Section 19.2, Seller shall have no right to sell electrical Energy or Capacity or Ancillary Services or perform Energy Conversion Services from the Facility to anyone other than FPL. Seller expressly agrees that it shall have no right to sell electrical Energy or Capacity, Ancillary Services or perform Energy Conversion Services from the Facility to anyone other than FPL, except in the limited circumstances provided in this Section 6.4.1, notwithstanding any default by FPL, any event of Force Majeure, or any other circumstances whatsoever.

6.4.2. Seller acknowledges that, throughout the term of this Contract, FPL will have a need for the Capacity, Energy, Ancillary Services and Energy Conversion Services required to be provided by Seller

hereunder, will be relying on the Facility to meet those needs and, notwithstanding the provisions of Section 4.0, would have no adequate remedy at law in the event Seller were to supply such Capacity, Energy, Ancillary services or Energy Conversion Services to any person or entity other than FPL in breach of this Contract; and Seller therefore agrees that, in such event, FPL would be entitled to specific performance of Seller's obligations to supply Capacity, Energy, Ancillary Services and Energy Conversion Services to FPL as provided herein.

7.0 PAYMENT BY FPL

7.1. **Test Energy**: Prior to the Capacity Delivery Date, subject to Section 6.1, FPL shall pay Seller for each MWh of Energy delivered by the Facility at the Receipt Point and agreed to be accepted by FPL at a rate equal to seventy percent (70%) of FPL's Avoided Cost. Seller shall reimburse FPL for all natural gas and transportation costs for such test energy.

7.2. **Test Fuel**: After Capacity Delivery Date, FPL shall provide to Seller Primary Fuel in the quantities requested from time to time by Seller for the purpose of conducting Capacity and Heat Rate tests under this Contract but not to exceed the quantities actually required for such dependable Capacity Tests. Seller shall be responsible for reimbursing FPL for all costs associated with the supply of Primary Fuel to Seller for Capacity Tests except in those cases where FPL requests a Capacity Test and such test proves that the Capacity represented by Seller is as good as or better than Seller's representation

7.3. **Payments for Capacity**:

7.3.1. Beginning on the Capacity Delivery Date, and thereafter for the Contract Term, FPL shall pay to Seller the Monthly Capacity Payments for the Committed Capacity at rates set forth in Appendix A; provided, that FPL shall have no obligation to make any Monthly Capacity Payments for the period (s), if any, of an Event of Default. Monthly Capacity Payments when applicable shall be prorated for the Monthly Billing period.

7.3.2. For the Monthly Billing Period in which the Capacity Delivery Date occurs, the Monthly Capacity Payment shall be prorated by multiplying (a) the Monthly Capacity Payment calculated as set forth in Appendix A, times (b) the ratio calculated by dividing the number of hours from the commencement of the day after the Capacity Delivery Date through the end of the month by the total number of hours in the month.

7.4. **Variable O&M Payment**: For amounts of Energy scheduled and received by FPL hereunder FPL shall pay to Seller a variable charge for each month during

the operating period in an amount equal to the product of the applicable Variable O&M Charge times the Energy delivered to FPL in such month *[To be inserted from Proposer's submission]*

7.5. **Heat Rate Adjustment Payment**: Subject to the terms and conditions of this Contract during any month after the Scheduled Capacity Delivery of the Facility Seller shall pay to FPL, or FPL shall pay to Seller as applicable the Heat Rate adjustment payment. The Heat Rate Adjustment Payment shall be calculated in accordance with the methodology prescribed in Appendix A

7.6. **Start-up Costs** : FPL shall pay Seller the Start-up Costs for each Successful Start-up in a Monthly Billing period.*[Insert start-up costs from Proposer's submission]*

7.7. **Start-up Fuel Cost Adjustment:** In the event that the quantity of natural gas consumed to complete a Successful Start-up exceeds the amount specified in respect of such start-up in Appendix E hereto, Seller shall pay FPL an amount equal to the product of (i) such excess quantity expressed in MMBtus and (ii) FPL's Marginal Gas Cost applicable on the day that corresponds to the beginning of the start-up.

7.8. **Ancillary Services**: The Energy Conversion Services and Capacity purchased by FPL hereunder pursuant to Section 6.0 shall include all Ancillary Services produced or capable of being produced by or related to the Facility, and Seller shall be entitled to no separate payment with respect thereto. All financial or other benefits relating to such Ancillary Services shall accrue to and be the property of FPL.

7.9. **Transmission**: *[FPL shall pay Seller for transmission costs incurred under the Firm TSA, as provided in Section 10.3.]*

7.10. **Back-up Fuel Charge**: FPL shall pay Seller for Back-up Fuel consumed for Energy Conversion Services as well as the carrying cost of such Back-up Fuel stored at the site procured competitively. Back-up Fuel shall remain the property of the Seller until consumed. Back-up Fuel Charge shall be calculated in accordance with Appendix A.

7.11. **Payment by FPL**: The payment with regard to the sale and purchase of Capacity and Energy, Energy Conversion Services and Ancillary Services by FPL pursuant to the Contract shall be computed based upon the components listed in Sections 7.1 through Section 7.10 Notwithstanding the itemization of these components, payment from FPL represents a combined charge solely for the sale and purchase of Capacity, Energy Conversion Services and Ancillary Services.

8.0 BILLING AND PAYMENT

8.1. **Timing and Method of Payment**: On or before the tenth (10th) Day after each Billing Period, Seller shall provide to FPL a detailed written invoice, on paper and by electronic media (in the original software file format with all formulas and calculations intact) of the amounts owed by FPL pursuant to this Contract (and, if applicable, the amounts owed by Seller pursuant to this Contract). FPL shall pay such invoice within ten (10) Business Days of FPL's receipt of the invoice. Such invoice shall detail the amount and calculation of the following: (a) the Capacity Payment payable by FPL for the preceding Month; (b) the Variable Payment payable by FPL for the preceding Month; (c) the Heat Rate Penalty Payment or Heat Rate Bonus Payment, if any, payable by FPL or Seller under Section 7.5 for the preceding Month; (d) the number of Successful Start-ups occurring and the amount of Successful Start-up Costs, if any, payable by FPL for the preceding Month; (e) the start-up adjustment payable by Seller if any under Section 7.7 for the preceding month (f) the Back-up Fuel charges if any, payable by FPL under Section 7.10 for the Monthly Billing Period.

8.2. **Late Payments**: If either Party is late in making any payment due under this Contract, and the reason for such delay is solely and exclusively within the control of such Party, such payment shall accrue interest at a per annum rate equal to the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in the Wall Street Journal under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%), and (b) the maximum rate permitted by applicable law.

8.3. **Disputed Billings**: In the event that either Party has a bona fide dispute with any invoice submitted hereunder, such Party shall inform the other Party in writing of its grounds for disputing such invoice.In the event of a disputed invoiced amount(s), the Party receiving the invoice shall be entitled to withhold the disputed amount if such Party first provides the invoicing Party with a detailed explanation of the basis for the dispute, including calculations demonstrating the disputing Party's position regarding the correct amount that should have been invoiced. Upon resolution of the dispute, any overpayment or underpayment shall be refunded or paid (as appropriate) with interest as calculated pursuant to Section 8.2 accruing from and after the date such overpayment or underpayment was made until the date on which such refund or payment is made.

8.4. **Adjustments**: If any overcharge or undercharge in any form whatsoever shall at any time be found and the invoice therefore has been paid, the Party that has been paid the overcharge shall refund the amount of the overcharge to the other Party, and the Party that has been undercharged shall pay the amount of the undercharge to the other Party, within thirty (30) Days after final determination thereof; provided, however, that no retroactive adjustment shall be made for any overcharge or undercharge unless written notice of the same is provided to the other Party within a period of twelve (12) Months from the date of the invoice in

which such overcharge or undercharge was first included. Any such adjustments shall be made with interest calculated in accordance with Section 8.2 from the date that the undercharge or overcharge actually occurred.

8.5. **Taxes**:

8.5.1. Taxes. Both Parties agree that the conversion of the Fuel into Energy is a service and not subject to Florida sales or use taxes. Except as otherwise provided in this Contract, in addition to all other amounts due and payable under this Contract: (i) Seller shall be responsible for all Taxes of any kind, if any, relating to the delivery of Energy, Capacity, and/or related services (including but not limited to Ancillary Services) prior to and at the Receipt Point; (ii) FPL shall be responsible for all Taxes of any kind, if any, relating to the delivery of Energy, Capacity, and/or related services (including but not limited to Ancillary Services) after the Receipt Point (by way of clarification of the foregoing, Taxes include any taxes incurred in connection with downstream sales of the Energy); and (iii) FPL shall be responsible for all Taxes of any kind, if any, related to the acquisition and delivery of Fuel to the Facility. Each Party shall provide the other Party upon written request a certificate of exemption or other reasonably satisfactory evidence of exemption if any exemption from or reduction of any Tax is applicable. Each Party shall exercise commercially reasonable efforts to obtain and to cooperate in obtaining any exemption from or reduction of any Tax.

8.5.2. Facility Taxes. Except as specified in Section 8.5.1, the payment of any and all present or future Taxes on or respecting the Facility, in connection with the development, permitting, design, engineering, procurement, construction, testing, completion, ownership, leasing, operation or maintenance of the Facility or any related infrastructure, transmission or transportation facilities shall be the sole and exclusive responsibility and obligation of Seller. FPL shall provide to Seller for payment by Seller any invoice or assessment for any such tax received by FPL from any Governmental Authority.

8.5.3. Tax Indemnification. Nothing in Section 21 or any other provision of this Contract will be deemed to limit the After-Tax Basis portion of the Indemnifications provided in Section 20. Nothing in this Contract shall create a contractual relationship between one Party and the customers of the other Party, nor shall it create a duty of any kind to such customers.

8.5.4. Cooperation. The Parties agree to oppose by all reasonable lawful means any federal, state, county or municipal Tax that is sought to be imposed upon the transactions contemplated by this Contract.

8.5.5. Contract Price. The contract price is inclusive of any present Tax and all benefits and burdens of personnel with respect to the services performed. The contract price includes all Tax credits, incentives and benefits available to Seller including, but not limited to, Internal Revenue Code Section 199 Income Attributable to Domestic Production Activities.

9.0 TESTING AND CAPACITY RATING

9.1. **Capacity Delivery Date; Available Capacity and Heat Rate**:

9.1.1. The Capacity Delivery Date shall not occur before the Scheduled Capacity Delivery Date. In addition, in order to achieve the Capacity Delivery Date, Seller shall (or shall cause the Facility to) satisfy the following conditions and the same shall have been accepted by FPL:

(a) the Initial Synchronization Date shall have occurred, the Facility shall be in compliance with the Interconnection Agreement and shall have met FPL's requirements for AGC, and the Facility shall have demonstrated the reliability of its communication systems with FPL;

(b) the Facility shall have demonstrated a Continuous Capability equal to or greater than the Minimum Capacity in an Initial Test completed successfully in accordance with Section 9.0 prior to the Capacity Delivery Date, as set forth in Seller's certified test report;

(c) the Facility shall have demonstrated an Actual Heat Rate equal to or less than the Guaranteed Heat Rate in an Initial Test completed successfully in accordance with Section 9.0 prior to the Capacity Delivery Date, as set forth in Seller's certified test report;

(d) Seller shall have delivered to FPL a complete set of Heat Rate Curves for each available level and mode of operation.*[Insert from Proposer's Submission]*

(e) Seller shall have delivered to FPL a certificate of a responsible officer of Seller certifying that Seller's requirements pursuant to Section 13.5 have been satisfied as of the Capacity Delivery Date;

(f) Seller shall have provided to FPL certificates of insurance coverage, dated as of the Capacity Delivery Date, and copies of the insurance policies required to be maintained by Seller under Section 16.0;

(g) each of the representations and warranties of Seller set forth in Section 23.1 shall be true and correct as of the Capacity Delivery Date, and Seller shall have provided to FPL a certificate of a responsible officer of Seller to such effect;

(h) no Event of Default by Seller, and no event which, with the passage of time or giving of notice would become an Event of Default, shall have occurred and be continuing;

(i) Seller shall have provided to FPL the Performance Security;

(j) Seller shall have provided to FPL a certificate dated no later than the Capacity Delivery Date from an independent, registered engineer, reasonably acceptable to FPL, stating that the Facility has been designed, engineered and constructed in accordance with Good Engineering and Operating Practices and the terms of this Contract; and

(k) a certificate of a responsible officer of Seller, dated no later than the Capacity Delivery Date, shall have been delivered to FPL, certifying that Seller has obtained all Governmental Approvals (other than the Deferred Governmental Approvals) required under Applicable Law for the ownership, operation and maintenance of the Facility.

9.1.2. The initial Available Capacity and the initial Level 1 Available Capacity of the Facility shall be effective on the Capacity Delivery Date, and shall be determined by Seller upon completion of such Initial Test as provided in Section 9.2.

9.1.3. The Available Capacity and the Level 1 Available Capacity shall be designated upon completion of the Initial Test or of any Capacity Test to the nearest whole MW unit of Capacity, and shall be effective on the date of such test (or the Capacity Delivery Date, in the case of the Initial Test).

9.1.4. The maximum Capacity associated with each incremental mode of operation will be designated upon completion of the Initial Test or any other subsequent Test.

9.2. **Initial Tests**:

9.2.1. Seller shall provide to FPL a proposed Capacity and Heat Rate Test Protocol not less than one hundred twenty (120) days before the Initial Test for FPL's review and approval. Such Test Protocol shall be consistent with the testing guidelines attached as Appendix I. The Parties shall meet promptly to address any FPL concerns about the Test Protocol and shall endeavor to agree on the Test Protocol by the date forty-five (45) days prior to the Initial Test.

9.2.2. The Parties shall agree on the date and time when Seller will attempt the Initial Tests for the Facility; provided, that the date for such Initial Tests shall be no earlier than the date *[_____ (___) days]* prior to the Scheduled Capacity Delivery Date. *[Fill in date to be agreed.]* If the Initial Tests for the Facility are completed successfully in accordance with this Section 9.0, Seller shall set the Available Capacity at any level not less than the Minimum Capacity and not greater than the lesser of (a) the Continuous Capability demonstrated by the most recent run of the Initial Test, or (b) Committed Capacity. If such test is not completed successfully, Seller shall provide notice to FPL as to when the Facility will be ready to reconduct the Initial Test. Subject to Section 9.4, Seller may perform the Initial Test any number of times prior to the Capacity Delivery Date until the Initial Test is completed successfully in accordance with this Section 9.0; provided, that nothing in this Section 9.0 shall be construed to extend the Scheduled Capacity Delivery Date.

9.2.3. The Level 1 Available Capacity shall be the lesser of (a) the Level 1 Committed Capacity or (b) the incremental Capacity associated with the Level 1 Mode of Operation demonstrated in the Initial Test.

9.2.4. The maximum Capacity associated with each incremental mode of operation will not exceed the maximum incremental Capacity demonstrated by the most recent run of Capacity Tests for each operating mode.

9.3. **Retesting**:

9.3.1. Subject to Section 9.4, after the Capacity Delivery Date, in order to establish a new level of Available Capacity, Seller may perform up to a maximum of four (4) Capacity Tests per Contract Year.

9.3.2. FPL may require Seller to perform Tests:

(a) Once per each Summer Period and once per each Winter Period at FPL's sole discretion;

(b) At any time Seller claims it is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure;

(c) At any time Seller fails two consecutive times to meet the operating level prescribed by FPL, as described in Section 13.11.

9.3.3. Upon completion of such Capacity Test(s), if any, Seller shall set the following:

(a) the new Available Capacity, at a level not less than the Minimum Capacity and not greater than the lesser of (i) the Continuous Capability demonstrated by the most recent Capacity Test, or (ii) Committed Capacity. Seller may not establish a new level of Available Capacity except upon completion of a Capacity Test;

(b) the Level 1 Available Capacity at the lesser of (i) the Level 1 Committed Capacity, or (ii) the incremental Capacity associated with Level 1 Mode of Operation demonstrated by the most recent Capacity Test; and

(c) the maximum level of incremental Capacity associated with each Other Operating Mode at the maximum level demonstrated by the most recent Capacity Test for each applicable Other Operating Mode.

9.4. **Conduct of Tests**: Seller shall perform each Capacity Test at a time approved by FPL (such approval not to be unreasonably withheld) not less than five (5) business days nor more than fourteen (14) calendar days after receipt of notice of such Capacity Test by the Party not requesting such test. FPL may be present on-site to monitor each such Capacity Test. Seller shall provide to FPL a complete written report of all results of each such Capacity Test certified by a responsible officer of Seller, for FPL's review and verification, promptly upon becoming available to Seller (including all pertinent "raw" data (written and electronic) and all pertinent calibration records of test instrumentation). Each Capacity Test shall be performed in compliance with all Environmental Requirements and in accordance with the capacity demonstration testing guidelines in Appendix I and the Test Protocol agreed under Section 9.1.

9.5. **FPL's Right to Observe Testing:** FPL shall have the right to observe all Capacity Tests and the right to receive copies of the results of such tests. FPL may have representative(s) attend and be present during such testing.

9.6. **Effectiveness of Capacity Tests**:

9.6.1. No Capacity Test shall be successful unless such Capacity Test demonstrates a Continuous Capability equal to or greater than the Minimum Capacity. At any time, the last Capacity Test performed (whether or not successful and whatever the Continuous Capability demonstrated) shall be the effective test as of such time.

9.6.2. If any Capacity Test demonstrates a Continuous Capability less than the Minimum Capacity, then Seller shall promptly take corrective action to restore the Continuous Capability to a level equal to or greater than the Minimum Capacity and shall reschedule a Capacity Test to demonstrate such Continuous Capability at a time approved by FPL (such approval not to be unreasonably withheld) as soon thereafter as practicable but in any event not less than five (5) business days nor more than fourteen (14) calendar days after receipt of notice of such rescheduled test by FPL. Any period following an unsuccessful Capacity Test until a successful Test is completed as provided herein shall be deemed to be an Unscheduled Outage.

10.0 INTERCONNECTION, DELIVERY OF ENERGY, COMMITTED CAPACITY, ANCILLARY SERVICES, METERING

10.1. **Interconnection**:

10.1.1. Seller shall make all arrangements necessary to interconnect the Facility to the system of a third party or to the FPL system, as applicable.

10.1.2. As between FPL and Seller, Seller shall (a) be solely responsible for all costs of interconnection to a third party system, (b) be solely responsible for obtaining any credits against transmission charges available from the third party related to such interconnection costs, and (c) retain all rights to any such credits.

10.1.3. If the Facility is directly interconnected to the FPL system, the costs of such interconnection, including any transmission credits for such costs, shall be determined in accordance with FPL's open-access transmission tariff or an RTO or ISO or a similar organization open-access transmission tariff, as applicable.

10.2. **Delivery of Energy, Committed Capacity**:

10.2.1. This Section 10.2.1 shall apply (a) if the Facility is directly interconnected with the FPL system prior to the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff, or (b) if the Facility is not directly interconnected with the FPL system prior to the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff:

10.2.1.1. Seller shall deliver all Energy and Capacity required to be provided by Seller hereunder to the Receipt Point. Seller shall be responsible for all costs (including, losses pursuant to Section 10.2.1.2, balancing energy pursuant to Section 13.20 and congestion costs) associated with the delivery of such Energy and Capacity to the Receipt Point.

10.2.1.2. Seller shall be paid hereunder based upon the amount of Capacity and Energy delivered to the Receipt Point. Seller shall be responsible for all losses incurred to deliver such Energy and Capacity to the Receipt Point.

10.2.2. This Section 10.2.2 shall apply (a) if the Facility is directly interconnected with the FPL system beginning on the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff, or (b) if the Facility is not directly interconnected with the FPL system beginning on the date service over the FPL transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff:

10.2.2.1. FPL shall designate the Facility as a network resource or its replacement or equivalent under the RTO or ISO or a similar organization open-access transmission tariff, and shall pay the applicable access charge under the RTO or ISO or a similar organization open-access transmission tariff, provided that FPL only shall be responsible for such charge to the extent it recovers the applicable transmission owner's or owners' transmission revenue requirements. If an access charge includes costs over and above the amount FPL is responsible for because of the Facility, such costs shall be allocated to Seller.

10.2.2.2. Seller shall deliver all Energy and Capacity required to be provided by Seller hereunder to the Receipt Point. Seller shall be responsible for all costs (including losses pursuant to Section 10.2.2.2, balancing energy pursuant to Section 13.20 and congestion costs) associated with the delivery of such Energy and Capacity to the Receipt Point.

10.2.2.3. Seller shall be paid hereunder based upon the amount of Capacity and Energy delivered to the Receipt Point. Seller shall be responsible for all losses incurred to deliver such Energy and Capacity to the Receipt Point.

10.3. **Third Party TSA**: If the Facility is not directly interconnected with the FPL system:

10.3.1. Seller shall within thirty (30) days of the date this Contract is executed apply for any firm point-to-point transmission service required on a third party system to deliver all Energy and Capacity required to be provided by Seller hereunder to the Receipt Point. Seller shall use best efforts to obtain any firm point-to-point transmission service required on a third party system to deliver such Energy and Capacity to the Receipt Point, and to obtain or have the third party transmission provider obtain any necessary Governmental Approvals of the Firm TSA, within one year of the date this Contract is executed. Prior to executing the Firm TSA, or seeking or requesting the third party transmission provider to seek any necessary Governmental Approval of the Firm TSA, Seller shall seek FPL approval of the Firm TSA in the form to be executed or filed, such approval not to be unreasonably withheld. Prior to execution or filing, Seller shall use best efforts to revise the Firm TSA in such manner specified by FPL in its reasonable discretion, as provided in writing by FPL to Seller, provided that Seller shall not execute the Firm TSA or consent to any filing of the Firm TSA until such time as FPL grants approval of such execution or filing, such approval not to be unreasonably withheld. The Firm TSA shall provide Seller a right to terminate the Firm TSA effective on such date that transmission service over the third party's transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff.

10.3.2. Upon execution of the Firm TSA, Seller shall assign all scheduling, dispatch, and operational rights under the Firm TSA to FPL, including all rights to transmit all Energy and Capacity required to be provided by Seller hereunder to alternate points of delivery, pursuant to the Assignment of Firm TSA. As between FPL and Seller, FPL shall have the right to resell any unused transmission rights under the Firm TSA, and shall retain all revenues associated with any such sale.

10.3.3. Seller shall be responsible for all payment obligations under the Firm TSA and any additional payment obligations incurred for transmission service on the third party system. Subject to Section 10.3.4, Seller shall have the right to charge FPL for all costs incurred under the Firm TSA. Seller shall separately invoice FPL for all such costs charged to FPL for inclusion on the monthly invoice prepared pursuant to Section 7.0.

10.3.4. Upon receiving notice from FPL, Seller shall terminate the Firm TSA on such date that transmission service over the FPL transmission system or the third party transmission system is available under an RTO or ISO or a similar organization open-access transmission tariff, or any other subsequent date specified by FPL. Upon the termination of the Firm TSA, (a) Seller shall not charge, and FPL shall not pay, any costs subsequently incurred by Seller for transmission service on the third-party system, and (b) FPL shall retain all scheduling, dispatch, and operational rights associated with the Facility under the RTO or ISO or a similar organization open-access transmission tariff.

10.4. **Metering**: Metering equipment necessary for determining the Energy and Capacity (real and reactive) for billing purposes shall comply with FPL's metering requirements for the Facility and pursuant to the Contract. Metering equipment shall include, but not be limited to, MWh and kvar meters, metering cabinets, metering panels, conduits, cabling, metering units, current transformers and potential transformers directly or indirectly providing input to meters or transducers, meter recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators and any other equipment necessary to implement the provisions of this Contract. All Energy meters for billing purposes will be revenue billing grade devices that meet Good Engineering and Operating Practices standards. All instrument transformers used for metering will be metering class devices with an accuracy of at least +/- 0.3%. Current transformer ratios will be chosen to measure minimum power within the devices accuracy range. FPL shall, at Seller's expense, design, own, purchase, install and maintain such metering equipment unless FPL agrees in writing to allow another party to design, own, purchase, install or maintain the metering equipment. FPL shall have approval rights over design and location of such installations. Seller shall be responsible for securing adequate space for such installations and shall assure FPL reasonable access to all metering equipment if installed at a facility other than a facility owned by FPL.

10.4.1. A primary meter and associated recording device shall measure and record the flow of Energy and Capacity (real and reactive) associated with the Facility. The meter shall measure the unidirectional watt-hour and var-hour quantities (or other quantities required by FPL) and shall be used to determine the amount of Energy and Capacity received by FPL from the Seller.

10.4.2. A complete set of equivalent continuously operating redundant, back-up metering and recording devices shall be installed, at Seller's expense, and used for billing purposes only if the primary meters fail or are out of service for any reason.

10.4.3. FPL shall test, at Seller's expense, all metering equipment used to measure and record the receipt by FPL of Energy and Capacity for payment purposes. In those cases where FPL is not the owner of

metering equipment used for measurement of Energy and Capacity for payment purposes, Seller shall test all such equipment in the presence of an FPL representative.

10.4.4. All metering equipment used by FPL for billing purposes pursuant to this Contract shall be sealed and shall be opened only by FPL in the presence of a representative of Seller, provided Seller elects to be present pursuant to Section 10.4.6.

10.4.5. Seller shall be responsible for the costs incurred by FPL in maintaining and upgrading the metering equipment required pursuant to this Contract.

10.4.6. At least every twelve months and, in addition, upon reasonable prior notice by Seller or FPL, meter tests will be conducted in accordance with the provisions for meter testing in FPL's approved Terms and Conditions for Supplying Electricity as filed with the FPSC. Seller may have a representative present during any metering inspection, test, or adjustment made by FPL. FPL shall provide Seller reasonable notice prior to such test, inspection, or adjustment. When, as a result of such a test, a meter is found to be no more than three tenths of one percent (0.3%) fast or slow because of incorrect calibration, no adjustment will be made in the amount paid to Seller for Energy and Capacity delivered to FPL. If the meter is found to be more than three tenths of one percent (0.3%) fast or slow, FPL will calculate the correct amount delivered to FPL for the actual period during which inaccurate measurements were made or, if the actual period cannot be determined to the mutual satisfaction of the Parties, for a period equal to one-half of the time elapsed since the most recent test, but in no case for a period in excess of twelve (12) months. The previous payments by FPL for this period shall be subtracted from the amount of payments that were calculated to have been owed under this Contract. The difference shall be offset against or added to the next payment to either Party as appropriate under this Contract.

10.5. Seller shall be entitled to any financial transmission rights allocated by an RTO or ISO or a similar organization associated with any transmission rights Seller obtained from a third party transmission provider for the delivery of Energy and Capacity from the Facility to the Receipt Point. FPL shall be entitled to all other physical or financial transmission rights allocated by an RTO or ISO or a similar organization associated with the delivery of Energy and Capacity.

11.0 OPERATING REPRESENTATIVES

11.1. **Operating Representatives**: At least nine months prior to the Scheduled Capacity Delivery Date, each Party shall appoint a member and an alternate member as Operating Representatives, and provide notice of such appointments to

the other Party. Such appointments may be changed at any time by similar notice. The respective Operating Representatives shall meet as necessary at a mutually agreeable time and place upon prior notice. Each Operating Representative and alternate shall be a responsible person working with the day-to-day operations of each respective power system. Seller's Operating Representative shall be in direct contact with the Facility Site if the Facility's operator is a different entity than Seller. The Operating Representatives shall represent the Parties in all matters arising under this Contract which may be delegated to them by mutual agreement of the Parties.

11.2. **Duties**: The duties of the Operating Representatives shall include those specifically identified elsewhere in this Contract, plus the following consistent with the provisions of this Contract:

11.2.1. Coordinate operation outage schedules;

11.2.2. Establish control and operating procedures;

11.2.3. Provide a list of Operating Representatives of each Party; and

11.2.4. Such other duties as may be conferred upon them by mutual agreement of the Parties.

11.3. **Decisions/Disputes**: Each Party shall cooperate in providing to the Operating Representatives all information required in the performance of their duties. If the Operating Representatives are unable to agree on any matter falling under their jurisdiction, such matter shall be referred by the Operating Representatives to their principals for decision. All decisions and agreements made by the Operating Representatives or principals shall be evidenced in writing. The Operating Representatives shall have no authority to amend, modify, or waive this Contract, and no such decision or agreement of the Operating Representatives shall be considered an amendment, modification or waiver of this Contract, which only may be amended, modified, or waived as provided in Section 24.2.

12.0 PRE-OPERATION PERIOD

12.1. **Design, Engineering, Procurement, and Construction of Facility**: Seller shall design, engineer, procure, and construct the Facility in accordance with Good Engineering and Operating Practices, including Environmental Requirements, and shall ensure that all equipment to be installed in the Facility shall be suitable for the use intended, and shall meet the requirements of applicable codes and standards. During the design, engineering, procurement and construction of the Facility, Seller shall provide to FPL such information as FPL may reasonably request regarding the design, engineering, procurement, and construction of the Facility.

12.2. **Provision of Information**:

12.2.1. Seller shall update and maintain the CPM Schedule as a detailed, integrated schedule for the development, permitting, design, engineering, procurement, construction, testing, and completion of the Facility, which shall identify key milestone dates and activities consistent with the Milestones and Milestone Dates set forth on Appendix M.

12.2.2. Seller shall submit to FPL a start-up and test schedule for the Facility, at least one year prior to start-up and testing of the Facility, identifying key start-up and testing dates and activities and Fuel quantity and schedule requirements and proposed energy schedules.

12.2.3. Promptly after becoming aware that a Milestone Date reasonably could be expected to be missed, and in any event no later than five (5) business days after any missed Milestone Date, Seller shall notify FPL and shall submit to FPL for its review and comment a written recovery plan setting forth in reasonable detail, and with reasonable supporting documentation, (a) the causes and expected duration of the delay, and (b) Seller's plan to recover lost time and achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date.

12.2.4. Each calendar month until the Capacity Delivery Date, Seller shall submit progress reports in a form reasonably satisfactory to FPL, attaching reasonable supporting documentation and including an updated CPM Schedule, indicating percentage completion of each major task, including each Milestone, and reporting on any potentially significant developments that may delay the construction schedule, including the achievement of any Milestone (including the Capacity Delivery Date) and, if Seller shall have missed a Milestone Date and FPL shall not have exercised Step-In Rights or, with respect to a Major Milestone, terminated this Contract, updating FPL on Seller's progress in returning to the Milestone Date schedule set forth on Appendix M and in achieving the Capacity Delivery Date by the Scheduled Capacity Delivery Date.

12.3. **Development of Operating Procedures**: Seller and FPL shall mutually develop written system operating procedures no later than sixty (60) calendar days prior to the Initial Synchronization Date. The operating procedures shall be consistent with the requirements of this Contract and will be intended as a guide for how to integrate the Facility's Energy and Capacity into FPL's electrical system. Topics covered shall include, but not necessarily be limited to, dispatch procedures, including dispatch procedures during system emergencies; deliveries of Energy during start-up and testing of the Facility; the method of day-to-day communications between the Facility operators and the FPL system operators; key personnel lists for both Seller and FPL operating centers; clearance and switching practices; outage scheduling; daily Available Capacity and Energy reports; and Facility operations log and reactive power output. The Operating

Representatives, designated pursuant to Section 11.1, shall be responsible for developing and modifying, from time to time, these operating procedures in writing to reflect agreed upon changes.

12.4. **Submission of Operation and Maintenance Plans**: Prior to the Initial Synchronization Date, Seller shall deliver an initial schedule and operation and maintenance plan covering the first five Contract Years. Such plan shall address ongoing maintenance, reliability, environmental compliance, spare parts inventory, and shall include an operation and maintenance plan for less frequent major overhaul work when required on the Facility's generator, turbine, boilers and auxiliary equipment, including spare parts replacements. Seller shall, at Seller's expense, cause an independent party with recognized experience in the electrical generation industry as may be chosen by Seller and approved by FPL (which approval shall not be unreasonably withheld) to conduct a review of the proposed operation and maintenance plan to ascertain whether such plan is (a) effective and consistent with Good Engineering and Operating Practices and (b) adequate to allow the Facility to operate reliably in accordance with this Contract. Seller shall provide FPL an updated plan meeting the requirements of this Section 12.4 by the last day of each May with respect to the succeeding five Contract Years or the remaining Contract Term, if less.

12.5. **Approval of Operation and Maintenance Plan**: The evaluation of the initial operation and maintenance plan by the independent party specified in Section 12.4 shall be provided to FPL, in writing, at least sixty calendar days prior to the Initial Synchronization Date. Seller shall make all changes to the proposed operation and maintenance plan developed pursuant to Section 12.4, which the independent party determines are necessary for such plan to be (a) effective and consistent with Good Engineering and Operating Practices, (b) consistent with the requirements of this Contract, and (c) adequate to allow the Facility to operate as specified in this Contract unless (i) Seller disagrees with such determination(s), (ii) Seller provides FPL with a written explanation of the basis for such disagreement and the basis for Seller's belief that the proposed change is not needed to assure the reliable operation of the Facility as specified in Section 12.4 or is inconsistent with Good Engineering and Operating Practices or this Contract, and (iii) (A) FPL concurs, or (B) a second qualified independent engineering firm which shall be chosen by Seller and approved by FPL (which approval shall not be unreasonably withheld) concludes, and provides a reasonable explanation thereof, that the change recommended by the first qualified independent engineering firm (x) is not needed under Good Engineering and Operating Practices, (y) is inconsistent with this Contract, or (z) is not needed to assure the reliable operation of the Facility as specified in this Contract. Seller shall perform Facility maintenance in accordance with such plan; provided, that Seller may vary from such plan when necessary due to changed circumstances, if said variance is required by Good Engineering and Operating Practices. Seller shall notify FPL within five business days any such change, including a detailed explanation of the change, the reasons for the change, and the expected impact on Facility operations

or maintenance, and shall provide to FPL such supporting documentation as FPL reasonably may require.

12.6. **Initial Synchronization Date**: Seller shall provide notice to FPL confirming the Initial Synchronization Date no less than six (6) calendar months prior to such date, which synchronization shall not occur before the date on which all protective equipment shall have been installed and tested and is operating as required by this Contract or the Interconnection Agreement. FPL shall have the right to have representatives present and witness the synchronization at such time. Seller shall notify FPL immediately upon any change in the Initial Synchronization Date, and in no event shall synchronization occur without FPL's prior approval, which shall not be unreasonably withheld or delayed.

12.7. **Public Notice and Outreach**:

12.7.1. Seller shall use commercially reasonable efforts to undertake public outreach activities with the local community. Such outreach activities shall be designed to enhance, and implemented in a manner which reasonably could be expected to enhance, the likelihood that the Facility will receive all local Governmental Approvals required to construct, test, operate and maintain the Facility in a timely manner. FPL, in its sole and absolute discretion, may elect to review and assist with such outreach activities, but such assistance, if undertaken, shall not be construed to limit Seller's obligations hereunder or to create any liability on the part of FPL.

12.7.2. Seller shall comply with all public notice and publication requirements under Applicable Laws.

13.0 DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY

13.1. **Technical Requirements**: Power supplied by Seller hereunder shall be in the form of three-phase 60 Hertz alternating current, at a nominal operating voltage of *[_____ kV]* and power factor dispatchable and controllable in the range of 85% lagging to 90% leading as measured at the high side of the generator step-up transformer to maintain system operating parameters, as specified by FPL, with a net generation Capacity equal to the Committed Capacity. *[Insert voltage appropriate to interconnection point.]*

13.2. **System Protection**: Seller shall operate the Facility with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, FPL's system. Seller shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal operation, testing and repair. Seller shall have qualified personnel test and calibrate all system protective equipment at regular intervals not to exceed two (2) years. A unit functional trip test shall be performed after each

overhaul of a turbine, generator or boilers prior to returning the equipment to service. The specifics of the unit functional trip test shall be as recommended by the manufacturers, in accordance with applicable codes and standards (e.g., NFPA 85) and otherwise consistent with Good Engineering and Operating Practices and as agreed by the Parties. If, at any time, FPL has reason to doubt the integrity of the Facility's system protective equipment and reasonably suspects that such loss of integrity would in any way jeopardize the reliability of the FPL system or FPL's supply of electric energy to its customers, Seller shall be required to demonstrate to FPL's satisfaction the correct calibration and operation of the equipment in question.

13.3. **Additions, Deletions and Alterations**: Seller shall not, without prior written approval of FPL, make or cause to be made any additions, deletions or alterations to the Facility's protective equipment, which equipment is necessary for or would affect the safety, reliability or integrity of FPL's system or FPL's supply of electric Energy to its customers.

13.4. **Reconnection with FPL System**: If the Facility is separated from the FPL system for any reason, under no circumstances shall Seller reclose into FPL's system without first obtaining FPL's specific approval in each instance, in the appropriate form, as determined by the Operating Representatives. Seller has no right of connection to the FPL system absent FPL's express direction to do so.

13.5. Fuel Supply and Transportation:

13.5.1. FPL shall deliver or cause to be delivered to Seller at the relevant Gas Delivery Point all quantities of Primary Fuel required by Seller (i) to generate Energy during a dispatch period pursuant to the relevant scheduling and dispatch notices and (ii) to perform start-ups in response to relevant scheduling and dispatch notices following a shutdown.

13.5.2. FPL shall be responsible for and bear all costs and expenses related to all transportation (and/or loss including evaporation) of Primary Fuel to the relevant Gas Delivery Point on one or more transporter(s) as determined in FPL's sole discretion. Seller shall be responsible for and bear all costs and expenses related to the transportation (and/or loss) of Primary Fuel from and after the relevant Gas Delivery Point.

13.5.3. Seller shall maintain at all times in on-site storage facilities at the Facility Site sufficient quantities of Back-up Fuel to operate the Facility solely on Back-up Fuel for a minimum of seventy two (72) continuous hours at the Committed Capacity. Seller shall replace any Back-up Fuel so consumed promptly and in no event in more than ten (10) business days. For avoidance of doubt, failure to comply with this clause 13.5.3 shall constitute a material breach of this Contract.

13.5.4. At Seller's expense, Seller shall cause to be acquired, constructed, owned, operated and maintained, all facilities, infrastructures and property interests that are necessary for Seller to receive and use Primary Fuel delivered by FPL at the Gas Delivery Point so as to enable the Facility to produce Energy and Capacity as committed to FPL under this Contract including without limitation all costs associated with the construction and operation of the gas pipeline lateral(s) necessary to connect the Facility to the gas pipeline(s) of the Primary Fuel supplier and which enables FPL to enter into a gas interconnect agreement with the gas transportation pipeline for such deliveries.

13.5.5. Seller agrees to accept at the Gas Delivery Point any Primary Fuel meeting the minimum quality requirements for delivered Primary Fuel under the applicable gas transportation provider's FERC gas tariff and the applicable transportation agreements.

13.5.6. The Parties shall exercise best efforts to minimize any gas imbalances or other penalties or charges from transporters of Primary Fuel delivered to the Facility ("Imbalance Charges"). If FPL or Seller receives an invoice from a transporter for Imbalance Charges, the Parties shall determine the cause for such charges. To the extent that the Imbalance Charges were incurred as a result of FPL's actions or inaction, then FPL shall pay such Imbalances Charges. To the extent that the Imbalance Charges were incurred as a result of Seller's actions or inaction, then Seller shall pay such Imbalance Charges. Imbalance Charges that are not due to the action or inaction of FPL or Seller or whose cause cannot be determined shall be shared equally by FPL and Seller.

13.5.7. All Primary Fuel supplied by FPL pursuant to this Contract shall be measured at the Gas Delivery Point. Measurement shall be determined by the Gas Interconnection Meters. FPL shall retain title to Primary Fuel provided by FPL consistent with FPL's scheduling and dispatch notices. The title to all energy generated by the Facility as a result of the conversion of such Primary Fuel to Energy in the Facility shall vest in FPL immediately upon generation thereof and pursuant to this Contract; Seller shall make the Facility available to FPL to convert FPL's Primary Fuel to FPL's Energy. Notwithstanding the foregoing, risk of loss of Primary Fuel supplied by FPL pursuant to this Contract shall transfer from FPL to Seller at the Gas Delivery Point and Seller shall bear the risk of loss of energy generated at the Facility until it is transferred from Seller to FPL at the Receipt Point

13.5.8. Custody and Control to all Primary Fuel delivered under this Contract shall pass from FPL to Seller at the Gas Delivery Point. As between the Parties, FPL shall be deemed to be in exclusive possession and control of the Primary Fuel delivered under this Contract, and responsible for any damage or injury caused thereby, prior to the time the Primary Fuel is delivered at the Gas Delivery Point. After delivery of the Primary Fuel to the Gas Delivery Point, as between the Parties, Seller shall be deemed to be in exclusive possession and control and responsible for any injury or damage caused thereby.

13.6. **Control of Facility**:

13.6.1. Seller shall operate the Facility consistent with FPL's Dispatch and Control Rights. Control of the Facility will either be by Seller's manual control under the direction of FPL (whether orally or in writing) or by Automatic Generation Control by FPL's system control center as determined by FPL. FPL shall have Dispatch and Control Rights to control the Facility within the Facility Operating Capabilities up to *[___ MW]* above the Level 1 Available Capacity so as to be able to receive the Level 1 Available Capacity on an integrated hourly basis and to schedule the voltage desired by FPL for the Facility to maintain. *[Insert number of MW appropriate to Proposer's facility.]*

13.6.2. FPL may at times request that the real power output be equal to the Peaking Capability of the Facility but shall not require the real power output of the Facility to be below the Minimum Load without Decommitting the Facility. Seller shall meet this request or, within ten calendar days, notify FPL of the engineering or operational circumstances which prevented Seller from complying with FPL's request. FPL's request shall be made orally with as much prior notice to Seller as practicable. Failure to operate at any point above the highest operating level specified in Appendix A pursuant to such request shall not be deemed to be an Unscheduled Outage.

13.6.3. FPL's exercise of its rights under this Section 13.6 shall not give rise to any liability on the part of FPL, including any claim for breach of contract or for breach of any covenant of good faith and fair dealing.

13.7. **Notice of Shutdown**: Seller shall Decommit the Facility whenever directed to do so by FPL, whether orally or in writing. Whenever FPL requests Seller to Decommit the Facility, such requests should not cause the Facility to exceed the Facility Operating Capabilities, except as provided in this Section 13.7. For purposes of exercising its Dispatch and Control Rights, FPL agrees that the minimum notice period between an FPL request to Decommit and the time at

which the Facility shall have completed shutdown shall be *[___ hours]* and the minimum run time between Successful Start-up and shutdown shall be *[____ hours] [Insert minimum shutdown notice and minimum run time from Proposer's submission.]* Such notice and reference to the Facility Operating Capabilities shall not apply (a) to the extent determined by FPL to be necessary for safe and reliable operation and maintenance of any part of FPL's system, or (b) if FPL determines that a failure to interrupt or reduce deliveries of Energy is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers. In the event FPL requests Seller to Decommit the Facility with less than *[____ hours] [Insert minimum notice and minimum run time from Proposer's submission.]*; Seller shall make all reasonable efforts to comply with such request.

13.8. **Startup of Facility**: Seller shall Commit the Facility whenever directed to do so by FPL, whether orally or in writing. Whenever FPL requests Seller to Commit the Facility, such requests should not cause the Facility to exceed the Facility Operating Capabilities except as provided in this Section 13.8. For purposes of exercising its Dispatch and Control Rights, FPL agrees that the minimum notice period between an FPL request to Commit and the time at which the Facility shall have met its assigned Ready for Control shall be *[____ hours]* and the minimum run time between Successful Start-up and shutdown shall be [_____ *hours] [Insert minimum shutdown notice and minimum run time from Proposer's submission.]* Such notice and reference to the Facility Operating Capabilities shall not apply (a) to the extent determined by FPL to be necessary for safe and reliable operation and maintenance of any part of FPL's system, or (b) if FPL determines that a failure to start up the Facility is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers. In the event FPL requests Seller to Commit the Facility with less than *[_____ hours] [Insert minimum startup notice and minimum shutdown time from Proposer's submission.]*; Seller shall make all reasonable efforts to comply with such request.

13.9. **Projections of Available Capacity**: During the term of this Contract, Seller shall provide FPL, on a daily basis, projections of the Available Capacity, Level 1 Available Capacity, and the Capacity associated with any Other Operating Mode, for each hour of the current day and the next six (6) days. Such estimates shall be furnished by 8:00 A.M. EPT., each day, unless otherwise agreed in writing by the Parties, and shall be updated on a daily basis by 3:00 p.m. each day. Notwithstanding the above, Seller shall keep FPL informed at all times including but not limited to periods' of Decommitment as to any change in the generation capability of the Facility, including Available Capacity, Level 1 Available Capacity, any Unscheduled Outages, including Level 1 Unscheduled Outages, or any unscheduled outages associated with any Other Operating Mode and applicable Scheduled Outages, as well as any Fuel-related operating, or maintenance concerns that could affect the generation capability of the Facility.

13.10. **Estimated Schedule of Operations**: FPL shall, by 10:00 A.M. EPT. each calendar day, provide Seller with an estimated schedule of operations for the next calendar day, consistent with the Facility Operating Capabilities, including a Ready for Control, if applicable. FPL shall have the right to change such time by giving Seller a minimum of thirty (30) days notice. If the Facility fails to meet the Ready for Control specified by FPL, Seller shall declare the difference between the scheduled Ready for Control and the actual Ready for Control an Unscheduled Outage of the Facility, provided the specified Ready for Control was within the Facility Operating Capabilities of the Facility and consistent with Section 13.7 and Section 13.8.

13.11. **Failure to Achieve Operating Levels**:

13.11.1. For each instance where Seller fails, after oral notification from FPL, or the Facility fails through automatic control while under Automatic Generation Control, to achieve the operating level requested by FPL up to the Available Capacity, the difference between Available Capacity and the actual operating level shall be designated an Unscheduled Outage for the Facility for the previous twenty-four (24) hour period.

13.11.2. For each instance where Seller fails, after oral notification from FPL, or the Facility fails through automatic control while under Automatic Generation Control, to achieve the Level 1 Available Capacity, the difference between the Level 1 Available Capacity and the actual incremental Capacity provided above the Base Operation Mode shall be designated an Unscheduled Outage for the Facility for the previous twenty-four (24) hour period.

13.12. **Outages**: No later than April 1 of the calendar year prior to unit in-service date (e.g., April 1, 2008 for a unit with in service date of June 2009), and no later than April 1 of each year thereafter during the term of this Contract, Seller shall submit to FPL, in writing, Seller's preliminary desired scheduled outages for the following five (5) calendar years and a detailed plan for the first calendar year of the five (5) calendar year schedule ("Scheduled Outages"); provided, that under no circumstances shall Seller be permitted to request Scheduled Outages during the Peak Months. The Facility shall be treated as being subject to a Scheduled Outage only for the period(s) of time it actually experiences a reduction in Capacity due to the work being performed on the Facility by Seller. Following the Capacity Delivery Date, Seller may request FPL's approval for additional outages for the purpose of performing work on specific components of the Facility that would limit the Facility's output and which should not, in the reasonable opinion of Seller, be postponed until the next Scheduled Outage (a "Maintenance Outage"). In no event shall the total of requested Scheduled Outage Hours and Maintenance Outage Hours exceed the total number of Planned and Maintenance Outage Hours included in (and as defined in) Appendix G in any calendar year. The preliminary outage schedule submitted April 1 of each

year may be revised by Seller by August 15 of each year. By October 31 of each year, FPL shall notify Seller whether the requested Scheduled Outages are acceptable. If FPL cannot accept any of the requested Scheduled Outages or Maintenance Outages, FPL shall advise Seller of the time period closest to the requested period(s) when the outage(s) can be scheduled. Such approval of Scheduled Outages and Maintenance Outages shall not be withheld unreasonably. In the event FPL requests Seller to change a Scheduled Outage or Maintenance Outage after November 1 for the following year, Seller shall make all reasonable efforts to comply with such request. Except as may be specified within this Section 13.12, Seller shall perform Facility maintenance in accordance with such plan. FPL shall have the right, upon giving twelve (12) months prior notice to Seller, to change the Months that shall be treated as Peak Months, provided, however, the total number of Peak Months in a calendar year shall never be greater than seven.

13.13. **Maintenance of Records**: Each Party, respectively, shall keep and maintain complete and accurate records and all other data required by each of them for the purposes of proper administration of this Contract.

13.13.1. Seller shall maintain an accurate and up-to-date operating log at the Facility with records of (a) real and reactive power production for each clock hour; (b) changes in operating status, Scheduled Outages, and outages and deratings using the latest version of the NERC operating guidelines; and (c) any unusual conditions found during inspections.

13.13.2. Seller shall maintain accurate maintenance records showing work history and schedule for all scheduled and unscheduled maintenance work performed.

13.13.3. Starting with the second (2^{nd}) calendar month immediately following the Initial Synchronization Date, Seller shall provide a report to FPL by the fifteenth (15^{th}) calendar day of each calendar month, utilizing the format detailed in Appendix D, as may be revised by FPL from time to time.

13.13.4. Either Party shall have the right from time to time, and upon at least fourteen (14) calendar days' notice to the other Party, to examine the records and data of the other Party relating to this Contract during the period the records are required to be maintained.

13.14. **Reports, Etc.:** During the financing term and to the extent that Seller has access, Seller will ensure that FPL receives copies of any construction progress reports, maintenance evaluations or maintenance reports and environmental compliance reports to be provided to any third party with a financial security interest in or lien on the Facility, including evaluations or reports generated at the request of such third party or performed by a consultant engaged by such third party.

13.15. **Qualified Personnel**: During the term of this Contract, Seller shall employ qualified and trained personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. Seller shall ensure that such personnel are on duty at the Facility Site at all times, twenty-four (24) hours every calendar day during the term of this Contract.

13.16. **Compliance with Reliability Requirements**: The Parties recognize that FPL is a member of NERC and FRCC, and that, to ensure continuous and reliable electric service, FPL operates its system in accordance with the operating criteria and guidelines of NERC and/or FRCC or to the extent applicable an RTO or ISO or a similar organization. If an emergency is declared by FPL, FPL shall verbally notify Seller's personnel and, if requested by FPL, Seller's personnel shall place the Capacity of the Facility within exclusive control of FPL or its designee for the duration of such emergency.

13.17. **Emergency Plans**: Seller shall cooperate with FPL in establishing emergency plans, including recovery from a local or widespread electrical blackout, or a voltage reduction, in order to effect load curtailment, and other plans which may be necessary. Seller shall make technical references available concerning Start-up Times, black-start capabilities, black stop capabilities and minimum load carrying ability. In addition, Seller shall develop a hurricane preparedness plan. Such plan shall include but not be limited to operation of the Facility before, during and after experiencing hurricane conditions. FPL shall have the right to approve such hurricane preparedness plan prior to its implementation which approval shall not be unreasonably withheld. Seller agrees that FPL's approval of such hurricane preparedness plan shall in no way create any liability for FPL nor shall such approval eliminate the need for Seller to perform its own due diligence to determine the adequacy of its hurricane preparedness plans.

13.18. **Cooperation During Emergency**: Seller shall, during an emergency, supply Energy to FPL as required by FPL orally or in writing up to the Facility's Peaking Capability that FPL is able to receive. If the Facility has any Unscheduled Outages or Scheduled Outages during such an emergency, Seller shall make all good faith efforts to reschedule the outage(s) or, if the outage(s) has begun, expedite the completion thereof.

13.19. **Operation of Facility**:

13.19.1. Seller shall operate and maintain the Facility in accordance with Good Engineering and Operating Practices, including Environmental Requirements, and shall ensure that all equipment to be installed in the Facility shall be suitable for the intended purpose, and shall meet the requirements of applicable codes and standards.

13.19.2. Seller shall operate the Facility with all automatic controls (except the Automatic Generation Control) and protection equipment, speed governors and voltage regulators and safety interlock controls at the

Facility in service whenever the Facility is connected to, or operated in parallel with, the FPL system. The Automatic Generation Control shall be operated pursuant to FPL's Dispatch and Control Rights.

13.19.3. For avoidance of doubt, in no event shall Seller be entitled to compensation for any Energy generated by the Facility in excess of the level requested by FPL during any hour that the Facility's actual output exceeds the output level requested by FPL. All Energy payments shall be in accordance with Section 7.0.

13.20. **Responsibility for Imbalance Payments under RTO or ISO or a similar organization or Standard Electric Market Rules**: In the event that: (i) an RTO or ISO or a similar organization is established that owns or exercises operational control over FPL's transmission system; or (ii) FERC establishes or approves electric market rules ("Market Rules") that apply to FPL's system, then responsibility for imbalance or other payments associated with imbalances required to be paid by or to the RTO or ISO or a similar organization or under the Market Rules shall be as follows:

13.20.1. Seller shall be responsible for imbalance payments associated with Seller's failure to follow FPL's dispatch instructions issued pursuant to Section 13.0 or dispatch instructions of an RTO or ISO or a similar organization, in an amount equal to the sum of (a) the product of (i) the difference between Facility's actual output during each applicable hour and the output level requested by FPL or an RTO or ISO or a similar organization, multiplied by (ii) the positive difference, if any, of (x) price required to be paid by FPL to the RTO or ISO or a similar organization for any imbalance during such hour, minus (y) the price FPL would have paid Seller for the energy that Seller failed to deliver which caused the imbalance, plus (b) any other associated penalties, amounts or costs to FPL.

13.20.2. If Seller operates at the levels specified in FPL's dispatch instructions issued pursuant to Section 13.0, then Seller shall not be responsible for any imbalance payments.

13.21. **Seller as Operator**: Except with the prior written consent of FPL, Seller or an affiliate thereof shall be the sole operator of the Facility; provided, that Seller shall be entitled to appoint a qualified third-party operator in its place, with FPL's consent, such consent not to be unreasonably withheld. No appointment of an affiliate or third-party operator by Seller shall relieve Seller of any obligation or liability under this Contract.

13.22. **Dispatch, Control, Operation and Maintenance of the Facility**: With respect to control, operation, and maintenance of the Facility, it is agreed by the Parties that Seller and not FPL is solely responsible for implementation of all control,

operating and maintenance procedures which relate to the possession, control, use or custody of the Facility.

14.0 DATA ACQUISITION

14.1. **Installation of Equipment**: Except as may be provided in this Section 14.1 and Section 14.3, Seller shall, at its own expense, design, engineer, purchase, install, connect, operate, repair, maintain and own all telemetering equipment, the generator control unit and the generator control panel for the Facility as may reasonably be required in compliance with the specifications for such equipment and software set forth in Appendix J or as updated from time to time by FPL by notice to Seller in order to receive telemetry and to control the Energy and Capacity from the Facility as required to dispatch the Facility and to provide for the safe and reliable operation of FPL's electric system. Such equipment shall meet FPL's reasonable specifications for transmission of telemetered data to and from locations specified by FPL. Telemetering equipment shall include, but not be limited to, transducers, meters, test switches for transducers and meters, alternating current and direct current sources, telephone lines and interconnecting wiring with proper identification for supervisory and communication equipment. FPL shall, at Seller's expense, own, design, engineer, purchase, install, connect, terminate, repair, maintain, replace, relocate and remove a work station and/or remote terminal unit ("RTU") to link the Facility and FPL's system control center ("Plant RTU"). Seller shall provide adequate space for the FPL work station and/or Plant RTU, coordinate planning and installation of the FPL work station and/or Plant RTU and provide FPL twenty-four hour access each day to the FPL work station and/or Plant RTU.

14.2. **Data Acquisition Equipment**: The data acquisition equipment shall monitor analog and digital signals deemed necessary and shall meet FPL specifications set forth in Appendix J or otherwise reasonably determined as necessary from time to time by FPL to implement the provisions of this Contract. Such data acquisition equipment and software shall be state-of-the-art at the time it is purchased, be compatible at all times with the computer master equipment and software receiving the telemetry signals (including Automatic Generation Control) and supply status information, MWh, voltage, MW and MVAR analog information, certified site data (at locations as agreed to by FPL) including dry bulb, wet bulb, or relative humidity and barometric pressure, as well as any other data reasonably required by FPL or Seller from time to time, with respect to the Facility. Such data acquisition equipment and software shall be separate from, or capable of operating independently of, any equipment and software of any person or entity other than Seller or any equipment and software of Seller other than the Facility located at the Facility Site. Data available on such data acquisition equipment shall not be accessible to any person or entity other than Seller without the prior written approval from FPL. Seller agrees to treat as proprietary to FPL and confidential any and all data available on such data acquisition equipment.

14.3. **FPL Switchyard RTU**: If required by FPL, the FPL switchyard RTU shall be installed by FPL to provide interconnection telemetry exclusively to the FPL system control center. The FPL switchyard RTU shall be in addition to the Plant RTU provided for in Section 14.1, and any other RTUs which may be installed in the future to supply data to or from FPL. The FPL switchyard RTU shall, at Seller's expense, be owned, designed, engineered, purchased, installed, repaired, maintained, replaced, relocated or removed by FPL, subject to Seller approval.

15.0 RECORDS AND AUDITS

15.1. **Books and Records**: Seller's books, records and accounts, correspondence, accounting procedures and practices and any other supporting evidence pertaining to the Facility or this Contract (all the foregoing hereinafter referred to as "Records") shall be open to inspection, audit and reproduction, during normal working hours by FPL or its authorized representative on ten (10) calendar days prior notice, to the extent necessary to permit adequate evaluation and verification of any invoices, payments or claims based on Seller's actual costs incurred. For the purpose of evaluating or verifying such actual or claimed costs incurred or units expended, FPL and its authorized representatives shall have access to said Records from the Commencement Date until seven (7) years after the close of each Contract Year to which such Records relate.

15.2. **Inspection; Construction; Environmental and Operating Records**:

15.2.1. Subject to Seller's reasonable safety and security requirements, FPL employees or its agents shall have the right to monitor the licensing, permitting, construction, start-up, testing , and commissioning of the Facility, either onsite or off-site. Seller shall comply with all reasonable requests of FPL for information resulting there from.

15.2.2. FPL-authorized representatives may, from time to time during normal business hours and with reasonable advance written or verbal notice, have access to the Facility to inspect the environmental and operation and maintenance records of the Facility or for other purposes necessary to determine Seller's performance under the terms of this Contract, provided that FPL's inspections do not unreasonably interfere with Seller's operation and maintenance of the Facility.

15.3. **FPL Audit Rights**: Seller shall cooperate in such physical inspections of the Facility as may be reasonably required by FPL during and after completion of construction. FPL or its authorized representative shall have access during normal working hours to all necessary facilities of Seller, and shall be provided adequate and appropriate work space, in order to conduct the audits in compliance with the provisions of this Section 15.0.

15.4. **FPL Access to Records**: Accounting rules set forth in Financial Accounting Standards Board Interpretation No. 46 (Revised December 2003) ("FIN 46R"), as

well as future amendments and interpretations of those rules, may require FPL to evaluate whether the Seller must be consolidated, as a variable interest entity (as defined in FIN 46R), in the financial statements of FPL. Seller agrees to fully cooperate with FPL and make available to FPL all financial data and other information, as deemed necessary by FPL, to perform that evaluation on a timely basis at inception of the PPA and periodically as required by FIN 46R.

If the result of the evaluation under FIN 46R indicates that Seller must be consolidated in the financial statements of FPL, Seller agrees to provide financial statements, together with other required information, as determined by FPL, for inclusion in disclosures contained in the footnotes to the financial statements and in FPL's required filings with the Securities and Exchange Commission (SEC). This information must be received by FPL in a timeframe consistent with FPL's earnings release and SEC filing schedules, to be determined at the sole discretion of FPL. Additionally, Seller agrees to fully cooperate with FPL and their independent auditors in completing an assessment of Seller's internal controls as required by the Sarbanes-Oxley Act of 2002 and in performing any audit procedures necessary for the independent auditors to issue their opinion on the consolidated financial statements of FPL.

16.0 INSURANCE

16.1. **Liability Insurance**: Seller shall procure or cause to be procured a policy or policies of liability insurance issued by an insurer satisfactory to FPL on a standard "Insurance Services Office" commercial general liability form, or an Associated Electric and Gas Insurance Services ("AEGIS") form or other industry form acceptable to FPL. Said policy(ies) shall cover liabilities which might arise under, or in the performance or nonperformance of, this Contract. A Certificate of Insurance shall be delivered to FPL at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, said policy(ies) shall contain (i) an endorsement providing coverage, including products liability/completed operations coverage for the term of the Contract, and (ii) a broad form contractual liability endorsement for FPL Entities. Effective at least fifteen (15) calendar days prior to the Initial Synchronization Date, the policy(ies) shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards.

16.2. **Coverage Required**: The policy(ies) described in Section 16.1 shall have a limit of not less than Ten Million Dollars ($10,000,000.00) per occurrence, combined single limit, for personal injury, bodily injury (including death), and property damage; provided, that in the event that such insurance becomes totally unavailable or procurement becomes commercially impracticable, such unavailability or impracticability shall not constitute an Event of Default under this Contract, but FPL and Seller shall enter into negotiations to develop substitute protection for FPL Entities which FPL, in its reasonable judgment, deems adequate. Any premium assessment or deductible shall be for the account of Seller and not FPL Entities.

16.3. **Conditions of Coverage**: In the event that the policy(ies) is on a "claims made" basis, the retroactive date(s) of the policy(ies) shall be the Commencement Date or such other date as to protect the interests of FPL Entities. Furthermore, if the policy(ies) is on a "claims made" basis, Seller's duty to provide such coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort; if coverage is on an "occurrence" basis, such insurance shall be maintained by Seller during the entire period of interconnection and performance by the Parties under this Contract. The policy(ies) shall not be canceled or materially altered without at least thirty (30) calendar days' written notice from the insurer to FPL. Coverage must be reasonably acceptable to FPL.

16.4. **FPL as Additional Insured, Etc.**: Depending on the policy procured by Seller, and with FPL's concurrence, FPL Entities shall be designated either as an additional named insured or as an additional insured for all policies specified in Section 16.1, and each policy(ies) shall be endorsed to be primary to any insurance which may be maintained by, or on behalf of, FPL Entities. All policies shall include waivers of subrogation in favor of FPL Entities.

16.5. **Property Insurance**: Seller shall procure or cause to be procured "All Risk" property insurance, including boiler and machinery insurance, in an amount equal to the replacement cost of the Facility to provide comprehensive coverage for the Facility. Such policy(ies) shall include waivers of subrogation in favor of FPL Entities.

16.6. **Environmental Pollution Liability Insurance**: Seller shall procure or cause to be procured environmental pollution liability insurance, which shall include clean up, bodily injury and property damage for existing and new pollution conditions both on and offsite. Such insurance shall be in an amount of no less than Ten Million Dollars ($10,000,000.00) per occurrence and in the policy aggregate and contain a deductible of no more than One Million Dollars ($1,000,000.00) per occurrence. Environmental pollution liability may be written on claims made form. FPL Entities shall be designated as an additional insured for such policy(ies), and such policy(ies) shall be endorsed to be primary to any insurance which may be maintained by, or on behalf of, FPL Entities. Such policy(ies) shall include waivers of subrogation in favor of FPL Entities.

16.7. **Copies of Policies**: Certificates of insurance or a copy of the policy(ies) referenced in Sections 16.1, 16.5, and 16.6 shall be made available for inspection by FPL at Seller's offices upon reasonable advance notice to Seller.

17.0 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

17.1. **Compliance with Applicable Laws**: Seller shall operate and maintain the Facility in compliance with all Applicable Laws.

17.2. **Governmental Approvals**: Seller hereby agrees to seek, obtain, maintain, comply with and, as necessary, renew, replace, or modify from time to time, and in a timely manner, any and all Governmental Approvals, including Environmental Licenses, which are required by Applicable Law as prerequisites to engaging in the activities envisioned by this Contract. The cost of compliance with all Governmental Approvals, including Environmental Licenses, which are required by Law as of [*NOTE: insert due date of submissions*] is the Seller's sole responsibility. If the cost of complying with Governmental Approvals, including Environmental Licenses, which may be required by Applicable Laws that have been enacted after the date stated in the previous sentence of this paragraph, as prerequisites to engaging in the activities envisioned by this Contract, are expected to be significant (i.e., greater than **$XXXXXX**); then the Parties will agree to reopen this Contract for the sole purpose of addressing the cost responsibility of each Party for such costs of compliance with new Applicable Laws.

17.3. **Design and Permitting**:

17.3.1. Seller shall design, engineer, procure, construct, operate and maintain the Facility, and shall obtain and maintain Governmental Approvals and environmental emission allowances, credits or approvals on terms and conditions, such that Seller will be in compliance with, and the Facility will be designed, engineered, constructed, procured, operated and maintained, in accordance with the requirements of this Contract (including pursuant to FPL's Dispatch and Control Rights) without violating Applicable Laws, including Environmental Requirements, and Seller shall not be excused from any obligation under this Contract nor shall any right of FPL (including FPL's Dispatch and Control Rights) be limited because of any conflict between the requirements hereof and the requirements of Applicable Law, including Environmental Requirements, or because of any failure to obtain or maintain any Governmental Approval or environmental emissions allowance, credit or approvals. Any Governmental Approvals or permits that can not be transferred due to sale or transfer of ownership shall be noted.

17.3.2. Without limiting the generality of Section 17.1, 17.2, or 17.3.1, Seller shall design, engineer, procure, construct, test, operate and maintain the Facility, and shall obtain and maintain Governmental Approvals on terms and conditions, such that:

(a) at the point in time when the Facility is Ready for Control, the Facility shall have full load-following capability equal to the Maximum Sustained Rate;

(b) the Peaking Capability shall be not less than *[____ MW]* in the Winter Period and *[___ MW]* in the Summer Period *[Insert numbers of MW from Proposer's submission]*; and

(c) the Facility shall operate in accordance with the Facility Operating Capabilities.

17.3.3. Seller shall use commercially reasonable efforts to obtain and maintain all Governmental Approvals required to allow, and shall design, engineer, procure, construct, and, subject to receipt of such Governmental Approvals, test, operate and maintain the Facility, such that:

(a) the Facility shall be capable of operating on Back-up Fuel at the Committed Capacity for up to five hundred (500) hours per calendar year;

(b) the Facility shall be capable of operating for a minimum of one hundred and eight (108) continuous hours at the Committed Capacity using Back-up Fuel stored at the Facility Site without replenishment;

(c) the Facility shall be capable of achieving Successful Start-up operating solely on Back-up Fuel; and

(d) the Facility shall be capable of switching from the Primary Fuel to the Back-up Fuel without interruption or diminution in output and without disconnecting from the transmission system.

17.4. <u>Environmental Reporting</u>:

17.4.1. Seller shall submit to FPL an annual environmental summary report describing the Facility's status and stating whether or not Seller is in compliance with all applicable Environmental Requirements and Environmental Licenses, including certification conditions under the Florida Electrical Power Plant Sitting Act and the National Environmental Policy Act, if necessary. Such report shall be submitted annually, on or before the anniversary of the Commencement Date, or coincident with periodic reports to Governmental Authorities.

17.4.2. Seller shall notify FPL within five (5) business days of any violations or alleged violations of Environmental Requirements (as evidenced by agency warning letters, notices of violations, or similar written or verbal communications to or from any environmental agency), describing the matter in reasonable detail, including the anticipated

resolution, and attaching copies of such communications and Seller's responses, if any.

17.5. **Environmental Allowances**: Seller shall be responsible for obtaining, at its expense, all applicable environmental allowances, offsets or credits, if any, necessary under Applicable Law and Governmental Approvals required as of [*NOTE; INSERT DUE DATE OF SUBMISSIONS*] for the construction or operation of the Facility as required by this Contract. Seller shall be responsible for obtaining all applicable environmental allowances, offsets or credits, if any, necessary under new Applicable Law and Governmental Approvals (i.e., Applicable Laws and Governmental Approvals that have been enacted after the date stated in the previous sentence of this paragraph); however, if the costs of obtaining all applicable environmental allowances, offsets or credits, if any, necessary under new Applicable Law and Governmental Approvals (i.e., Applicable Laws and Governmental Approvals that have been enacted after the date stated in the first sentence of this paragraph) are significant (greater than $ **XXXXXXX**) then the Parties will agree to reopen this Contract for the sole purpose of addressing each Party's cost responsibility for obtaining all applicable environmental allowances, offsets or credits, if any, necessary under new Applicable Law and Governmental Approvals.

17.6. **EEO Compliance**: Seller shall conform to the requirements of the Equal Employment Opportunity clause in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended; applicable portions of Executive Orders 11701 and 11758, relative to Equal Employment Opportunity; Section 503 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; and the Implementing Rules and Regulations of the Office of Federal Contract Compliance Programs; and shall impose such requirements on its applicable contractors, subcontractors, vendors and suppliers.

17.7. **Rate Regulation**:

17.7.1. Notwithstanding anything to the contrary in this Contract, if FPL, at any time during the term of this Contract, fails to obtain or is denied the authorization of the FPSC, or the authorization of any other legislative, administrative, judicial or regulatory body which now has, or in the future may have, jurisdiction over FPL's rates and charges, to recover from its customers all of the payments required to be made to Seller under the terms of this Contract or any subsequent amendment hereto, FPL may, at its sole option, adjust the payments made under the Contract to the amount(s) which FPL is authorized to recover from its customers. In the event that FPL so adjusts the payments to which Seller is entitled under this Contract, then, Seller may, at its sole option, terminate this Contract upon ninety (90) days notice to FPL. If such determination of disallowance is ultimately reversed and such payments previously disallowed are recovered, FPL shall pay all

withheld payments. Seller acknowledges that any amounts initially received by FPL from its customers, but for which recovery is subsequently disallowed and charged back to FPL, may be offset or credited, against subsequent payments to be made by FPL to Seller under this Contract.

17.7.2. If, at any time, FPL receives notice that the FPSC or any other legislative, administrative, judicial or regulatory body seeks or will seek to prevent full recovery by FPL from its customers of all payments required to be made under the terms of this Contract or any subsequent amendments to this Contract, then FPL shall, within thirty (30) days of such notice, give notice thereof to Seller. FPL shall use reasonable efforts to defend and uphold the validity of this Contract and its right to recover from its customers all payments required to be made by FPL hereunder, and will cooperate in any effort by Seller to intervene in any proceeding challenging, or to otherwise be allowed to defend, the validity of the Contract and the right of FPL to recover from its customers all payments to be made by it hereunder.

The Parties do not intend this Section 17.7 to grant any rights or remedies to any third party(ies) or to any legislative, administrative, judicial or regulatory body; and this Section 17.7 shall not operate to release any person from any claim or cause of action which Seller may have relating to, or to preclude Seller from asserting, the validity or enforceability of any obligation undertaken by FPL under this Contract.

17.8. **No Application to FERC**: This Contract shall not be subject to change through application to the FERC pursuant to the provisions of Sections 205 or 206 of the Federal Power Act absent the prior written agreement of each of the Parties.

17.9. **Community Relations**: Seller shall maintain good relations with labor, suppliers, vendors, Governmental Authorities, and the local community.

18.0 FORCE MAJEURE

18.1. **Force Majeure Relief**: Except as otherwise provided in this Contract, each Party shall be excused, pursuant to the procedures set forth in this Section 18.0, from performance to the extent its nonperformance is caused by Force Majeure.

18.2. Notice of Force Majeure, Etc.:

18.2.1. In the event of any delay or nonperformance resulting from Force Majeure, the Party suffering an occurrence of Force Majeure shall notify the other of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any date(s) for performance may be affected thereby. Such notice

shall be given to the other Party as soon as practicable but in no event later than five (5) business days after the claiming Party's awareness of the Force Majeure, i.e., the effect of such event or circumstance, and in no event later than fifteen (15) days after the occurrence of such event or circumstance, and shall provide such substantiating documentation as may be required to verify such event or circumstances and its effects within fifteen (15) days of such notice. The Party claiming Force Majeure shall endeavor in good faith to notify the other Party earlier than five (5) business days but shall not be in breach of this Contract for any failure to provide such notice any sooner than five (5) business days, and shall notify the other Party of the status of its efforts in such form and with such frequency as the other Party reasonably may request under the circumstances (but not less than weekly). When the Party claiming Force Majeure is able to resume performance of its obligations under this Contract, such claiming Party shall give the other Party prompt notice to such effect.

18.2.2. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. Prior to the Capacity Delivery Date, no event of Force Majeure shall be deemed to extend, or to excuse failure of Seller to achieve, any Milestone under Section 3.0, to extend the Schedule Capacity Delivery Date, or to excuse failure to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date, except to the extent such event of Force Majeure (a) substantially impairs a critical-path item on the CPM Schedule, and (b) cannot be overcome by revising, rearranging, expediting, or accelerating such CPM Schedule or by the payment of money to expedite or accelerate such CPM Schedule.

18.3. **Mitigation of Force Majeure**: Any Party suffering an occurrence of Force Majeure shall use commercially reasonable efforts to remedy the cause(s) preventing its performance of this Contract as promptly as possible.

18.4. **Effect of Force Majeure on Capacity Payments**: If in any Month the Available Capacity of the Facility is decreased with respect to any hour or Peak Hour as a result of Force Majeure, then:

18.4.1. Without limiting the generality of Section 18.3, Seller shall endeavor diligently to cause the Available Capacity of the Facility to be restored promptly to a level not less than the Minimum Capacity, and Seller shall cause a Capacity Test to be conducted as promptly thereafter as possible as provided in Section 9.0. Any whole or partial interruption or reduction in the Facility's Capacity to a level below Committed Capacity until the conclusion of such Capacity Test shall be deemed to be an Unscheduled Outage.

18.4.2. Upon conclusion of the Capacity Test, if the Continuous Capability is less than the Minimum Capacity, and if Seller provides to FPL evidence reasonably satisfactory to FPL that such shortfall is a direct consequence of such event of Force Majeure, and that Seller, notwithstanding Seller's efforts to mitigate the effects of such Force Majeure, has not been able to restore the Facility, then, until the earlier of the demonstration by Seller in a Capacity Test that the Continuous Capability is not less than the Minimum Capacity or the expiration of the Force Majeure Aggregate Allowance:

a. the Committed Capacity shall be deemed to be equal to the Continuous Capability demonstrated by the most recent Capacity Test;

b. Seller shall set the Available Capacity at a level not more than such Continuous Capability; and

c. FPL's Dispatch and Control Rights, and its payment obligations hereunder, shall be prorated accordingly.

18.5. **Limitation**: FPL at its option may terminate this Contract as provided in Section 19.3 to the extent that (a) performance by Seller of its obligations hereunder shall have been excused pursuant to this Section 18.0 for a period in excess of the Force Majeure Aggregate Allowance, or (b) Seller shall have been excused pursuant to this Section 18.0 from achieving the Capacity Delivery Date by the Final Capacity Delivery Date.

19.0 DEFAULT AND TERMINATION

19.1. **Seller Events of Default**: Each of the following shall constitute an Event of Default by Seller:

19.1.1. Seller abandons construction or operation of the Facility;

19.1.2. Seller fails to achieve a Major Milestone by the corresponding Milestone Date (other than failure to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date) and Seller has failed to cure such failure within thirty (30) days of such Milestone Date;

19.1.3. Seller (a) fails to achieve the Capacity Delivery Date by the Scheduled Capacity Delivery Date and fails to pay delay liquidated damages or otherwise fails to comply with the provisions of Section 3.2.3; or (b) fails to achieve the Capacity Delivery Date by the Final Capacity Delivery Date;

19.1.4. After the Capacity Delivery Date, the Facility fails to maintain a Capacity Billing Factor of at least sixty-four percent (64%);

19.1.5. The Facility fails to demonstrate a Continuous Capability at least equal to the Minimum Capacity in three successive Capacity Tests after the Capacity Delivery Date;

19.1.6. Seller sells electrical Energy, Capacity or Ancillary Services from the Facility to a third party other than as expressly provided in Section 6.4.1;

19.1.7. Seller (a) fails to make a payment to FPL that is not subject to a good-faith dispute within thirty (30) days after notice from FPL that such payment is due under this Contract, or (b) fails to pay any liquidated damage amount as and when due hereunder;

19.1.8. If (a) a receiver or liquidator or trustee of Seller or Seller's Guarantor or of a substantial part of the assets of Seller or Seller's Guarantor is appointed by order of a court of competent jurisdiction, and such receiver or liquidator or trustee is not discharged within a period of sixty calendar days; (b) by decree of such a court, Seller or Seller's Guarantor is adjudicated bankrupt or insolvent or a substantial part of the assets of Seller or Seller's Guarantor are sequestered, and such decree continues undischarged and unstayed for a period of sixty (60) calendar days after the entry thereof; (c) a petition to declare bankruptcy or to reorganize a party pursuant to any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to Seller or Seller's Guarantor, as now or hereafter in effect, is filed against Seller or Seller's Guarantor and is not dismissed within sixty (60) calendar days after such filing; (d) Seller or Seller's Guarantor files a voluntary petition to declare bankruptcy or to reorganize pursuant to any bankruptcy law or insolvency law, or consents to the filing of any bankruptcy or reorganization petition against it under any similar law; or (e) without limitation of the generality of the foregoing, Seller or Seller's Guarantor files a petition or answer or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to Seller or Seller's Guarantor, as now or hereafter in effect, or Seller or Seller's Guarantor files an answer admitting the material allegations of a petition filed against it in such a proceeding;

19.1.9. Seller is in default of any material provision of this Contract not specifically mentioned in this Section 19.1 and Seller has failed to cure such default within thirty (30) days after notice of such default from FPL to Seller; provided, that so long as such default of Seller is not a failure to pay money, (a) if it is not feasible to correct such default within thirty (30) days after FPL has delivered notice of such

default to Seller, but it remains feasible to correct within sixty (60) days, and (b) if within ten days after said notice from FPL, Seller provides FPL notice of its intention to cure such default and evidence that it remains feasible to correct such default within sixty (60) days after such notice from FPL, it shall not constitute an Event of Default hereunder until the earliest feasible date within such sixty (60) day period when a cure could be effected so long as (w) corrective action by Seller is instituted within ten days following the notice from FPL, (x) such corrective action is diligently pursued, (y) Seller provides FPL bi-weekly written reports as to the nature and progress of such corrective action, and (z) such cure is effected within sixty (60) days of the notice from FPL; or

19.1.10. Seller fails to provide and maintain the Completion Security or the Performance Security required under Section 4.0, or FPL shall have made a drawing on any Liquid Security and such Liquid Security shall not have been replaced or replenished when and as required by Section 4.0.

19.1.11. Seller fails to comply with the requirements of section 15.4 of this Contract.

19.2. **FPL Events of Default**: Each of the following shall constitute an Event of Default by FPL:

19.2.1. FPL fails to make a payment due to Seller that is not subject to a good-faith dispute within thirty (30) days after notice from Seller that such payment is due under this Contract; or

19.2.2. If (a) a receiver or liquidator or trustee of FPL or of a substantial part of the assets of FPL is appointed by order of a court of competent jurisdiction, and such receiver or liquidator or trustee is not discharged within a period of sixty calendar days; (b) by decree of such a court, FPL is adjudicated bankrupt or insolvent or a substantial part of the assets of FPL are sequestered, and such decree continues undischarged and unstayed for a period of sixty (60) calendar days after the entry thereof; (c) a petition to declare bankruptcy or to reorganize a party pursuant to any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to FPL, as now or hereafter in effect, is filed against FPL and is not dismissed within sixty (60) calendar days after such filing; (d) FPL files a voluntary petition to declare bankruptcy or to reorganize pursuant to any bankruptcy law or insolvency law, or consents to the filing of any bankruptcy or reorganization petition against it under any similar law; or (e) without limitation of the generality of the foregoing, FPL files a petition or answer or consent seeking relief or assisting in seeking

relief in a proceeding under any of the provisions of the Federal bankruptcy laws, as they now exist or may hereafter be amended, or pursuant to any other similar state statute applicable to FPL, as now or hereafter in effect, or FPL files an answer admitting the material allegations of a petition filed against it in such a proceeding.

19.3. **Termination for Prolonged Force Majeure**: To the extent any event or events of Force Majeure (a) excuse Seller from achieving the Capacity Delivery Date by the Final Capacity Delivery Date pursuant to the provisions of Section 18.0, or (b) after the Capacity Delivery Date, excuse Seller from performing any of its material obligations hereunder pursuant to the provisions of Section 18.0 for four thousand, three hundred twenty (4,320) hours in the aggregate (whether resulting from the same or multiple events or circumstance and whether or not continuous) (the "Force Majeure Aggregate Allowance"): (i) FPL may terminate this Contract without penalty or further liability for either Party upon thirty (30) days notice to Seller, and (ii) upon such termination, FPL shall return any undrawn Completion Security or Performance Security within sixty (60) days of the effective date of such termination.

19.4. **Remedies**: Upon the occurrence of any Event of Default, the non-defaulting Party may, at its option:

19.4.1. Terminate this Contract without penalty or further obligation by the non-defaulting Party, by notice to the defaulting Party, and, if prior to the Capacity Delivery Date, Seller shall pay FPL liquidated damages as provided in Section 3.0;

19.4.2. Offset from any payment(s), due from the non-defaulting Party to the defaulting Party, any amount otherwise due from the defaulting Party to the non-defaulting Party;

19.4.3. In the case of an Event of Default by Seller, draw on the Completion Security or the Performance Security, as the case may be, in the amount of the non-defaulting party's damages (including liquidated damages payable under Section 3.0). In an abundance of caution, such damages may include but are not limited to any and all costs and expenses related to the supply and transportation of Primary Fuel to the Facility;

19.4.4. In the case of an Event of Default by Seller, FPL, at its option, may apply to any court of competent jurisdiction for the appointment of a receiver to take charge of, manage, preserve, protect, complete construction of, and operate the Facility, to make all necessary and needed repairs to the Facility, and to pay all taxes and assessments against the Facility and insurance premiums for insurance thereof, it being hereby agreed that, upon occurrence of an Event of Default, (a) FPL shall be entitled to such appointment; (b) upon application by

FPL, the court may forthwith appoint such receiver with the usual powers and duties thereof; (c) Seller consents, and Seller shall not object to such appointment; and (d) appointment of a receiver under this Section 19.4 shall not in and of itself terminate this Contract;

19.4.5. In the case of an Event of Default by Seller, if (and only if) FPL shall have terminated this Contract pursuant to Section 3.0 or Section 19.0 as a consequence of such Event of Default, FPL may, at its option, but subject to the Intercreditor Agreement, exercise any or all of its remedies under the Mortgage and Security Agreement;

19.4.6. In the case of an Event of Default by FPL, then, notwithstanding the exclusivity requirement set forth in Section 6.4, Seller may cover FPL's obligations to pay for Capacity under this Contract by selling such Capacity to a third party, in which event FPL shall pay to Seller, within ten (10) days after Seller's invoice (with such supporting documentation as may be required to verify such failure and the amounts set forth on such invoice), an amount equal to the amount, if any, by which the amount received by Seller from reselling such Capacity at the Receipt Point, acting in a commercially reasonable manner, is less then the amount required to be paid by FPL to Seller hereunder with respect to such Capacity ("Seller's Cost of Cover");

19.4.7. In the case of default by Seller under Section 19.1.6 "Sales to third parties" FPL will receive the higher of the profits from such unauthorized sale or FPL's costs to cover.

19.4.8. Exercise any other right or remedy available to it in equity or, subject to Section 19.5, any other right or remedy available to it hereunder or at law or in equity;

19.5. **Liquidated Damages**: The Parties acknowledge and agree that the damages which FPL would actually suffer as a result of (a) delay by Seller in achieving the Capacity Delivery Date by the Scheduled Capacity Delivery Date, or (b) termination of this Contract upon Seller's failure to achieve a Major Milestone under Section 3.0, including failure to achieve the Capacity Delivery Date as provided therein, or upon any other Seller Event of Default prior to the Capacity Delivery Date, are now, and will in the future remain, incapable of determination with any mathematical precision or certainty, and that the mutually agreed liquidated damages required to be paid upon such failure hereunder (i) are in the nature of liquidated damages, (ii) are not unconscionable, (iii) do and will not constitute a conversion by or unjust enrichment of FPL, (iv) are unequivocal, fair and reasonable under the circumstances and not a penalty, (v) shall constitute FPL's sole and exclusive damages upon such delay or termination (FPL hereby waiving, in consideration of the right to such liquidated damages in such events, any rights it may have to seek damages in excess of such agreed delay or termination liquidated damages), and (vi) were bargained for and derived through

mutual negotiations and agreement between Seller and FPL and constitute a material and integral part of the agreement between the Parties; provided, that nothing herein shall limit FPL's rights to seek any equitable remedies otherwise available to FPL; provided, further, that such liquidated damages shall not be FPL's sole and exclusive damages with respect to any default or Event of Default not expressly described in Section 3.2, with respect to which FPL shall continue to have all rights and remedies described herein; and provided, further, that during any period in which FPL has exercised Step-In Rights as provided in Section 5.1 and has not relinquished possession of the Facility and the Facility Site to Seller or terminated this Contract pursuant to Section 19.3, Seller shall not be obligated to pay such liquidated damages.

19.6. **FPL's Cost of Cover**:

19.6.1. If Energy, Capacity, Energy Conversion Services, or Ancillary Services are not delivered or made available from the Facility at the Receipt Point due to Unscheduled Outage(s) or for any reason in breach of Seller's obligations hereunder and FPL in its absolute and sole discretion, for any reason it deems appropriate, or for no reason at all, elects to cover Seller's obligations under this Contract from a third party:

(a) unless Seller's failure is excused pursuant to Section 18.0, Seller shall pay to FPL, within ten business days of Seller's receipt of the Monthly Billing Statement, an amount equal to the amount, if any, by which the cost to FPL of obtaining such deliveries at the Receipt Point, acting in a commercially reasonable manner (including without duplication brokerage or other transaction costs, generation charges, fuel charges, reservation charges, start-up costs, transmission charges, transmission losses, and charges for ancillary services) exceeds the amount required to be paid by FPL to Seller hereunder with respect to such Energy or Capacity ("FPL's Cost of Cover");

(b) any capacity used in the production of such replacement capacity or energy shall not be treated as Committed Capacity, or Available Capacity for purposes of this Contract unless purchased by FPL from an entity with an Investment Grade Credit Rating (or which has provided security equivalent to the security required to be provided by Seller hereunder) pursuant to a firm contract with a term not less than the remaining portion of the Contract Term, which means, in any hour or Peak Hour, that neither such capacity nor the energy delivered by such entity in replacement of Energy or Capacity shall be treated as Committed Capacity, Available Capacity or as Energy

delivered in such hour or Peak Hour hereunder, including for purpose of clauses (a)(i) of the definition of "Hourly Capacity Factor" or "Hourly Peak Capacity Factor"; and

(c) for avoidance of doubt, FPL shall not have any obligation to obtain or continue such deliveries.

19.6.2. For avoidance of doubt, Seller shall have no right to substitute electrical capacity or energy, at the Receipt Point or otherwise, generated at any facility other than the Facility, for Capacity or Energy which Seller has failed for any reason to generate at the Facility and to deliver or make available at the Receipt Point.

19.7. **Survival of Rights**: Remedies Cumulative. No termination under this Section 19.0 (or otherwise under this Contract) shall affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from breach of this Contract. Except as expressly provided in Section 19.5, the rights and remedies of the Parties hereunder shall not be exclusive of any other right or remedy available hereunder or at law or in equity and shall be cumulative.

20.0 INDEMNIFICATION

20.1. **Indemnification**: FPL and Seller shall each be responsible for its own facilities, for protection of its own generating system, and for ensuring adequate safeguards for FPL customers, and the personnel and equipment of Seller and FPL. Seller shall indemnify and save FPL Entities harmless, on an After-Tax Basis and FPL shall indemnify and save Seller Entities harmless, on an After-Tax Basis from any and all claims, demands, costs or expenses (including court costs and attorneys' fees related to any claim, administrative proceeding, pretrial, trial or appellate proceeding), for loss, damage or injury to persons or property caused by, arising out of, or resulting from (a) any act or omission by the respective Party or that Party's contractors, agents, servants and employees in connection with the installation or operation of that Party's generation system or Facility, or the operation thereof in connection with the other Party's system or Facility, (b) any defect in, failure of, or fault related to, a Party's system or Facility, or (c) the negligence of the respective Party or negligence of that Party's contractors, agents, servants or employees.

20.2. **Environmental Indemnity**: Seller agrees to hold FPL Entities harmless on an After-Tax Basis from any liability associated with on-site or off-site contamination or other environmental damage resulting from any prior uses or from construction and operating activities except as and to the extent such contamination or other environmental damage was the direct result of FPL actions, other than actions performed pursuant to FPL's rights under this Contract.

21.0 LIMITATIONS OF LIABILITY

21.1. **Limitation on Seller's Liability**: No Seller Entity shall be liable (in contract or in tort, including negligence, or otherwise) to FPL for indirect, incidental or consequential damages resulting from Seller's performance, nonperformance or delay in performance of its obligations under this Contract; provided, that this Section 21.1 shall not be construed to limit any liability Seller otherwise may have for liquidated damages under this Contract, any liability of any Seller Entity due to its gross negligence or willful misconduct, or any other right or remedy of FPL Entities expressly set forth in this Contract.

21.2. **Limitation on Liability of FPL Entities**: No FPL Entity shall be liable (in contract or in tort, including negligence, or otherwise) to Seller or its suppliers or its subcontractors for indirect, incidental or consequential damages resulting from FPL's performance, nonperformance or delay in performance of its obligations under this Contract; provided, that this Section 21.2 shall not be construed to limit any liability of any FPL Entity due to its gross negligence or willful misconduct, or any other right or remedy of Seller Entities expressly set forth in this Contract.

21.3. **Effect of Security**: The liability of Seller hereunder shall not be affected by the existence, amount, waiver, or release of, or exercise or failure to exercise remedies with respect to, FPL's Lien, Step-In Rights, any Completion Security, any Performance Security, or any other security for Seller's obligations hereunder. FPL may draw on or exercise other rights or remedies with respect to, all or any part of such security to the extent available hereunder, and from all such forms, and in any sequence, as FPL in its sole discretion may elect, except as such rights are specifically limited in the express provisions of this Contract.

21.4. **Cost of Cover**: Seller and FPL acknowledge and agree that among other things, FPL's Cost of Cover and Seller's Cost of Cover constitute direct damages and shall not be limited by Section 21.1 or Section 21.2, respectively.

22.0 NOTICES

22.1. **Notices**: All notices required under this Contract shall be in writing unless expressly specified otherwise herein, and shall be delivered in person, by certified mail or by a nationally recognized overnight courier, return receipt requested, or by facsimile transmission with confirmation by voice or automatic answer-back service, as specified below:

To Seller:

_____

_____

_____

Fax _____ - _____ - _____

Telephone _____ - _____ - _____

To FPL:

_____

_____

_____

Fax _____ - _____ - _____

Telephone _____ - _____ - _____

22.2. **Notices Effective**: Notices shall be effective upon receipt; provided, that in the event a Party fails to notify the other of the correct person and address for notices pursuant to Section 22.3 below, any notice to that Party shall be deemed effective on the third day following the date such notice is sent to the person and address last provided by such Party.

22.3. **Designation of New Notice Recipients**: Either Party may, at any time, by notice designate any different person(s) or different address(es) or phone number(s) for receipt of notices and correspondence.

23.0 REPRESENTATIONS AND WARRANTIES

23.1. **Seller's Representations and Warranties**: Seller hereby represents and warrants as follows:

23.1.1. Seller is a *[type of entity]* duly organized, validly existing and in good standing under the laws of the State of *[State]* and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Contract.

23.1.2. The execution, delivery, and performance of its obligations under this Contract by Seller have been duly authorized by all necessary *[corporate, company, partnership]* company action, and do not and will not:

(a) Require any consent or approval of Seller's *[governing body or owners]*, other than that which has been obtained and is in full force and effect;

(b) Violate any provision of Applicable Law or violate any provision in any *[constitutive documents]* of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this Contract;

(c) Result in a breach or constitute a default under Seller's *[constitutive documents],* or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Contract; or

(d) Result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligation under this Contract.

23.1.3. This Contract is a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors, or by general principles of equity).

23.1.4. The execution, delivery, and performance of this Contract will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.

23.1.5. All approvals, authorizations, consents, or other action required by any Governmental Authority to authorize Seller's execution, delivery, and performance under this Contract have been duly obtained and are in full force and effect, except for those approvals described in Section 2.1 or the Deferred Governmental Approvals.

23.2. **FPL's Representation and Warranties**: FPL hereby represents and warrants the following:

23.2.1. FPL is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of FPL; and FPL has all requisite power and authority to conduct its business, to own its properties, and to execute, delivery, and perform its obligations under this Contract.

23.2.2. The execution, delivery, and performance of its obligations under this Contract by FPL have been duly authorized by all necessary corporate action, and do not and will not:

(a) Require any consent or approval of FPL's Board of Directors, or shareholders, other than that which has been obtained and is in full force and effect;

(b) Violate any provision of Applicable Law or violate any provision in any corporate documents of FPL, the violation of which could have a material adverse effect on the ability of FPL to perform its obligations under this Contract;

(c) Result in a breach or constitute a default under FPL's corporate charter or bylaws, or under any agreement relating to the management or affairs of FPL or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which FPL is a party or by which FPL or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of FPL to perform its obligations under this Contract; or

(d) Result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Contract) upon or with respect to any of the assets or properties of FPL now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of FPL to perform its obligation under this Contract.

23.2.3. This Contract is a valid and binding obligation of FPL, enforceable against FPL in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors or by general principles of equity).

23.2.4. The execution, delivery, and performance of this Contract will not conflict with or constitute a breach or default under any contract or agreement of any kind to which FPL is a party or any judgment, order, statute, or regulation that is applicable to FPL.

23.2.5. Except for those approvals described in Section 2.1, all Governmental Approvals required by any Governmental Authority to authorize FPL's execution, delivery, and performance under this Contract have been duly obtained and are in full force and effect.

24.0 MISCELLANEOUS

24.1. Assignment or Sale, Etc.:

24.1.1. Seller may not (a) assign any of its rights or obligations under this Contract (whether directly or through the assignment, sale, lease, transfer or other disposition of any direct or indirect interest in Seller by any direct or indirect owner of Seller) or (b) sell, lease, assign, transfer or otherwise dispose of all or a portion of the Facility (whether directly or through the assignment, sale, lease, transfer or other disposition of any direct or indirect interest in Seller by any direct or indirect owner of Seller) without the prior written consent of FPL; provided, that (subject to the Mortgage and Security Agreement and the Intercreditor Agreement) without the prior consent of FPL, Seller may assign its rights and interests under this Contract to the Lenders as collateral security, or create a security interest in favor of the Lenders over its rights and interests in this Contract; provided, further, that it shall be a condition to any such assignment, sale, lease, transfer, or other disposition (including any collateral assignment or any exercise of remedies by the lenders pursuant thereto) that all security required under Section 4.0 or Section 5.0, as applicable, shall be, or shall remain, in place notwithstanding such disposition, or that replacement security in form, substance and amount reasonably satisfactory to FPL shall have been provided prior to such disposition.

24.1.2. Prior to any assignment, sale, lease, transfer, or other disposition (a) by Seller of all or any portion of the Facility (other than sales of surplus or used equipment no longer required for operation of the Facility in accordance with this Contract), or (b) any assignment, sale, lease, transfer, or other disposition by any direct or indirect owner of Seller of its direct or indirect ownership interest in Seller, Seller shall (or shall cause such owner to) give FPL at least thirty (30) days prior written notice of the complete, material proposed terms and conditions of such disposition. FPL at its sole and absolute option shall have the exclusive right to acquire the Facility or such portion thereof, or such direct or indirect ownership interest, proposed to be transferred for the same consideration and on terms and conditions no less favorable to Seller than those offered by the proposed transferee. To give effect to this right of first refusal, FPL shall notify Seller of its intent to purchase (together with a proposed purchase contract) within ten (10) business days after the expiration of the thirty (30) day notice of proposed terms and conditions required above, and the resulting transaction shall close within thirty (30) days after such notice of intent to purchase from FPL; provided, that failure by FPL to give the notice of intent to purchase within ten business days shall be deemed to be an election by FPL not to exercise such right. In the

event FPL notifies Seller that regulatory approval is useful or required for the close of the transaction, FPL shall take all actions required to seek approval of such closing within the second thirty (30) day period including the submittal of all necessary applications, and the second thirty (30) day period shall be extended for the period of time necessary to obtain final and non-appealable approvals. Seller shall cause all contracts, agreements, or other understandings with respect to any such assignment, sale, lease, transfer or other disposition described in this Section 24.1 to specifically set forth and acknowledge FPL's exclusive right of first refusal set forth in this Section 24.1.2. Seller immediately shall notify (or shall cause such direct or indirect owner to notify) FPL of any material change to the terms or conditions set forth in Seller's notice to FPL of such proposed disposition, and upon receipt of such notice the time periods set forth in this Section 24.1.2 shall be extended and shall be deemed to have begun on the effective date of such second notice from Seller or such owner.

24.1.3. Seller shall not be released from its obligations hereunder by virtue of any assignment, sale, lease, transfer, or other disposition described in this Section 24.1 unless such release is expressly agreed upon by FPL in writing.

24.1.4. Any attempt by Seller to make any assignment, sale, lease, transfer or other disposition described in this Section 24.1 in violation of this Section 24.1 shall be void ab initio and shall not be effective.

24.2. **Amendments**: This Contract shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in a written instrument authorized and executed by the Parties and, if requested by FPL, approved by the FPSC. This Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest and permitted assigns.

24.3. **Conflict in Provisions**: In case of conflict between this Contract's Sections 1.0 through 24.0 and appendices to this Contract, Sections 1.0 through 24.0 shall take precedence.

24.4. **Survival**: The obligations, rights, and remedies of the Parties hereunder, which by their nature survive the termination of this Contract, shall survive such termination and inure to the benefit of the Parties.

24.5. **No Waiver**: Any waiver by either Party of its rights with respect to a default (including Events of Default) under this Contract, or with respect to any other matters arising in connection with this Contract, shall not be deemed a waiver with respect to any subsequent default (including Events of Default) or other matter. The failure of either Party to enforce strict performance by the other Party

of any of the provisions of this Contract or to exercise any rights under this Contract shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provisions or rights in that or any other instance.

24.6. **Section Headings**: Section headings appearing in this Contract are inserted for convenience only and shall not be construed as interpretations of text.

24.7. **Service Agreement**: This Contract is intended to strictly provide services which are not subject to Florida sales/use Tax and is not intended and shall not be construed, interpreted, or applied to create a lease, license or similar arrangement for the use, possession, custody or control of property.

24.8. **Review, Approval, Etc. by FPL**: The Parties explicitly acknowledge and agree that FPL's reviews, agreement, comment, approvals, disapprovals and authorizations pursuant to this Contract are administrative in nature and do not relieve Seller of its obligations for the design, engineering, procurement, construction, operation, or maintenance of the Facility including Environmental Licensing and compliance with Environmental Requirements or other Applicable Laws or Governmental Approvals, or impose any such obligations on FPL, and that FPL's technical review and inspections of the Facility, or of drawings, plans, or other technical data, whether before or after the Capacity Delivery Date, and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility or relieve Seller of any of its obligations, duties or responsibilities hereunder.

24.9. **Construction of Contract**: The Parties expressly agree that no provision of this Contract should be construed against or interpreted to the disadvantage of any Party by any court or other governmental or judicial authority by reason of such Party having been deemed to have structured or dictated such provision.

24.10. **Complete Agreement**: This Contract is intended as the complete and exclusive statement of the agreement between the Parties. Parol or extrinsic evidence shall not be used to vary or contradict the express terms of this Contract and recourse may not be had to alleged prior drafts, negotiations, prior dealings, usage of trade, course of dealing or course of performance to explain or supplement the express terms of this Contract.

24.11. **Counterparts**: This Contract may be executed and delivered in counterparts, and may be delivered by facsimile transmission.

24.12. **Severability**: In the event that any provision of this Contract shall be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Contract or the application of the provisions hereof to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

24.13. **Good Faith**: The Parties agree to act in accordance with the principles of good faith and fair dealing in the performance of this Contract.

24.14. **No Partnership**: Nothing contained in this Contract shall be construed to create an association, trust, partnership or joint venture between Seller and FPL or, except as expressly set forth in Section 5.0, an agency relationship between Seller and FPL. Each Party shall be individually and severally liable for its own obligations under this Contract.

24.15. **GOVERNING LAW; SUBMISSION TO JURISDICTION**:

24.15.1. THIS CONTRACT AND THE RIGHTS AND THE OBLIGATIONS OF THE PARTIES HEREUNDER (OTHER THAN APPENDIX C) SHALL BE CONSTRUED UNDER, AND IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA.

24.15.2. ANY LITIGATION BETWEEN THE PARTIES SHALL BE CONDUCTED IN THE COURTS OF THE STATE OF FLORIDA OR IN FEDERAL COURTS SITUATED IN FLORIDA AND THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS; PROVIDED, THAT IF A FLORIDA COURT OR FEDERAL COURT SITUATED IN FLORIDA SHALL HAVE DETERMINED THAT IT CANNOT ACCEPT JURISDICTION OVER ANY ACTION BECAUSE OF THE FAILURE TO JOIN AN INDISPENSABLE PARTY, THEN ANY PARTY HERETO MAY BRING AN ACTION IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION.

24.15.3. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT OR ANY MATTER ARISING HEREUNDER.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed by their respective duly authorized officers

[SELLER]	**FLORIDA POWER & LIGHT COMPANY, a Florida corporation**
By: _____	By: _____
Date: _____	Date _____
Asst: _____ [Secretary] (Corporate Seal)	Asst: _____ [Assistant Secretary] (Corporate Seal)
Date: _____	Date _____

APPENDIX A

CALCULATION OF MONTHLY CAPACITY PAYMENT AND OTHER PAYMENTS

I. Monthly Capacity Payment (MCP_{Total})

The Monthly Capacity Payment for each Monthly Billing Period shall be determined according to the following formula:

$MCP_{Total} = MCP_{Base} - MCD_{Level\ 1} + MCP_{other}$

A. Calculation of MCP_{Base}

In the event that the CBF<64%, then no MCP shall be due

$MCP_{Base} = 0$

In the event that the CBF is greater than or equal to 64% but less than 94%, then

MCP_{Base} = CC* [B $/MW-Month] * [(98 – 2*(94-CBF))/100]

In the event that the CBF is equal to or greater than 94% but less than 98%, then

MCP_{Base} = CC* [B $/MW-Month] * [(100 – 0.5 *(98 - CBF))/100]

In the event that the CBF is equal to or greater than 98%, then

MCP_{Base} = CC* [B $/MW-Month]

Where:

CC = Committed Capacity, expressed in MW

B = $__/MW-Month *[Insert the adjusted price of the capacity, measured in $/MW-Month, taking into account the Base and Level 1 mode of operation (i.e., (Base $MW-Month * CC in MW) + (Level 1 $/MW-Month * Level 1 Incremental Capacity in MW) / (CC in MW), from Proposer's submission.]*

CBF = Capacity Billing Factor for such Monthly Billing Period

B. Calculation of $MCD_{Level\ 1}$

In the event that the L1BF is equal to or greater than 98%, then

$MCD_{Level\ 1}$ = 0; i.e., no dollars are to be subtracted from MCP_{Base}

In the event that the L1BF is equal to or greater than 94% but less than 98%, then

$MCD_{Level\ 1} = L1CC * [\$\ X/MW\text{-}Month] * [(98 - L1BF)/100]$

In the event that the L1BF is greater than or equal to 75% but less than 94%, then

$MCD_{Level\ 1} = L1CC * [\$\ X\ /MW\text{-}Month] * [.04 + (3*(94 - L1BF))/100]$

In the event that the L1BF<75%, then all of the dollars associated with operating the Facility Level 1 Mode of Operation are to be subtracted from MCP_{Base}, and

$MCD_{level\ 1} = L1CC * [\$\ X\ /MW\text{-}Month]$

Where:

L1CC = Level 1 Incremental Committed Capacity, expressed in MW

X = __ $/MW-Month *[Insert the price per MW-Month submitted by Proposer for Level 1 Mode of Operation]*

L1BF = Level 1 Capacity Billing Factor calculated based on the performance for such Monthly Billing Period, as follows:

$L1BF = \Sigma^{n}_{k=1} (L1AC/L1CC)/n$

L1AC = the Level 1 Available Capacity for Level 1 Mode of Operation for such Monthly Billing Period, expressed in MW. L1AC shall never be greater than L1CC.

n = number of hours in the Monthly Billing Period

k = each hour, for the Monthly Billing Period

C. Calculation Of Payments Associated With Other Modes Of Operation (MCP_{other})

[Payments for incremental capacity provided from other operating modes included in Proposer's submission, which include additional operating limitations and/or are not able to be placed under FPL'S AGC, to be inserted here, taking account of the following:

1. *The amount of the incremental capacity associated with the specific operating mode proposed in the Submittal.*

2. *The availability of the incremental capacity.*

3. *The operating limitations associated with supplying the incremental level of capacity (e.g., notice period, continuous capability, limitations per cycle etc.).*

4. *Actual measured performance associated with incremental capacity.*

5. *The incremental heat rate will be taken into account for the pricing of energy.*

Corresponding changes will be made to definitions and to substantive provisions of PPA, to address such matters as testing, dispatch, etc.]

II. Other Payments (OP_{total})

Other Payments for each Monthly Billing Period shall be determined according to the following formula:

$$OP_{total} = (HRAP_{net} + VOMP + SUFCA + SFP)$$

A. Calculation of Heat Rate Adjustment Payment -- $HRAP_{net}$

The $HRAP_{net}$ may be due FPL by Seller, in which case it will be a negative value, or the $HRAP_{net}$ may be due the Seller by FPL, in which case it will be a positive value. As follows:

$$HRAP_{net} = HRAP_{Due\ FPL} - HRAP_{Due\ Seller}$$

A.1 Actual Heat Rate Higher Than Guaranteed Heat Rate: In the event that there are hours during the Monthly Billing period, for which Energy is being delivered pursuant to FPL's Control (excluding any Start-Up time associated with a successful start conducted at FPL's request) where the Actual Heat Rate is higher than the Guaranteed Heat Rate, Seller shall make a Heat Rate Adjustment Payment to FPL, calculated in accordance with the following methodology:

$$HRAP_{Due\ FPL} = \sum_{f=1}^{r} [\frac{(AHR_f - GHR)}{GHR} * FC_f] * NEO1_f$$

Where:

$HRAP_{Due\ FPL}$ = Heat Rate Adjustment Payment due FPL by Seller, expressed in dollars for the Monthly Billing period.

AHR_f = Actual Heat Rate on Primary Fuel for hour f (expressed in MMBtu/MWh).

GHR = Guaranteed Heat Rate on Primary Fuel, (expressed in MMBtu/MWh).

f = Each hour during the Monthly Billing Period in which the Actual Heat Rate is higher than the Guaranteed Heat Rate.

r = Total number of hours during the Monthly Billing Period in which the Actual Heat Rate is higher than the Guaranteed Heat Rate.

FC_f = FPL's Marginal Gas Cost for hour f (expressed in Dollars per MMBtu).

$NEO1_f$ = the hourly Net Energy Output generated using the Primary Fuel for hour f of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

A.2 Actual Heat Rate Lower Than Guaranteed Heat Rate: In the event that there are hours during the Monthly Billing Period for which Energy is being delivered pursuant to FPL's Control (excluding any Start-Up time associated with a successful start conducted at FPL's request) where the Actual Heat Rate is lower than the Guaranteed Heat Rate, FPL shall make a Heat Rate Adjustment Payment to Seller, calculated in accordance with the following methodology:

$$HRAP_{Due\ Seller} = \sum_{f=1}^{r} [\frac{(GHR - AHR_f)}{GHR} * FC_f] * NEO1_f$$

Where:

$HRAP_{Due\ Seller}$ = Heat Rate Adjustment Payment due Seller by FPL, expressed in dollars for the Monthly Billing period.

GHR = Guaranteed Heat Rate on Primary Fuel (expressed in MMBtu/MWh.)

AHR_f = Actual Heat Rate on Primary Fuel for hour f (expressed in MMBtu/MWh).

f = Each hour during the Monthly Billing Period in which the Actual Heat Rate is lower than the Guaranteed Heat Rate.

r = Total number of hours during the Monthly Billing Period in which the Actual Heat Rate is lower than the Guaranteed Heat Rate.

FC_f = FPL's Marginal Gas Cost for hour f (expressed in Dollars per MMBtu).

$NEO1_f$ = the hourly Net Energy Output generated using the Primary Fuel for hour f of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

B. **Calculation of Variable O&M Payment -- VOMP**

The Variable O&M Payment for each Monthly Billing Period shall be determined according to the following formula:

$VOMP = [\Sigma^{n}_{k=1} (NEO1_k + NEO2_k) * VOM] + SP$

Where:

VOMP = the Variable O&M Payment, expressed in dollars, for the Monthly Billing Period;

$NEO1_k$ = the hourly Net Energy Output generated using the Primary Fuel for hour k of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

$NEO2_k$ = the hourly Net Energy Output generated using the Back-up Fuel for hour k of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

VOM = Variable Operations and Maintenance charge, expressed in dollars per MWh, equal to *[To be inserted from Proposer's submission.];*

n = number of hours in the Monthly Billing Period;

k = each hour, for the Monthly Billing Period: and

SP = any Start-up Cost(s) for such Monthly Billing Period for which Seller is entitled to payment.

C. **Calculation of Start Up Fuel Cost Adjustment -- SUFCA**

1. The Start Up Fuel Cost Adjustment for the Monthly Billing Period for each successful start-up conducted pursuant to an FPL initiated dispatch instruction shall be as follows:

$$SUFCA = \sum_n^y SUFCA_n$$

2. If fuel consumed during start-up is greater than quantities specified in Appendix E:

$$\text{If } AFSU_t \geq \underline{GFSU_t \text{ then:}}$$

$$SUFCA_n = (AFSU_t - GFSU_t) * FC_n$$

$$\text{If } AFSU_t \leq \underline{GFSU_t \text{ then:}}$$

$$SUFCA_n = 0$$

Where:

SUFCA = Start up fuel cost adjustment expressed in dollars for the Monthly Billing Period

$SUFCA_n$ = Start Up Fuel Cost Adjustment for start-up n expressed in dollars

$GFSU_t$ = Guaranteed fuel for type of start up t, expressed in MMBtu's, as specified in Appendix E

$AFSU_t$ = Actual fuel consumed during type of start-up t, expressed in MMBtu's, as measured by the metering system

t = type of Start-up

n = each Successful Start for the Monthly Billing Period conducted pursuant to an FPL initiated dispatch instruction

y = total number of Successful Starts for the Monthly Billing Period

FC_n = FPL's Marginal Gas Cost applicable on day of start-up n (expressed in Dollars per MMBtu)

D. **Calculation of Back-up Fuel Payment -- SFP**

The Back-up Fuel Payment shall consist of the following, when applicable: 1) the cost of Back-up Fuel burned pursuant to FPL's dispatch orders, and 2) the carrying cost of Back-up Fuel in Seller's inventory.

$$SFP = SFB + CC_{inv}$$

1. **Payment for Back-up Fuel burned --SFB.**

$$SFB = WAC_{INV} * \Sigma_i^n (GHR_{SF} * NEO2_i)$$

Where:

SFB = Payment for Back-up Fuel Burned, for the Monthly Billing Period, expressed in dollars;

WAC_{INV} = Weighted Average Cost of Back-up Fuel Inventory (expressed in $/MMBtu);

GHR_{SF} = Guaranteed Heat Rate on Back-up Fuel (expressed in MMBtu/MWh);

$NEO2_i$ = the hourly Net Energy Output generated using the Back-up Fuel for hour i of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

i = each hour for the Monthly Billing Period in which Back-up Fuel is being burned in the Facility;

n = the total number of hours in the Monthly Billing Period in which Back-up Fuel was burned at the Facility.

2. **Payment for carrying cost of Back-up Fuel -- CC_{inv}**

The Carrying Cost of inventory for the Back-up Fuel shall be calculated as follows for the Monthly Billing Period:

CC_{INV}= INVOL * I* WAC_{INV}

Where:

a. INVOL= Average Back-up Fuel Inventory for the Monthly Billing Period; INVOL shall never exceed the specified inventory of Back-up Fuel for the Facility. INVOL is calculated pursuant to the following formula;

$$INVOL= (2 * INVOL_{BEGMO} - \Sigma_i^n (GHR_{SF}*NEO2_i) + INVOL_{PURCH})/2$$

$INVOL_{BEGMO}$ = Inventory volume at the beginning of the Monthly Billing Period, expressed in MMBtu

$INVOL_{PURCH}$ = Volume of Back-up Fuel delivered to the Facility during the Monthly Billing Period, expressed in MMBtu

GHR_{SF} = Guaranteed Heat Rate on Back-up Fuel (expressed in MMBtu/MWh);

$NEO2_i$ = the hourly Net Energy Output generated using the Back-up Fuel for hour i of the Monthly Billing Period, expressed in MWh, not to exceed the Capacity level of dispatch in any hour during such Monthly Billing Period;

i = each hour for the Monthly Billing Period in which Back-up Fuel is being burned in the Facility;

n = the total number of hours in the Monthly Billing Period in which Back-up Fuel was burned at the Facility.

b. I = carrying cost rate per month in percent (Source: Prime Interest Rate published in the last business day of the month in the Wall Street Journal)

c. WAC_{inv} = weighted average cost of the Back-up Fuel Inventory for the Monthly Billing Period, expressed in dollars per MMBtu.

Where:

$WAC_{INV} = \{WAC_{BEG}*INVOL_{BEGMO}+INVOL_{PURCH}*C_{PURCH}) / (INVOL_{BEGMO}+ INVOL_{PURCH})$

WAC_{BEG} = Weighted average cost of inventory at the beginning of the Monthly Billing Period, expressed in $/MMBtu

$INVOL_{BEGMO}$ = Inventory volume at the beginning of the Monthly Billing Period, expressed in MMBtu

$INVOL_{PURCH}$ = Inventory volume delivered during the Monthly Billing Period, expressed in MMBtu

C_{PURCH} = Cost of Back-up Fuel delivered during the Monthly Billing Period, expressed in $/MMBtu. (Costs shall include commodity costs, barging and trucking costs, loading and unloading costs, handling costs etc.)

A sample calculation of the Monthly Capacity Payment and the Other Payments in a Monthly Billing Period is attached as Exhibit 1 for illustrative purposes.

Exhibit 1
to Appendix A

SAMPLE PAYMENT CALCULATION

I. Capacity Payment Calculation for a Monthly Billing Period

Assumptions

CC = 100 MW
L1CC = 30 MW
CBF = 98%
L1BF = 94%
Base $/MW-Month = 8,000
Level 1 $/MW-Month = 5,000
B = adjusted price = [(100 * 8,000) + (30 * 5,000)] / 100 = 9,500 $/MW-Month

Calculation

$MCP_{Total} = MCP_{Base} - MCD_{Level\ 1}$
$MCP_{Base} = 100*9,500$
$MCP_{Base} = \$950,000$
$MCD_{Level\ 1} = 30*5,000*[(98-94)/100]$
$MCD_{Level\ 1} = \$6,000$
$MCP_{Total} = 950,000 - 6,000 = \$944,000$

II. Other Payments Calculation for a Monthly Billing Period

A. Heat Rate Adjustment Payment Calculation for four hours in the month.

In two of the hours the Actual Heat Rate was higher than the Guaranteed Heat Rate

Assumptions

NEO1 = 98.00 MWh produced in $hour_1$ and 85.00 MWh in $hour_2$
AHR = 10.000 MMBtu/MWh in $hour_1$ and 9.850 MMBtu/MWh in $hour_2$
GHR = 8.000 MMBtu/MWh
FC = 7.45 $/MMBtu

Calculations

$$HRAP_{Due\ FPL} = \sum_{f=1}^{r} \left[\frac{(AHR_f - GHR)}{GHR} * FC_f \right] * NEO1_f$$

$HRAP_{DueFPL}$ = {(10.000-8.000)/8.000}*7.45*98.00 + ((9.850-8.000)/8.000)*7.45*85.00
= $182.52 +146.43
= $328.95

In two of the hours the Actual Heat Rate was lower than the Guaranteed Heat Rate

Assumptions

NEO1 = 90.00 MWh produced in hour$_3$ and 95.00 MWh in hour$_4$
AHR = 7.000 MMBtu/MWh in hour$_3$ and 7.200 MMBtu/MWh in hour$_4$
GHR = 8.000 MMBtu/MWh
FC = 7.45 $/MMBtu

Calculations

$$HRAP_{Due\ Seller} = \sum_{f=1}^{r} [\frac{(GHR - AHR_f)}{GHR} * FC_f] * NEO1_f$$

$HRAP_{DueSeller}$ = {(8.000-7.000)/8.000}*7.45*90.00 + ((8.000-7.200)/8.000)*7.45*95.0
= $83.81 +70.77
= $154.58

$HRAP_{net}$ = $HRAP_{Due\ FPL}$- $HRAP_{Due\ Seller}$
= $328.95- $154.58
= $174.37

B. Variable O&M Payment for a Monthly Billing Period:

Assumptions

NEO1 = 74,100 MWh
NEO2 = 25,767 MWh
VOM = 3.00 $/MWh
SP $ = $30,000 (Assumes 3 start-ups at $10,000 each)

Calculations

VOMP = [$\Sigma^{n}_{k=1}$ ($NEO1_k$+ $NEO2_k$)* VOM] + SP
VOMP = (74,100 + 25,767)*3.00 + 30,000
= $329,601

C. Start Up Adjustment Payment for a Start Up during Monthly Billing Period

Assumptions (Assumes 3 start-ups)

$AFSU_1$ = 10,000 MMBtu
$AFSU_2$ = 9,800 MMBtu
$AFSU_3$ = 9,600 MMBtu
$GFSU_t$ = 8,000 MMBtu

FC_n = 7.45 $/MMBtu

Calculations

$SUFCA = (AFSU_t - GFSU_t)*FC_n$
$SUFCA_n = ((10{,}000 - 8.000)+(9{,}800 - 8{,}000) + (9{,}600 - 8{,}000)) * 7.45$
= $40,230

D. Back-up Fuel Payment for a Monthly Billing Period:

Assumptions

$NEO2_i$ = 25,767 MWh

GHR_{SF} = 8.15 MMBtu/MWh

I = 5.05% per annum = 0.4208% per month

WAC_{BEG} = $18.05/MMBtu

$INVOL_{BEGMO}$ = 10,000,000 gallons @ 0.140 MMBtu/Gallon = 1,400,000 MMBtu

$INVOL_{PURCH}$ = 1,250,000 gallons @ 0.140 MMBtu/Gallon = 175,000 MMBtu

C_{PURCH} = $ 2.76 /gallon ÷ 0.140 MMBtu/Gallon = $19.714/MMBtu

Calculations

$INVOL = (2 * INVOL_{BEGMO} - \Sigma i\ (GHR_{SF}*NEO2_i) + INVOL_{PURCH})/2$

= (2 * 1,400,000 MMBtu – (8.15 MMBtu/MWh * 25,767.MWh) + 175,000 MMBtu)/2

= (2,800,000 – 210,000 + 175,000)/2 = (2,765,000)/2

= 1,382,500 MMBtu

$WAC_{INV} = (WAC_{BEG}*INVOL_{BEGMO}+INVOL_{PURCH}*C_{PURCH})/($
$INVOL_{BEGMO} + INVOL_{PURCH})$

= ($18.05/MMBtu *1,400,000 MMBtu + $19.714/MMBtu *175,000 MMBtu)/(1,400,000 MMBtu + 175,000 MMBtu)

= $18.235/ MMBtu

Payment for Back-up Fuel Burned:

$$SFP = WAC_{INV} * \Sigma_i (GHR_{SF} * NEO2_i)$$
$$= \$18.235/MMBtu * (8.15\ MMBtu/MWh * 25{,}767.\ MWh)$$
$$= \$3{,}829{,}333{,}31$$

Payment for Carrying Cost:

$$CC_{INV} = INVOL * I * WAC_{INV}$$
$$= 1{,}382{,}500\ MMBtu * 0.4208\% * \$18.235/MMBtu$$
$$= \$106{,}082.74$$

$$OP_{total} = (HRAP_{net} + VOMP + SUFCA + SFP)$$
$$= (\$174.37 + \$329.61 + \$40{,}230 + (3{,}829{,}333.31 + 106{,}082.74)$$
$$= \$3{,}976{,}150$$

APPENDIX B

DEFERRED GOVERNMENTAL APPROVALS

[Seller to provide]

APPENDIX C

[FORM OF] GUARANTY

This Guaranty (the "Guaranty") is given as of this ___ day of _____, 20__, by *[Seller's Guarantor,]* a _____ *[type of entity]* ("Guarantor") to Florida Power & Light Company, a Florida corporation ("FPL").

WHEREAS, Guarantor *[owns, directly or indirectly, [all] of the outstanding [shares of capital stock]]* of *[Seller]* ("Seller");

WHEREAS, Seller *[wishes to enter][has entered]* into *[a Contract]* with FPL, *[dated as of _____, 20__,]* for the purchase and sale of electrical energy and capacity from Seller's *[Facility]* located at *[_____]* (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Contract");

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Contract;

WHEREAS, *[FPL is willing to enter into the Contract on the condition that Guarantor enters into this Guaranty] [pursuant to the terms of the Contract, Seller is required, under the circumstances set forth therein, to provide Completion Security or Performance Security to FPL, which security may include a guaranty from Seller's Guarantor, substantially in the form of this Guaranty]*;

WHEREAS, Guarantor will benefit from the transactions contemplated by the Contract;

NOW, THEREFORE, in consideration of the foregoing, *[and as an inducement to FPL to enter into the Contract,]* Guarantor hereby agrees as follows:

1. **Guaranty**: Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to FPL, as primary obligor and not merely as a surety, the due and punctual payment and performance by Seller of all obligations to be paid or performed by Seller under the Contract, all as and when required to be paid or performed under the Contract, in all respects strictly in accordance with the terms, conditions and limitations contained in the Contract (the "Obligations"). This Guaranty is a continuing guarantee of the full and punctual payment and performance of the Obligations and is in no way conditioned upon any requirement that FPL first attempt to enforce any of the Obligations against Seller, any other guarantor of the Obligations, or any other person or entity, or resort to any other means of obtaining payment or performance of any of the Obligations. This Guaranty is a guarantee of performance and payment and not of collection.

2. **Guaranty Absolute**: This Guaranty shall continue in full force and effect until Seller or Guarantor shall have performed or discharged all of the Obligations in

full. Further, this Guaranty shall remain in full force and effect without regard to, and shall not be affected or impaired by, any of the following:

(a) any invalidity, irregularity or unenforceability in whole or in part of this Guaranty or the Contract;

(b) the existence of any claim, setoff, defense or other right which Guarantor or Seller may have against FPL or any other person or entity;

(c) any release or discharge (whether by operation of law or otherwise) of Seller, Guarantor, or any other person or entity from its obligations under the Contract;

(d) the occurrence or continuance of any event of bankruptcy, reorganization or insolvency with respect to Seller, Guarantor, or any other person or entity, or the dissolution, liquidation or winding up of Seller, Guarantor, or any other person or entity;

(e) any amendment, supplement, reformation or other modification of the Contract;

(f) the exercise, non exercise or delay in exercising, by FPL or any other person or entity of any of its rights or remedies under this Guaranty or the Contract;

(g) any assignment or other transfer of this Guaranty by FPL, or any assignment or other transfer of the Contract in whole or in part;

(h) any sale, transfer or other disposition by Guarantor of any direct or indirect interest it may have in Seller;

(i) the absence of any notice to, or knowledge by, Guarantor of the existence or occurrence of any of the matters or events set forth in the foregoing clauses; or

(j) any other event, occurrence or circumstance that might otherwise constitute or give rise to a defense to performance by a surety or a guarantor.

3. **Waivers by Guarantor**: In addition to waiving any defenses to which clauses (a) through (j) of Section 2 may refer, Guarantor hereby unconditionally and irrevocably waives, as a condition precedent to the performance of its obligations hereunder, (a) notice of acceptance hereof, (b) notice of any action taken or omitted to be taken by FPL in reliance hereon, (c) any requirement that FPL be diligent or prompt in making demands hereunder or giving notice to Guarantor of any default by Seller, (d) any requirement that FPL exhaust any right, power or remedy or proceed against Seller under the Contract or any other agreement or instrument referred to therein, or against any other person or entity under any

other guarantee of any of the Obligations, and (e) any claim or defense that FPL shall have impaired any right of Guarantor against Seller, any other guarantor of any of the Obligations, or any other person or entity, by way of reimbursement, subrogation or otherwise. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of Guarantor hereunder:

(i) at any time or from time to time, without notice to Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of the Contract or any other agreement or instrument referred to therein shall be done or omitted; or

(iii) any of the Obligations shall be modified, supplemented or amended in any respect in accordance with the terms of the Contract with or without notice to Guarantor.

4. **Limit**: The liability of Guarantor hereunder shall not exceed at any time the sum of (a) the amount payable by Guarantor pursuant to Section 11, *plus* (b) an amount equal to (i) on or prior to the Capacity Delivery Date, the difference equal to (A) the Completion Security Amount, minus (B) the amount of Liquid Security provided by Seller to FPL at such time, or (ii) after the Capacity Delivery Date, the difference equal to (A) the Performance Security Amount, minus the amount of Liquid Security provided by Seller to FPL at such time.

5. **Bankruptcy; Reinstatement; Subrogation**:

(a) Guarantor shall not commence or join with any other person or entity in commencing any bankruptcy, reorganization or insolvency proceedings of or against Seller. Guarantor understands and acknowledges that by virtue of this Guaranty, Guarantor specifically has assumed any and all risks of a bankruptcy or reorganization case or similar proceeding with respect to Seller. As an example and not in any way a limitation, a subsequent modification of the Obligations or any rejection or disaffirmance thereof by any trustee, receiver or liquidating agency of Seller or of any of its respective properties, or any settlement or compromise of any claim made in any such case, in any reorganization case concerning Seller, shall not affect the obligations of Guarantor to pay and perform the Obligations in accordance with their original terms.

(b) The obligations of Guarantor under this Guaranty automatically shall be reinstated if and to the extent that for any reason any payment by or on behalf of Seller in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

(c) Subrogation. Guarantor hereby agrees that until the performance and satisfaction in full of all Obligations and the expiration and termination of all Obligations, it shall not exercise any right or remedy arising by reason of the performance of any of its obligations under this Guaranty, whether by reimbursement, subrogation or otherwise, against Seller, or any other guarantor of any of the Obligations, or any security for any of the Obligations.

6. **Representations and Warranties**: Guarantor represents and warrants as follows:

(a) Due Organization. Guarantor is a *[corporation]* duly organized and validly existing under the laws of the state of its formation.

(b) Power and Authority. Guarantor has full *[corporate]* power, authority and legal right to enter into this Guaranty and to perform its obligations hereunder.

(c) Due Authorization. This Guaranty has been duly authorized, executed and delivered by Guarantor.

(d) Enforceability. This Guaranty constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity).

(e) No Conflicts. The execution and delivery by Guarantor of this Guaranty and the performance by Guarantor of its obligations hereunder will not (i) violate the provisions of Guarantor's *[certificate of incorporation or bylaws]*; (ii) violate the provisions of any Applicable Law; or (iii) result in a breach of or constitute a default under any agreement to which Guarantor is a party or by which it or its assets or property are bound.

(f) No Proceedings. There is no action, suit or proceeding at law or in equity or by or before any Governmental Authority now pending or, to the best knowledge of Guarantor, threatened against Guarantor which reasonably could be expected to have a material adverse effect on Guarantor's ability to perform its obligations under this Guaranty.

(g) Financial Condition. The balance sheet of Guarantor as of _____, 20__, and the related statement of income for the 12 month period ending on such date, heretofore furnished by Guarantor to FPL, present fairly the financial condition and results of operations of Guarantor as of such date and for such period in conformity with generally accepted accounting

principles and practices applied on a consistent basis. Guarantor on such date did not have any material contingent liabilities, liabilities for Taxes, unusual forward or long term commitments, swap obligations or guarantee obligations, or unrealized or anticipated losses from any unfavorable commitments that are not reflected or provided for in said financial statements as of such date. Since such date, there has been no material adverse change in the financial condition, operations or properties of Guarantor. Guarantor was solvent immediately after the execution and delivery of this Guaranty and since that time no winding up order has been made or any resolution passed for the winding up of Guarantor and no administration order has been made and no receiver, administrative receiver, administrator or liquidator has been appointed in respect of Guarantor. Guarantor is Seller's Guarantor and the amount set forth in Section 4 does not exceed Guarantor's Credit Limit.

7. **Affirmative Covenants**:

(a) Existence. Guarantor shall preserve and maintain its *[corporate]* existence.

(b) Rights, Franchises. Guarantor shall preserve and maintain all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business, except where the failure to maintain any such right, privilege, or franchise could not reasonably be expected to have a material adverse effect on the ability of Guarantor to perform its obligations hereunder.

(c) Compliance with Law. Guarantor shall comply with the requirements of Applicable Law, except where the failure to comply could not reasonably be expected to have a material adverse effect on the ability of Guarantor to perform its obligations hereunder.

(d) Interest in Seller. Guarantor shall cause to be maintained and preserved the *[corporate]* existence of Seller, and Guarantor shall maintain, directly or indirectly, legal and beneficial ownership (free and clear of any lien or encumbrance of any kind) of at least fifty percent (50%) of the ownership interests in Seller.

(e) Financial Status. Guarantor at all times shall have an Investment Grade Credit Rating .

8. **Independent and Separate Obligations**: The obligations of Guarantor hereunder are independent of the obligations of Seller with respect to all or any part of the Obligations and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not any other such obligations exist, whether or not Guarantor is the alter ego of Seller, and whether or not Seller is joined therein or a separate action or actions are brought against Seller.

9. **Payment**: All payments hereunder shall be made in the currency and type of funds specified for payments in the Contract. Any and all payments made hereunder shall be made free and clear of and without deduction for any and all present or future Taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, or any set off or counterclaim.

10. **Full Recourse**: The obligations of Guarantor set forth herein constitute the full recourse obligations of Guarantor, enforceable against Guarantor to the full extent of all the assets and properties of Guarantor.

11. **Indemnification** Guarantor shall indemnify and hold harmless on an After-Tax Basis FPL from and against any and all loss, liability and expense (including reasonable fees and disbursements of counsel to FPL) which may be sustained or incurred by or on behalf of FPL in enforcing any obligations of Guarantor hereunder.

12. **Amendments; Waivers; Etc.**: Neither this instrument nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by FPL and Guarantor. No delay or failure by FPL to exercise any remedy against Seller or Guarantor will be construed as a waiver of that right or remedy. No failure on the part of FPL to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder against Guarantor preclude any exercise of such right against or any other or further exercise thereof against Guarantor or the exercise of any other right against Guarantor. The remedies herein provided are cumulative and not exclusive of any remedies provided at law or in equity.

13. **Severability** In the event that the provisions of this Guaranty should be claimed or held to be inconsistent with any other instrument evidencing or securing the Obligations, the terms of this Guaranty shall remain fully valid and effective. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective.

14. **Assignment**:

    (a) Assignability. Guarantor shall not assign any of its rights or obligations under this Guaranty. FPL may, at any time and from time to time, assign, in whole or in part, the rights of FPL hereunder to any person or entity to whom FPL may assign all or any of its rights or obligations under the Contract, whereupon such assignee shall succeed to the rights of FPL hereunder to the extent so assigned.

    (b) Successors and Assigns. Subject to Section 14(a) hereof, this instrument shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of FPL and its successors and assigns.

15. **Address for Notices**: All notices and other communications provided for hereunder shall be given in accordance with the notice requirements of the Contract, and if to Guarantor, at the address specified below the space for its execution of this Guaranty.

16. **JURISDICTION**:

(a) **SERVICE OF PROCESS**. GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF ANY PROCESS, PLEADING, NOTICE OR OTHER PAPERS BY THE MAILING OF COPIES THEREOF BY REGISTERED, CERTIFIED OR FIRST CLASS MAIL, POSTAGE PREPAID, TO GUARANTOR AT ITS ADDRESS SPECIFIED BELOW THE SPACE FOR ITS EXECUTION OF THIS GUARANTY OR BY ANY OTHER METHOD PROVIDED OR PERMITTED UNDER NEW YORK LAW.

(b) **NON-EXCLUSIVE JURISDICTION**. GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY: (i) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF THIS GUARANTY SHALL BE CONDUCTED IN THE COURTS OF THE STATE OF NEW YORK OR IN FEDERAL COURTS SITUATED IN NEW YORK AND THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS; PROVIDED, THAT IF A NEW YORK COURT OR FEDERAL COURT SITUATED IN NEW YORK SHALL HAVE DETERMINED THAT IT CANNOT ACCEPT JURISDICTION OVER ANY ACTION BECAUSE OF THE FAILURE TO JOIN AN INDISPENSABLE PARTY, THEN FPL MAY BRING AN ACTION IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION; (ii) CONSENTS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION, OR PROCEEDING; AND (iii) WAIVES ANY OBJECTION WHICH GUARANTOR MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION, OR PROCEEDING IN ANY SUCH COURT. GUARANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. GUARANTOR AT FPL'S OPTION MAY BE JOINED IN ANY PROCEEDING AGAINST SELLER.

17. **GOVERNING LAW**: THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CHOICE OF LAW (OTHER THAN SECTION 5 1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

18. **WAIVER OF JURY TRIAL**: GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR THE CONTRACT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN), OR ACTION OF GUARANTOR, SELLER, OR FPL.

19. **Entire Agreement**: This Guaranty contains the complete agreement of Guarantor with respect to the matters contained herein and supersedes all other negotiations or agreements, whether written or oral, with respect to the subject matter hereof.

20. **Section Headings**. Section headings contained herein are for convenience of reference only and shall not be considered in the interpretation or enforcement of the provisions hereof.

IN WITNESS WHEREOF, Guarantor has duly executed and delivered this Guaranty effective as of _____, 20__.

[SELLER'S GUARANTOR]

By: _____

Name: _____

Title: _____

Address:

_____

_____

Attn: _____

Telephone: _____

Facsimile: _____

APPENDIX D

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

MONTH OF: _____

[FPL to provide form appropriate to Proposer's project.]

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

YEAR OF: _____

DATE	OUTAGE TYPE (1)	HOURS	(MW) AFFECTED	DESCRIPTION

(1) FO – FORCED OUTAGE
MO – MAINTENANCE OUTAGE
PD – PLANNED DERATING
MD – MAINTENANCE DERATING
FD – FORCED DERATING
PO – PLANNED OUTAGE

APPENDIX E

START-UP COSTS

Type of Start –up	Cost (Dollars) per Successful Start-up	Guaranteed Maximum Fuel Consumption (MMBtu)
Hot (0-4 hours offline)		
Warm/Hot (4-12 hours offline)		
Warm/Cold (12-48 hours offline)		
Cold (greater than 48 hours offline)		

[Insert Dollars and MMBtu's from Proposer's submission]

APPENDIX F

FACILITY OPERATING CAPABILITIES

[To include, among other things, types of information in Proposer's submission.]

APPENDIX G

PLANNED OUTAGE HOURS

[Define Planned Outage Hours and attach schedule from Proposer's submission.]

APPENDIX H

RECEIPT POINT

[Insert description of initial Receipt Point from Proposer's submission.]

APPENDIX I

CAPACITY AND HEAT RATE DEMONSTRATION TESTING GUIDELINES

1.0 Introduction

This document provides guidelines for conducting testing on a power plant unit and its components. Capacity demonstrations and/or performance tests may be conducted as the Initial Tests and as periodic Tests. The objective of the Initial Test and of each other Capacity Test described in Section 9.0 of the Contract is to establish the Facility's Continuous Capability, Heat Rate and incremental Capacity associated with each applicable mode of operation above the Base Operation Mode.

2.0 Test Protocol Development

Seller will develop, and submit to FPL for review and approval, a test protocol (the "Test Protocol") that will be used to perform the Initial Tests and periodic Tests required by the PPA. The following describes the essential components of the Test Protocol and identifies specific areas of focus.

2.1 Instrumentation

An instrument list will be developed identifying the instruments to be used for test data. The instrument list will include identification of type, accuracy, location, and calibration requirements for all instruments utilized in the test(s). If temporary instrumentation is to be used, the specified accuracy and connection points for such instrumentation will be described. Continuous Capability and Fuel Flow will be metered by the billing meters.

2.2 Test Uncertainty

Provisions will be included for a pre-test and post-test uncertainty analysis. This analysis is to be used as a measure of the quality of the test only, and should conform to the guidance in ASME 19.1.

2.3 Test Tolerance

No test tolerance is to be applied in calculation procedures or in comparison of test results to Committed Capacity or to Minimum Capacity. Continuous Capability will be the corrected as-tested Capacity (see part 2.8) less calculated post-test uncertainty, as determined under part 2.2.

2.4 Fuel Heat Content

Fuel heat content will be measured using Fuel samples drawn during each Test procedure. If the Facility has an on-line gas chromatograph, these samples may be compared with the measured values in order to establish accuracy of the gas

chromatograph. Future tests may rely solely on the gas chromatograph provided it has an acceptable accuracy of < 0.1% and assuming calibration status and associated documentation are provided to the satisfaction of FPL.

2.5 Test Conditions

The Test Protocol will detail the plant operational condition(s) under which the test will be conducted. The description will include a mechanical valve lineup, an electrical distribution lineup, definition of steady-state conditions and the status of various power augmentation equipment/systems (including inlet air treatment devices) during the test(s). These conditions will be in general agreement with the guidance of ASME PTC-46.

The plant shall be in reliable operation prior to conducting any test.

Each incremental Capacity level (e.g., Base Operation Mode, Level 1 Mode of Operation *[Add Other Operating Modes, if any]*) will be specifically defined and described such as to represent a separate demonstration test lineup in accordance with Section 9.0 of the Contract.

The Test Protocol will provide for initial and periodic Capacity demonstrations of the Facility to be conducted in part while on the Back-up Fuel. As part of this demonstration, the unit will successfully transition from the primary to the Back-up Fuel without disconnecting from the grid. In a separate test, Seller will demonstrate the ability of the Facility to start up using only the Back-up Fuel.

Facility operation during the Capacity Tests must conform to all Applicable Laws, including all Environmental Licenses. Compliance with emissions requirements will be demonstrated through the Facility's CEMS system. The CEMS system must be certified at the time of the Initial Test and each other Capacity Test.

The test periods will be defined as three one-half hour test periods for each operating mode, all run in a single continuous four hour period The corrected results for each period must satisfy the repeatability requirements of ASME PTC-46. If possible, test periods should be held at times when ambient conditions are close to reference ambient conditions to minimize corrections.

2.6 Data Collection

The Test Protocol will detail all data collection requirements. The description will include minimum data intervals and DCS or equipment control system settings (dead-bands, compression, averaging, etc.) to be used during the test period.

2.7 Correction Curves

The Test Protocol will provide plant correction curves only for ambient dry-bulb temperature, ambient atmospheric pressure, ambient relative humidity and Fuel

constituents to correct test conditions to Reference Conditions. Seller will be required to demonstrate the methods and models used to develop the plant correction curves including the individual equipment data and correction curves utilized to develop the Facility-level corrections. Seller shall provide sample calculations that demonstrate how the correction curves are applied.

2.8 Results

The Test Protocol will define the calculation of and corrections to the test results in keeping with the requirements of the PPA. The corrected as-tested Capacity and Heat Rates of the Facility will be the average of the three qualified test periods, and the Continuous Capability of the Facility will be the corrected as-tested Capacity less the post-test uncertainty (as determined under part 2.2).

2.9 Reporting

The Test Protocol will describe the content and time requirements to provide preliminary and final reports for the Initial Test and periodic Capacity Tests. "Raw" written and electronic data shall be provided to FPL within two working days following each test. Calibration records pertaining to that test instrumentation shall also be provided.

3.0 References

The following are identified as the reference documents to be used in the general development of the Test Protocol. Where these references are non-committal, or there is a potential for conflicting interpretation, the Test Protocol will specify the mutually agreed interpretation to be used.

- ASME PTC 1-1991, General Instructions
- ASME PTC 19.1, Instrument Uncertainty
- ASME PTC 46-1996, Performance Test Code on Overall Plant Performance
- ASME PTC 6, Steam Turbine Generator
- ASTM D1945-1996, Standard Test Method for Analysis of Natural Gas by Gas Chromatography
- ASTM D3588-1998, Standard Practice for Calculating Heat Value, Compressibility Factor, and Relative Density of Gaseous Fuels
- AGA Report No. 8 - 1994, Compressibility and Super compressibility for Natural Gas and Other Hydrocarbon Gases

- ASME MFC 3M-1989 (ISO 5167), Measurement of Fluid Flow in Pipes Using Orifice, Nozzle, and Venturi
- ASME Steam Tables, 1967
- ASHRAE Psychometric Charts

APPENDIX J

TELEMETERING SPECIFICATIONS

Each installation shall be evaluated separately for SCADA requirements because of the many possible agreements and interconnection configurations. Generally, equipment will be specified capable of supporting the following data points:

Megawatt-hours received

Megawatt-hours delivered

KQ-hours received

KQ-hours delivered

Voltage

Current

+/- Megawatts, instantaneous value and limits

+/- Megavars, instantaneous value and limits

Control indication and current Maximum Sustained Rating (MSR)

Fuel Volumes

Fuel Quality if Installed

Breaker and Switch positions

Equipment Trouble Alarms

Generator Voltage Regulator Status, and

other Generator Parameters.

Quantities shall be provided to various Parties through various information or communication systems. Specific designs will be developed to meet those requirements. Multi-ported remote terminal units (RTUs) accessible by all appropriate Parties shall be used, provided the appropriate security levels are implemented. Equipment control of breakers, switches and other devices via SCADA shall be provided to only one responsible Party.

Power for SCADA or metering communication equipment shall be provided by the station battery. Office power systems and switching networks are not acceptable.

APPENDIX K

DESCRIPTION OF FACILITY SITE

[Proposer to provide site description survey map with site boundaries, facility layout diagram, and USGS 1:24.000 scale quad map with site boundary]

APPENDIX L

REFERENCE CONDITIONS

[Insert information from Proposer's submission.

APPENDIX M

MILESTONES

A. Major Milestones

MAJOR MILESTONE	MILESTONE DATE	LIQUIDATED DAMAGES AMOUNT FOR FAILURE TO MEET MAJOR MILESTONE
1. Commencement Date of PPA	The date on which both parties shall have executed and delivered this Contract	*[Insert product of $110.00 per kW multiplied by Committed Capacity]*
2. Seller (a) shall place firm, irrevocable orders for all Major Equipment with delivery schedule commitments no later than the dates specified.[Insert information from Proposer's submission.]; and (b) shall (i) obtain legal title to, or a valid and binding leasehold interest in, the Facility Site, and (ii) shall enter into the Mortgage and Security Agreement	28 months prior to unit in-service date e.g. February 2007 for a unit with an in-service date of June, 2009	*[Insert product of $166.00 per kW multiplied by Committed Capacity]*
3. Seller (a) shall achieve the closing on the full amount of construction loan from the Lenders for the Facility and shall make the first draw on such loan, and the Lenders shall enter into the Intercreditor Agreement; and (b) shall issue full notice to proceed to the Facility construction contractor and such contractor shall commence mobilization at the Facility Site and initiation of construction	20 months prior to unit in service date e.g. October 2007 for a unit with an in-service date of June, 2009	*[Insert product of $211.00 per kW multiplied by Committed Capacity]*
4. Seller shall achieve the Capacity Delivery Date	The Scheduled Capacity Delivery Date	*[Insert product of $289.00 per kW multiplied by Committed Capacity]*
5. Seller shall achieve the Capacity Delivery Date as extended pursuant to Section 3.2.3	The Final Capacity Delivery Date (or earlier failure to comply with Section 3.2.3)	*[Insert product of $289.00 per kW multiplied by Committed Capacity]*

B. Additional Milestones

MILESTONE	MILESTONE DATE[1]
1. Seller shall obtain all Governmental Approvals required to be obtained from local, state, and Federal authorities (including the FERC) under Applicable Law to construct, own and operate the Facility and to perform its obligations under the Contract, in final and non-appealable form	
2. Seller shall have entered into the Firm TSA and assigned the Firm TSA to FPL if required under Section 10.3	
3. The major equipment shall be delivered to the site.	
4. Construction of the CTG,STG and HRSG Foundation(s) complete.	
5. The Fuel interconnection shall be tested and the Primary Fuel shall be available to the Facility under the Fuel Contracts	
6. The Initial Synchronization Date of the Facility STG shall be achieved	
7. All air emissions/RATA tests shall be completed successfully	
8. Performance tests of the Facility shall demonstrate that the Facility meets all minimum performance guarantees under the Facility construction contract	
9. Seller shall complete the Initial Test	

[1] *[Milestone Dates for Milestones other than Major Milestones to be established based on agreed CPM Schedule.]*

APPENDIX N

FORM OF MORTGAGE AND SECURITY AGREEMENT

[Attach form of Mortgage and Security Agreement [to be provided]]

APPENDIX O

FORM OF ASSIGNMENT OF FIRM TSA

[Attach form of Assignment of Firm TSA [to be provided]]

APPENDIX P

CPM SCHEDULE

[Attach agreed CPM Schedule.]

APPENDIX Q

GUARANTEED CAPACITY AND HEAT RATE CURVES

[Guaranteed Heat Rate Curves to be provided from Proposer's Submission]

APPENDIX C

Forms for Proposers

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Forms for Proposers

A. Overview of the Required Ten (10) Forms

There are ten (10) forms that all Proposers must complete and return to FPL's RFP Contact Person by 4:00 p.m. EDT on the Proposal Due Date. These completed forms and requested attachments to these forms will, collectively, represent a proposal. If a Proposer is submitting more than one proposal, a separate set of forms must be completed for each proposal. These ten forms are described in the remainder of this Appendix.

The Proposer must submit five (5) bound hard copies of each proposal that contains the forms and requested information, and an electronic copy of the completed forms on a CD, along with the RFP Evaluation Fee and, if applicable, the Variation Fee.

As discussed in Section II.C.2 of the RFP document, FPL will treat as confidential all information contained in proposals which is clearly identified as Proprietary and Confidential except for the information to be submitted on Form # 1, Public Information Regarding Proposal. To clearly identify confidential information, the Proposer must (1) stamp each such page with "Confidential Information" and (2) highlight/shade the confidential information on the pages stamped "Confidential Information". (A blanket statement that an entire page or proposal is proprietary and confidential will not be considered clear identification.)

Please refer to Section II.C.2 for a full discussion of Proposal Confidentiality.

B. Form # 1: Public Information Regarding Proposal

In order to provide general information to the public about the proposals received in response to this RFP, FPL requires that all proposal submittals include a completed Public Information Regarding Proposal form that includes a list of projects undertaken (constructed and/or operated) by the Proposer that are similar to the project now being proposed. The information contained in this form will be treated as non-confidential and non-proprietary and may be released to the public at the sole discretion of FPL.

C. Form # 2: Executive Summary of the Proposal

A one (1) page summary of the proposed project and the Proposer is sought on this form. This executive summary should highlight any major value-added features of the proposal.

D. Form # 3: Financial Information

To mitigate risk, FPL will examine the Proposer's and, if applicable, the parent/affiliate guarantor's credit/corporate profile and financial guarantees. The credit/corporate profile information includes the corporate bond rating, the commercial paper rating, and the Dunn & Bradstreet Credit Appraisal Rating.

If a Proposer will be relying on any parent/affiliate guarantees, the Proposer shall also include a description of the corporate relationship between the Proposer and the guarantor and provide a description regarding the proposed guarantor's willingness to guarantee the Proposer's obligations and the terms of the guarantee.

In addition, the proposal shall include audited financial statements for the last two years for the Proposer and, if the Proposer is relying on any parent/affiliate guarantees, for the guarantor.

E. Form # 4: Operations & Engineering Information

Form # 4 requests a variety of information that will be used in the economic evaluation and/or non-economic evaluation of proposals. The requested information is to be filled in on the following 9 information categories of this form:

1. Power Generation Proposal Type
2. Technology/Configuration
3. Operational Considerations
4. Fuel Information & Barometric Pressure
5. Guaranteed Firm Capacity
6. Guaranteed Heat Rates
7. Emission Rate Information
8. Natural Gas Pipeline Connection(s)
9. Generating Units' Operating & Maintenance Experience/Performance

In addition, a marked up version of a U.S. Geological Survey Map is also requested as explained on the Natural Gas Pipeline Connection(s) section of this form.

F. Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Pricing for firm capacity and energy proposals that offer power purchases or system sales must be presented on Pricing Information Form # 5.

Note that FPL requires actual prices to be filled in for each year of the proposed term-of-service. Proposals indicating a first-year price followed only by note stating that a formula is to be used for escalating that price from year-to-year are not acceptable and constitute grounds for declaring a proposal ineligible. Please refer to Section F.5 (below) for an explanation of acceptable pricing approaches a Proposer may utilize in developing the annual price values to be presented on Form # 5.

1) Guaranteed Capacity Payments

The Proposer must provide Guaranteed Capacity Payment values for the term of the proposed contract. Guaranteed Capacity Payment values in terms of $/kw-month must be supplied for each operational mode (base operation, Incremental Level 1, Incremental Level 2, etc.) as specified on Form # 4. Proposals must include all costs of delivering capacity and energy to the FPL System including delivery over intervening transmission systems and the cost of gas pipeline laterals, if applicable, connecting the generator to the appropriate natural gas pipeline. Utilize the Guaranteed Firm Capacity rating for Summer (temperature of 95 degrees, the relative humidity specified, and the appropriate barometric pressure value from the chart supplied on Form # 4) in developing the denominator for the $/kw–month values.

2) Guaranteed Energy Pricing & Payments

a) Fuel Prices

The Proposer may submit a Guaranteed Fuel Commodity Price ($/mmBTU) for the proposed term of the contract. If the Proposer does not wish to provide Guaranteed Fuel Commodity Prices, FPL will use its own fuel commodity cost projections from one of the two existing pipelines (FGT or Gulfstream) for the purposes of proposal evaluation.

The Proposer may submit a Guaranteed Fuel Transportation Price ($/mmBTU) for the proposed term of the contract. If the Proposer does not wish to provide Guaranteed Fuel Transportation Prices, the Proposer must either designate "FGT" or "Gulfstream" as the gas supplier, in which case FPL will use its own fuel transportation cost projections for the purposes of proposal evaluation.

b) Variable O&M Payments

In addition, the Guaranteed Variable O&M Prices (in $/MWH) of the proposal for each year of the proposed term-of-service for the base operational mode and for any other operational mode must be provided.

In calculating these values, assume an annual capacity factor of 85% for a system sale or a baseload generating proposal and 15% for peaking capacity proposals. Calculations should assume the Guaranteed Firm Capacity rating for Summer (95 degrees).

3) Guaranteed Startup Payments

The Proposer's Guaranteed Startup Prices, excluding fuel costs, plus the amount of fuel needed per startup (mmBTU per startup) must be provided. Successful starts are limited to one per dispatch cycle.

4) Costs and Information Included in the Payments

Proposals that are based partially or totally on generators that need to be constructed and connected to the transmission system must include transmission interconnection costs in their Guaranteed Capacity Pricing in Section 1 of Form # 5.

These proposals, plus proposals that are based on existing generating units, must also include the cost of third party transmission service for delivery to the FPL Receipt Point (including the impact of third party transmission service losses, if appropriate, in their Guaranteed Capacity Pricing in Section 1 of Form # 5.

In Section 4 of Form # 5, each Proposer must also separately provide the specific costs of transmission interconnection that are the basis for these transmission-related costs that are included in the Guaranteed Capacity Pricing values. The

Proposer must also provide information related to third party transmission service (if applicable). The Proposer must also separately provide the specific costs of the gas pipeline lateral, if applicable, that connects the generator to the appropriate natural gas pipeline.

The information that follows pertains to these transmission interconnection costs, third party transmission service information, and the costs of the gas pipeline lateral.

a) Transmission Interconnection Costs:

- All proposals that are based partially or totally on generators that need to be constructed and connected to the transmission system must demonstrate that they have a valid completed application for Generator Interconnection Service (GIS) in the FPL GIS Queue, or with the applicable third party to the extent the new generator is connected to a third party's transmission system.

- The process for requesting GIS and having a completed GIS application on the FPL system is delineated on FPL's Open Access Transmission Tariff.

- To the extent the generator(s) is connecting to the FPL system, and a transmission interconnection study that has been performed and completed by FPL Transmission providing cost estimates is available, the Proposer shall provide an interconnection cost estimate based on the transmission interconnection study, along with a copy of this study. This cost estimate shall include all materials, labor, land, permitting, and overhead adders associated with upgrades of existing facilities and construction of incremental facilities required as a result of the connection, plus thermal, short circuit, and stability impacts on the transmission system. Note that if a new transmission switchyard must be constructed to connect the proposed generator(s), the cost of the transmission switchyard, including land, all necessary permits, filling and grading must be included in the cost estimate.

To the extent a completed transmission interconnection study is not available, and the generator(s) for which the capacity is being offered is to be connected to the FPL system, the Proposer must provide a cost estimate for the interconnection along with the basis for this estimate. Such cost estimate shall

include all materials, labor, land, permitting, and overhead adders associated with upgrades of existing facilities and construction of incremental facilities required as a result of the connection, and short circuit and stability impacts on the transmission system. Note that if a new transmission switchyard must be constructed to connect the proposed generator(s), the cost of the transmission switchyard, including land, all necessary permits, filling and grading, must be included in this cost estimate.

FPL reserves the right to review such cost estimates for reasonableness. To the extent that FPL determines that this cost estimate is materially incorrect or incomplete, FPL reserves the right to adjust this cost estimate as it deems necessary during the evaluation process in order to reflect an acceptable interconnection arrangement. (The actual cost of connecting the generator to the FPL system would be based on the specific GIS Queue process and the attendant studies. These actual costs will need to be addressed if the Proposer is ultimately selected.)

- To the extent the generator(s) for which the capacity is being offered is not directly connected to the FPL system, the Proposer shall provide the best available cost estimate and the assumptions or studies upon which this cost estimate was based. Such cost estimate shall include all materials, labor, land, permitting, and overhead adders associated with upgrades of existing facilities and construction of incremental facilities required as a result of the connection, plus thermal, short circuit, and stability impacts on the transmission system.

b) **Third Party Transmission Service Information:**

To the extent the generator(s) is connected to the transmission system of a third party, the Proposer shall state whether third party transmission rights have been requested and/or already procured for a portion of or all of the generation capacity being offered. To the extent a request for such long-term firm transmission right have been requested, but not yet procured, provide all available studies associated with the request.

c) **Transmission Losses:**

Provide the projected transmission losses (MW) associated with the third party transmission service.

d) **Gas Pipeline Lateral Costs:**

Provide the total cost of the lateral pipeline that connects the generator to the appropriate natural gas pipeline. (This cost is included in the Guaranteed Capacity Payment values provided on this form.)

5) **Guidance for Developing Annual Cost Data for Form # 5**

a) **Background**

FPL's 2007 RFP requires potential Proposers to provide annual values for Capacity Payments (that inherently may include a fixed O&M component), Variable O&M Payments, and Startup Payments. These annual values may reflect assumed escalation over the term of a proposed contract. Proposers may either submit fixed annual values or have components of their proposal prices be subject to escalation.

In the former instance, the Proposer would be guaranteeing the actual prices for each year (i.e., those are the set annual prices that would be incorporated directly into a PPA if the Proposer were selected by FPL). In so doing, a Proposer would be choosing to assume the risk/benefit of costs deviating from the annual values provided.

In the latter case, a Proposer may submit prices that are subject to future adjustment based on a formula that includes one or more of three approved indices (described below). For example, a Proposer might propose a Variable O&M charge that entails a 2011 starting value that escalates thereafter at some portion or all of the actual change in a specific index. In summary, Proposers can choose the level of risk they would assume by applying a formulaic approach or guaranteeing specific annual values.

The following describes how this can be accomplished by Proposers in response to FPL's 2007 RFP (and how FPL developed values for its self-build option.)

b) Process

The following is provided to clarify requirements for data submitted in response to FPL's 2007 RFP as pertains to proposal pricing components that may be either fixed or subject to escalation. The approach offers Proposers the opportunity to declare the annual values that will be used to evaluate their proposal and (if the proposal is subject to escalation) the method of applying FPL authorized indices to develop the values to be evaluated.

A Proposer must submit payment values, not formulae, for all years for Capacity Payment and Variable O&M Payment as described in FPL's 2007 RFP. Thus, even if a Proposer decides to base a price component on a formula/index, the Proposer must still calculate and populate the RFP Form # 5 with specific annual values (so that the proposal evaluation team can verify its understanding of the Proposer's formula) and utilize these values in its evaluation.

Fixed Price Procedure

If the values on Form # 5 represent fixed, guaranteed payment values, then simply completing the RFP forms as described in the RFP is sufficient. These firm, guaranteed annual payment values would be used in the evaluation and then included unchanged in the PPA should the proposal be selected.

Formulaic/Indexing Procedure

If a Proposer chooses to develop payment values based on the use of FPL's authorized indices, and desires this method to be the basis of the evaluation and a potential PPA with FPL, the Proposer must use the following approach.

For actual payment purposes if a proposal is selected, FPL's authorized indices are presented in Table C – 1 in subsection C and consist of:

- The Global Insight escalation index for Consumer Price Index – All Urban Consumers (CPI).
- The Global Insight escalation index for Producer Price Index – All Commodities (PPI);
- The Global Insight escalation index for Compensation Per Hour – Non-Farm Business Sector (CPH); and,
-

Or, alternatively, a Proposer may use:

- A constant escalation rate per year.

Only the indices in Table C – 1, or a constant escalation rate, are authorized for use in submitting formulaic/indexed prices in response to this RFP.

The only price values that a Proposer may choose to index are those for Capacity Payments (and inherently any fixed O&M portion of those payments), Variable O&M Payments, and Startup Payments – all of which are to be provided on Form # 5. The formula(e) applied by the Proposer to develop the payment values must be provided and fully described at the bottom of the relevant page(s) of Form # 5 or included on an attached page to the form if more room is needed. This formula, combined with future actual values for each index from Table C – 1 used in the formula, will be the basis for payments that the Proposer would receive if the proposal is selected. **Note that if a constant escalation rate is used in a formulaic approach, the annual values supplied in the Proposal will then be included unchanged in the PPA should the proposal be selected (i.e., this formulaic approach becomes a Fixed Price Procedure as previously described).**

A Proposer may also deem that some portion of a payment is not indexed, while another segment of the payment is. For example, a Proposer's Capacity Payment may entail one portion that is fixed (or that escalates at a set percentage) throughout the term of the contract while another portion (i.e., a fixed O&M component) may be subject to annual adjustment based on a formula that includes one or more of the authorized indices.

In addition to a thorough description of the formula/indexing process that is proposed, a Proposer must fill out the annual values for every year of the proposed transaction

Note that if a proposal that is based on a formulaic/indexing approach using the indices presented in Table C – 1 is selected, the Proposer will not be bound by these specific annual values that will be supplied on Form # 5 – only by the formulaic/indexing process behind them. However, the annual values are essential and will be used to confirm that the proposal evaluation team understands and correctly applies the Proposer's formula/indexing process.

c) FPL's Methodology

FPL used a constant escalation rate of 2.5% to escalate an initial value for the Fixed O&M, Variable O&M, and Capital Replacement values as shown in Table III.B-2 of the RFP document. Therefore, FPL did not use Global Insight's indices, but these indices may be used by Proposers.

Table C - 1

Price Indices
(based on Global Insight's August 2007 Trend Forecast)

Year	Consumer Price Index (All Urban Consumers)	% Change	Producer Price Index (All Commodities)	% Change	Compensation Per Hour (Nonfarm Business Sector)	% Change
2000	172.2	3.37	132.8	5.80	134.0	7.08
2001	177.0	2.82	134.2	1.09	139.5	4.10
2002	179.9	1.60	131.1	-2.30	144.6	3.63
2003	184.0	2.28	138.1	5.33	150.4	4.03
2004	188.9	2.68	146.6	6.18	155.9	3.61
2005	195.3	3.37	157.4	7.31	162.1	4.03
2006	201.6	3.24	164.7	4.68	168.5	3.92
2007	206.8	2.60	172.0	4.38	176.5	4.77
2008	211.0	2.04	177.3	3.09	182.9	3.59
2009	215.1	1.91	179.1	1.04	189.6	3.65
2010	218.8	1.73	179.6	0.30	197.1	3.95
2011	222.8	1.82	180.7	0.60	205.2	4.14
2012	226.9	1.86	181.8	0.60	213.8	4.18
2013	231.2	1.88	183.2	0.76	222.4	4.02
2014	235.6	1.89	184.9	0.95	231.0	3.85
2015	240.0	1.88	186.9	1.09	239.7	3.78
2016	244.5	1.88	189.1	1.14	248.6	3.73
2017	249.2	1.91	191.4	1.22	257.9	3.72
2018	253.9	1.89	193.3	1.01	267.4	3.67
2019	258.6	1.86	195.3	1.02	276.8	3.52
2020	263.6	1.92	197.4	1.07	286.6	3.56
2021	268.7	1.93	199.3	0.94	296.5	3.45
2022	273.8	1.91	201.1	0.92	306.7	3.43
2023	279.0	1.90	202.9	0.89	317.2	3.44
2024	284.3	1.91	204.6	0.85	328.2	3.48
2025	289.8	1.93	206.4	0.88	339.8	3.53
2026	295.5	1.95	208.3	0.91	351.9	3.54
2027	301.2	1.95	210.0	0.83	364.1	3.49
2028	307.0	1.93	211.7	0.79	376.7	3.45
2029	313.0	1.94	213.4	0.80	389.6	3.43
2030	319.1	1.95	215.1	0.83	402.9	3.41
2031	325.2	1.92	216.4	0.57	416.3	3.31
2032	331.5	1.94	218.2	0.83	430.4	3.40
2033	337.9	1.91	220.0	0.83	444.9	3.37
2034	344.3	1.92	221.8	0.83	460.1	3.42
2035	351.0	1.93	223.7	0.84	476.2	3.49
2036	357.9	1.96	225.6	0.86	493.0	3.54
2037	364.9	1.96	227.4	0.81	510.1	3.47

G. Form # 6: Environmental & Permitting Information

In order to fully evaluate the environment and permitting aspects of proposals, Form # 6 requests a variety of information from 12 major categories that will be used to evaluate proposals. Each Proposer shall be more inclusive rather than exclusive when responding to the information requested. If the category or information requested does not apply to the proposal, an explanation shall be provided. The following are the 12 major information categories of this form:

1. Description of Pollution Control Equipment
2. Proposer Compliance History
3. Required Permits Or Approvals To License or Permit the Facility
4. PSD/NSR Permitting
5. Strategy to Address Land Use Issues
6. Strategy to Address Zoning Issues
7. Proposed Community Outreach Activities and Experience
8. Water Supply Strategy
9. Water Discharge Strategy
10. Other Infrastructure Needs Or Requirements
11. Protected Species Impacts
12. Permitting experience in Florida of Proposer and environmental support contractors and consultants

H. Form # 7: Key Milestones

FPL's ability to maintain a certain level of system reliability for its customers will be dependent upon the Proposer's ability to meet the contracted Capacity Delivery Date (CDD). Since there is a possibility that the Proposer will not meet this date, FPL may have to make alternate arrangements to cover the capacity and energy shortfall. This will require FPL to monitor the Proposer's progress. Therefore, the Proposer must provide the expected completion dates for certain key project milestones on this form. When providing these key project milestones, a Proposer should carefully review the Specific Minimum Requirements regarding Project Milestone Schedule for the specific milestones listed in Section III.E.7 of the RFP document.

A proposal that requires new power plant construction falling under the Siting Act will have to demonstrate permitting, construction, etc. schedules that allow the new plant to be in-service on or before FPL's needed in-service dates of June 1, 2011 through June 1, 2012.

I. Form # 8: Receipt Point(s) to FPL

This form is intended to identify the location of the receipt point(s) of each proposed capacity source(s). Listing of the nearest substations is requested.

The Proposer must also attach a readable transmission map (8.5 x 11) highlighting the receipt point(s) listed above.

J. Form # 9: Proposer Exceptions

All Proposers must complete and return the Proposer Exceptions form as part of their proposal submittal. On this form, the Proposer must either indicate that they take no exceptions to any of the terms, conditions, or other facets of the RFP and/or draft PPAs or must indicate that they do take exception(s). In the case in which one or more exception is taken, then for each term, condition, or other facets of the RFP and/or draft PPA facet to which an exception is taken, the Proposer must provide their desired revised language.

FPL will consider the number and significance of exceptions in its non-economic evaluation. FPL will not consider proposed exceptions to the RFP's General or Specific Minimum Requirements.

K. Form # 10: Proposal Certification

All Proposers must complete and return the Proposal Certification form as part of their proposal submittal. An Officer of the proposing company is to certify that: (i) all information contained in the Proposer's proposal is complete and accurate and that the pricing contains all applicable costs for the proposed full term of service; (ii) that the terms, conditions, and other facets of the RFP and/or draft PPAs are acceptable, except as specifically noted by the Proposer on Form # 9; (iii) the Completion Security and Performance Security described in Section III.C.6 of the RFP document are acceptable and there are no pending legal or civil actions that would affect the ability of the Proposer and/or its guarantor to maintain these security amounts; (iv) the proposal has been submitted in the legal name of the entity which would be bound by any resulting contract; (v) and that the proposal is firm and will remain open for 180 days from the Proposal Due Date.

The copies of this form that are included in the five (5) bound hard copies of the proposal must each be signed by an Officer of the proposing company.

M. Proposer's Forms

The blank forms that follow on the remaining pages of this Appendix are the required forms which must be completed by all Proposers for each project they wish to offer.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 1: Public Information Regarding Proposal

Facility Name: _____

1) **Name of Proposing Company:** _____

2) **Type of Generating Unit:** _____

3) **Type of Project (Select One):**
Purchased Power from Existing Unit: _____
Purchased Power from New Unit: _____
System Sale: _____
Distributed Generation: _____
Qualifying Facility: _____
Other(Specify): _____

4) **Generating Facility Location (City/Co./State)** _____

5) **Fuel:** Primary: _____

Secondary/Backup: _____

6) **Proposer Classification (Select One):**
Utility (retail serving): _____
Independent Power Producer: _____
Small Power Producer: _____
Cogenerator: _____
Other (explain): _____

7) **Proposed Total Guaranteed Firm Capacity (Net MW) Delivered to FPL system**
(must match information on Form # 4, item 5, Guaranteed Firm Capacity, MW):

Summer (95F): _____ Winter (35F): _____

8) **Proposed Capacity Delivery Start Date:** _____ (Month/Day/Year)

9) **Proposed Capacity Delivery End Date:** _____ (Month/Day/Year)

10) **Use the space below to list all major projects undertaken (constructed and/or operated) by the Proposer or Proposer's affiliates/parent company during the last five (5) years which are similar to the project being proposed by the Proposer in response to FPL's RFP.**

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 2: Executive Summary of the Proposal

Facility Name: _____

Please provide a one (1) page summary of the proposed project and the Proposer.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 3: Financial Information

Facility Name: _____

1) **Proposer's Legal Name:** _____

2) **Physical Address:** _____
_____

3) **Financial/Credit Contact Person:**

Name: _____
Position Title: _____
Telephone: _____
Fax: _____
E-Mail: _____

4) **Federal Tax Identification Number:** _____

5) **Proposer is (Select all that apply):**

_____ Corporation
_____ Partnership
_____ Joint Venture
_____ Sole Proprietorship
_____ Limited Liability Company
_____ Limited Liability Partnership
_____ Other (attach description)

6) **State in which Proposer is incorporated or organized:** _____

7) **Proposer Information:**

a) Dunn & Bradstreet Identification Number: _____

b) Corporate Bond Ratings: _____ Sources: _____
_____ _____

c) Commercial Paper Ratings: _____ Sources: _____
_____ _____

d) Dunn & Bradstreet Credit Appraisal Rating: _____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 3: Financial Information

Facility Name: _____

8) (If applicable) Parent/Affiliate Guarantor Information:

a) Name of parent/affiliate guarantor: _____

b) Dunn & Bradstreet Identification Number: _____

c) Corporate Bond Ratings: _____ Sources: _____
_____ _____

d) Commercial Paper Ratings: _____ Sources: _____
_____ _____

e) Dunn & Bradstreet Credit Appraisal Rating: _____

9) If Proposer is relying on any parent/affiliate guarantees, use the space below to describe the corporate relationship between the Proposer and the guarantor. Also, provide a statement regarding the proposed guarantor's willingness to guarantee the Proposer's obligation pursuant to the form of guarantee that is to be attached to the PPA.

_____
_____
_____
_____
_____
_____

10) Provide audited financial statements for the last two years for the Proposer and, if applicable, the proposed guarantor.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: s _____

1) Power Generation Proposal Type: (Select one):

a) Purchased Power from Existing Unit: ____
b) Purchased Power from New Unit: ____
c) System Sale: ____ Provide an attachment detailing the proposed system sale including an explanation of how the proposing utility will maintain its reserve margin/reliability requirements in regard to commitments to its Public Service Commission.

d) Distributed Generation: ____
e) Qualifying Facility: ____
f) Other: ____ Provide details:

_____
_____

2) Technology/Configuration:

a) Type of Generating Unit (Combustion Turbine, etc.): _____
b) Configuration:(*e.g Combined Cycle Unit with 2 CTG/HRSG trains w/duct firing and 1 Steam Turbine, Cooling Tower with makeup water from Source A; etc):*

_____
_____

c) Major Equipment Technology, Supplier, Model (*Combustion Turbine, Steam Turbine; Boiler/HRSG/Catalyst Systems):*

_____
_____

d) Generation/Operation Modes (*Specify/describe basis for proposed Generation/Operation Mode(s)):*
Base Operation: _____
Incremental Level 1: _____
Incremental Level 2: _____
Other(s): _____

e) Design/Operational capabilities for extreme events (e.g. hurricanes)
Design Criteria:
i) Building Code _____
ii) Wind Speed: _____ iii) Importance Factor: _____
Operating Criteria - specificy the maximum wind speed above which the Operator(s) will shut down the generating unit: _____
Special Design/Operational Features - identify plant system(s) and capabilities
i) safe shutdown of unit with readiness for rapid restart: _____
ii) blackstart unit w/o offsite power: _____

_____

f) General Equipment Specifications
Nominal Ratings (at rated temperature and pressure of the generator cooling medium):

_____
Capability Curves (at rated temperature and pressure of the generator cooling medium): Provide as an attachment.
Nominal Power Factor: _____
GSU Transformer impedances: _____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

3) Operational Considerations: Outage Hours & Operating Time Limitations:

a) Outage Hours for: **2011 Options**

Contract Year	Base Operational Mode: Projected * Annual Planned Outage Hours	Base Operational Mode: Projected * Annual Forced Outage Hours	Other Operational Modes: Projected * Annual Planned Outage Hours	Other Operational Modes: Projected * Annual Forced Outage Hours
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

Note: The specified outage hour values **must** reflect realistic values **over the life of the proposed capacity, not** "new & clean" unit values for all years.

* Assume average annual capacity factors of 85% for baseload and system-based proposals and 15% for simple cycle combustion turbine-based proposals. Do not include Maintenance Outage Hours in these projections.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

3) Operational Considerations: Outage Hours & Operating Time Limitations:

a) Outage Hours for: **2012 Options:**

Contract Year	Base Operational Mode: Projected * Annual Planned Outage Hours	Base Operational Mode: Projected * Annual Forced Outage Hours	Other Operational Modes: Projected * Annual Planned Outage Hours	Other Operational Modes: Projected * Annual Forced Outage Hours
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				

Note: The specified outage hour values **must** reflect realistic values **over the life of the proposed capacity, not** "new & clean" unit values for all years.

* Assume average annual capacity factors of 85% for baseload and system-based proposals and 15% for simple cycle combustion turbine-based proposals. Do not include Maintenance Outage Hours in these projections.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

b) Operating Time Limitations:

Provide explanation (s) for any operating time limitations attributable to facility design, permits, environmental regulations, maintenance and/or other factors:

Note that FPL requires that the Guaranteed Firm Capacity value quoted on item 5 of this form be capacity without run-time limitations.

Generation/ Operation Mode	Run-Time Limitations (e.g. hrs/yr.)	Explanation
Base Operation:		
Incremental Level 1:		
Incremental Level 2:		
Other(s):		

4) Fuel Information and Barometric Pressure:

a) Primary Type of Fuel: _____

b) Secondary/Backup Type of Fuel: _____

c) Total operating time that unit can run at full capacity using actual on-site Secondary/Backup fuel without this stored fuel being replenished. = _____ Hrs.
(See Specific Minimum Requirement, Section III.E. 6)

d) Total Quantity of Secondary/Backup Fuel Stored On-Site:
Storage capacity = _____
Typical On-Site Inventory for Operations = _____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

4) Fuel Information and Barometric Pressure (continued):

c) Natural Gas Fuel -Typical Properties *(for specifying unit performance values)*

Proposer's facility shall be designed to handle the expected range of fuels from its source(s). However, all specified unit performance values provided by Proposer shall be based on the "Average Fuel Analysis" that follows below:

Wide Range Fuel Data - Natural Gas

Property Constituents (Mole%)	Average
Methane	93.56%
Ethane	3.90%
Propane	1.00%
Normal Butane	0.23%
Iso Butane	0.23%
Normal Pentane	0.05%
Iso Pentane	0.03%
Hexane	0.10%
Carbon Dioxide	0.50%
Nitrogen	0.40%
TOTAL (MOLE %)	100%
Specific Gravity	0.601
Wobbe Index	1,376.7
Btu/SCF (HHV)	1,067
Btu/SCF (LHV)	962
HHV/LHV Ratio	1.109

Notes:
1 The constituent mole % values are normalized from the AVERAGE.
2 All constituent heating values are from the 1981 GPSA Engineering Data Book.
3 FPL does not warrant or guarantee that this fuel information is the actual that will be received during operation.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

4) **Fuel Information and Barometric Pressure (continued):**

d) Barometric Pressure Conditions (for specifying performance values):

The generating unit performance values specified hereinafter shall be based on barometric pressure conditions as follows:

Ambient Barometric Pressure Chart

Centerline of CTG inlet bell mouth elevation (ft.)	Barometric Pressure (PSIA)
Sea Level	14.696
25	14.687
50	14.674
75	14.661
100	14.648
150	14.622
200	14.596
250	14.5704
300	14.5445

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

5) Guaranteed Firm Capacity (Net MW @ GSU Transformer High Side unless otherwise noted *):**

a) On Primary Fuel

Ambient Conditions	Generation/Operation Mode				
	Base Operation *	Incremental Level 1 **	Incremental Level 2 **	Other(s) (Specify) **	Total Guaranteed Firm Capacity
95F,50%RH					
35F,60%RH					
95F,50%RH ***					
35F,60%RH ***					

b) On Secondary Fuel

Ambient Conditions	Generation/Operation Mode				
	Base Operation *	Incremental Level 1 **	Incremental Level 2 **	Other(s) (Specify) **	Total Guaranteed Firm Capacity
95F,50%RH					
35F,60%RH					
95F,50%RH ***					
35F,60%RH ***					

* Guaranteed firm capacity must be capacity without run-time limitations

** Generation/Operation Mode: "Incremental Level 1" values shall be specified as incremental to "Base Operation" values; "Incremental Level 2" values shall be specified as incremental to "Incremental Level 1 values; and so forth. (Example: Base Operation may be combined cycle w/o HRSG duct burners in operation. "Incremental 1" may be the incremental performance from use of HRSG duct burners.)

*** As delivered to FPL's system adjusted for any 3rd Party transmission system losses (if applicable).

Note: The guaranteed capacity values shown above **must** reflect "average" capacity values **over the proposed term-of-service to FPL, not** "new & clean" unit values.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

6) **Guaranteed Heat Rates (BTU/kWh (HHV) @ Guaranteed Firm Capacity as delivered to FPL system adjusted for any 3rd Party transmission system losses):**

a) On Primary Fuel

Ambient Conditions	Generation/Operation Mode			
	Base Operation	Incremental Level 1 *	Incremental Level 2 *	Other(s) (Specify)*
95F,50%RH				
75F,60%RH				

b) On Secondary Fuel

Ambient Conditions	Generation/Operation Mode			
	Base Operation	Incremental Level 1 *	Incremental Level 2 *	Other(s) (Specify)*
95F,50%RH				
75F,60%RH				

* Generation/Operation Mode: "Incremental Level 1" values shall be specified as incremental to "Base Operation" values; "Incremental Level 2" values shall be specified as incremental to "Incremental Level 1 values, and so forth. (Example: Base Operation may be combined cycle w/o HRSG duct burners in operation. "Incremental 1" may be the incremental performance from use of HRSG duct burners.)

Note: The guaranteed heat rates values shown above **must** reflect "average" values **over the proposed term-of-service to FPL, not** "new & clean" unit values.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

7) **Emission Rate Information:**

Provide the emission rate information requested below for the incremental MW supplied by each applicable operational mode on both the primary and secondary fuel.

a) On Primary Fuel

	Base Operation @ Full Load	Incremental Level 1	Incremental Level 2	Other
NO_x emission rate: lbs./mmBTU =				
SO_2 emission rate:lbs./mmBTU =				
PM_{10} emission rate:lbs./mmBTU =				
CO emission rate:lbs./mmBTU =				
CO_2 emission rate:lbs./mmBTU =				
Hg emission rate:lbs./trillion BTU =				

b) On Secondary Fuel

	Base Operation @ Full Load	Incremental Level 1	Incremental Level 2	Other
NO_x emission rate: lbs./mmBTU =				
SO_2 emission rate:lbs./mmBTU =				
PM_{10} emission rate:lbs./mmBTU =				
CO emission rate:lbs./mmBTU =				
CO_2 emission rate:lbs./mmBTU =				
Hg emission rate:lbs./trillion BTU =				

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 4: Operations & Engineering Information

Facility Name: _____

8) Natural Gas Pipeline Connection(s):

a) Identify the projected source of natural gas supply (FGT, Gulfstream,etc) _____

b) Designate the power generating facility, proposed gas pipeline delivery point, and any proposed lateral line facilities on a hard copy submittal of marked-up U.S. Geological Survey Map(s) indicating the Section(s), Township(s) and Range(s). Include one hard copy of this USGS map(s) in each of the five bound hard copies of these completed forms.

c) Provide a written description of these proposed lateral line facilities to connect the interstate or intrastate gas pipeline to the generating facility, including the distance (in miles) of the generating facility from the appropriate natural gas interstate or intrastate mainline (name the mainline) that will supply the facility's gas.

_____
_____
_____
_____

d) Provide minimum acceptable natural gas delivery pressure: _____(psig) and specify the location of this pressure requirement (e.g. @ interconnection with gas pipeline, @ end of proposed lateral line, @ generating facility inlet, etc.)

e) Provide the Maximum Daily Natural Gas Consumption Requirement at Generating Facility: _____(mmBTU/day)

f) Provide the portion of the Maximum Daily Natural Gas Consumption Requirement identified in e) above that must be obtained on a firm basis: _____(mmBTU/day)

g) Provide the Maximum Hourly Natural Gas Consumption Requirement at Generating Facility: _____(mmBTU/hour)

h) Provide the portion of the Maximum Hourly Natural Gas Consumption Requirement identified in g) above that must be obtained on a firm basis: _____(mmBTU/hour)

9) Generating Units' Operating & Maintenance Experience/Performance:

Use attachment(s) to specify the name, address, etc. of the responsible Operating & Maintenance Group/ Company and pertinent U.S. experience/performance information (i.e., Actual Performance Track-Record):

For all generating plants in its U.S. domestic portfolio, provide a listing of individual generating unit names, location, state, guaranteed/demonstrated MW capacity, in-service year, technology type, primary fuel, start year of Operating Entity experience with the unit. From these, provide composite experience summaries as follows:

General - Cumulative MW-years of experience through November 2007 with ALL present generating capacity
Specific - Cumulative MW-years of experience through November 2007 with SPECIFIC generating technologies being proposed (e.g. Combined Cycle, Peaking CT/GT, Coal-Steam).

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

1) Guaranteed Capacity Payments for 2011 Options: *,**

Provide guaranteed total capacity pricing for each operational mode identified on Form # 4. Please insert "NA" for operational modes that are not applicable to your proposal.

Contract Year	for: Base Operational Mode Guaranteed Capacity Payment **($/kw-month)**	for: Incremental Level 1 Operational Mode Guaranteed Capacity Payment **($/kw-month)**	for: Incremental Level 2 Operational Mode Guaranteed Capacity Payment **($/kw-month)**	for: Other (specify) Operational Mode Guaranteed Capacity Payment **($/kw-month)**
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

* Guaranteed capacity pricing values must include all proposed payments for at least the following:
- generation capital, fuel delivery capital including lateral from FGT or Gulfstream pipeline, and infrastructure capital;
- fixed O&M and capital replacement;
- transmission interconnection and 3rd party transmission service (as applicable) over another utility system(s).

(See pages 3 of 8 and 4 of 8 of this form.)

**** Please refer to instructions in Section F of this Appendix.**

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

2) Guaranteed Energy Pricing Payments for 2011 Options:

Contract Year	Guaranteed Fuel Commodity Price (if applicable) * **($/mmBTU)**	Guaranteed Fuel Transportation Price (if applicable) * * **($/mmBTU)**	(for Base Operational Modes) Guaranteed Variable O&M Payment *** **($/MWH)**	(for all Other Operational Modes) Guaranteed Variable O&M Payment *** **($/MWH)**
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				

* If left blank, FPL will use its own fuel price forecast for purposes of proposal evaluation.

** Please fill in the blanks with one of the following: "FGT", "Gulfstream", or a numerical $/mmBTU value. If filled in with either "FGT" or "Gulfstream", FPL will use its forecast for FGT or Gulfstream firm gas transportation costs for purposes of proposal evaluation. **If filled in with a numerical $/mmBTU value, FPL will use that value for evaluation purposes.** For evaluation purposes, FPL will apply the Guaranteed Fuel Transportation Cost for gas-fired options to a set amount of firm gas based on unit type and capacity. **(See Table D.1-1 in this Appendix D.)**

*** **Please refer to instructions in Section F of this Appendix.**

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

3) Guaranteed Startup Payments ($/startup) excluding fuel, plus required fuel amount, for 2011 Options: *

Type of Start:	**$/startup (excld.fuel)**	**mmBTU/startup**
Cold Start: (off-line >48hrs.)	_____	_____
Cold/Warm: (off-line 12 - 48 hours)	_____	_____
Warm/Hot Start: (off-line 4-12 hrs.)	_____	_____
Hot Start: (off-line < 4 hrs.)	_____	_____

* Successful starts are limited to one per dispatch cycle.

4) Costs and Information Included in the Payments for 2011 Options:

a) Transmission Interconnection Costs:

Total transmission interconnection cost included in the Guaranteed Capacity Payment values provided on page 1 of 8 of this form = _____ (millions, 2011$)

Basis for this cost estimate is : _____

b) Third Party Transmission Service Information:

State whether third party transmission service rights have been requested and/or already procured for a portion of or all of the generation capacity being offered. To the extent a request for such long-term firm transmission rights have been requested, but not yet procured, provide all available studies associated with such requests.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

4) Costs and Information Included in the Payments for 2011 Options:

c) Transmission Losses:

Transmission losses (MW) associated with the third party transmission service (which are accounted for in developing the Total Guaranteed Firm Capacity (As Delivered to FPL's System) values on Form # 4):

_____

_____

_____

_____

d) Gas Pipeline Lateral Costs:

Total lateral pipeline cost included in the Guaranteed Capacity Payment values provided on page 1 of 8 of this form = _____ (millions, 2011$)

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

1) Guaranteed Capacity Payments for 2012 Options: *,**

Provide guaranteed total capacity pricing for each operational mode identified on Form # 4. Please insert "NA" for operational modes that are not applicable to your proposal.

Contract Year	for: Base Operational Mode Guaranteed Capacity Payment **($/kw-month)**	for: Incremental Level 1 Operational Mode Guaranteed Capacity Payment **($/kw-month)**	for: Incremental Level 2 Operational Mode Guaranteed Capacity Payment **($/kw-month)**	for: Other (specify) Operational Mode Guaranteed Capacity Payment **($/kw-month)**
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				

* Guaranteed capacity pricing values must include all proposed payments for at least the following:
- generation capital, fuel delivery capital including lateral from FGT or Gulfstream pipeline, and infrastructure capital;
- fixed O&M and capital replacement;
- transmission interconnection and 3rd party transmission service (as applicable) over other utility system.

(See pages 7 of 8 and 8 of 8 of this form.)

**** Please refer to instructions in Section F of this Appendix.**

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

2) Guaranteed Energy Pricing Payments for 2012 Options:

Contract Year	Guaranteed Fuel Commodity Price (if applicable) * **($/mmBTU)**	Guaranteed Fuel Transportation Price (if applicable) * * **($/mmBTU)**	(for Base Operational Modes) Guaranteed Variable O&M Payment *** **($/MWH)**	(for all Other Operational Modes) Guaranteed Variable O&M Payment *** **($/MWH)**
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				

* If left blank, FPL will use its own fuel price forecast for purposes of proposal evaluation.

** Please fill in the blanks with one of the following: "FGT", "Gulfstream", or a numerical $/mmBTU value. If filled in with either "FGT" or "Gulfstream", FPL will use its forecast for FGT or Gulfstream firm gas transportation costs for purposes of proposal evaluation. **If filled in with a numerical $/mmBTU value, FPL will use that value for evaluation purposes.** For evaluation purposes, FPL will apply the Guaranteed Fuel Transportation Cost for gas-fired options to a set amount of firm gas based on unit type and capacity. **(See Table D.1-1 in this Appendix D.)**

*** **Please refer to instructions in Section F of this Appendix.**

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

3) Guaranteed Startup Payments ($/startup) excluding fuel, plus required fuel amount, for 2012 Options: *

Type of Start:	**$/startup (excld.fuel)**	**mmBTU/startup**
Cold Start: (off-line >48hrs.)	_____	_____
Cold/Warm: (off-line 12 - 48 hours)	_____	_____
Warm/Hot Start: (off-line 4-12 hrs.)	_____	_____
Hot Start: (off-line < 4 hrs.)	_____	_____

* Successful starts are limited to one per dispatch cycle.

4) Costs and Information Included in the Payments for 2012 Options:

a) Transmission Interconnection Costs:

Total transmission interconnection cost included in the Guaranteed Capacity Payment values provided on page 5 of 8 of this form = _____ (millions, 2012$)

Basis for this cost estimate is : _____

_____

_____

b) Third Party Transmission Service Information:

State whether third party transmission service rights have been requested and/or already procured for a portion of or all of the generation capacity being offered. To the extent a request for such long-term firm transmission rights have been requested, but not yet procured, provide all available studies associated with such requests.

_____

_____

_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 5: Pricing Information for Purchased Power or System Sale Proposals

Facility Name: _____

4) **Costs and Information Included in the Payments for 2012 Options:**

c) Transmission Losses:

Transmission losses (MW) associated with the third party transmission service (which are accounted for in developing the Total Guaranteed Firm Capacity (As Delivered to FPL's System) values on Form # 4):

_____
_____
_____
_____

d) Gas Pipeline Lateral Costs:

Total lateral pipeline cost included in the Guaranteed Capacity Payment values provided on page 5 of 8 of this form = _____ (millions, 2012$)

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

1) Description of Pollution Control Equipment:
Provide sufficient detail to characterize pollution reduction effectiveness and maturity at size/scale proposed, e.g. mature, emerging, or new application):

_____
_____
_____

a) Industry Experience:

# of Units in operation: _____
Years Experience: _____
Operational Issues: _____
_____
Other: _____
_____

b) Proposer Experience:

# of Units in operation: _____
Years Experience: _____
Operational Issues: _____
_____
Other: _____
_____

2) Proposer Compliance History (Last 5 years, i.e., 2003-2007):

Total and type of violation/non-compliance: _____
_____

Total dollars in:

Fines: _____
Penalties: _____
Payments or other in-kind contribution for settlement: _____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

3) **Required Permits or Approvals to License or Permit the Facility:**
Provide a listing of all required permits or approvals to license or permit the facility.

Include a major milestone permitting schedule *:

_____

_____

_____

* FPL is requiring that a Proposer's Site Certification Application must be filed within 39 months of the proposed Capacity Delivery Date. **(See Section III.E.7 of the RFP document.)**

Identify the need for any Variances to substantive standards and describe strategy to obtain same:

_____

_____

_____

Identify the need for Exceptions to substantive standards and strategy to obtain same:

_____

_____

_____

4) **PSD/NSR Permitting:**

Provide anticipated emission rates for each regulated pollutant.

Lbs./hr _____
Lbs./mmBTU _____
ppm _____
TPY _____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

4) PSD/NSR Permitting (Continued):

Describe the overall strategy for permitting the proposed Pollution Control Technology for all regulated pollutants:

Describe the emissions credit strategy:

Provide HAPs emission rates (Lbs./hr. and TPY) for individual pollutant and total:

Describe the basis for all regulated pollutant emission rates (e.g., vendor guarantee, EPA emissions factor, operating experience, etc.):

Provide the expected cooling tower emission rates for regulated pollutants (lbs.hr. & TPY):

Describe treatment/maintenance chemicals (including cycles of concentration):

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

4) PSD/NSR Permitting (Continued):

Describe compliance with AAQS, PSD increments and AQRVs:

_____
_____
_____

5) Strategy to Address Land Use Issues:

Comprehensive Plan/Amendment (current and proposed changes, if any; status or work plan required):

_____
_____
_____

Identify the need for Variances and the strategy to obtain same:

_____
_____

Identify the need for Exceptions and the strategy to obtain same:

_____
_____

Summary of Phase I/Phase II environmental site assessment findings, if any;

status of work plan required:

_____
_____
_____

Description of Archaeological or Historic Site Impacts, if any;

status of work plan required:

_____
_____
_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

5) Strategy to Address Land Use Issues (continued):

Identification and quantity of hazardous materials stored on -site:

_____
_____
_____

Distance and direction of nearest residence to plant boundary:

_____
_____
_____

6) Strategy to Address Zoning Issues:

Identify the need for Variances and the strategy to obtain same:

_____
_____
_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

6) Strategy to Address Zoning Issues (Continued):

Identify the need for Exceptions and the strategy to obtain same:

Describe the strategy for compliance with noise standards:

Describe the strategy for compliance with other standards:

7) Proposed Community Outreach Activities and Experience:

Describe experience with Community Outreach Plans, identify community benefits, and identify the proposed outreach activities for the proposed facilities.

8) Water Supply Strategy:

Identify source(s), quantity, and quality (monthly or seasonal differences):

Describe agreement(s) or authorization status (timetable or plan to acquire water supply):

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

8) Water Supply Strategy:

Identify any conflicts with regional Water Management District (WMD), or other local water authority, goals or plans:

_____

_____

9) Water Discharge Strategy:

Location(s) of discharge(s) - water body, city/town, and latitude and longitude:

_____

_____

Quality and quantity (monthly or seasonal differences):

_____

_____

List of any required agreements or permits and provide status (timetable or work plan to acquire same):

_____

_____

Identify any conflicts with WMD goals and FDEP rules:

_____

_____

TMDLs:

_____

_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

9) **Water Discharge Strategy (Continued):**

Wetlands Impacts:

_____

_____

_____

Compatibility with adjacent land uses:

_____

_____

_____

10) **Other Infrastructure Needs or Requirements:**

Water supply or discharge line Right of Way (ROW) and easements - and the strategy to obtain same:

_____

_____

Fuel supply ROW and easements - and the strategy to obtain same:

_____

_____

Transmission line ROW and easements - and the strategy to obtain same:

_____

_____

Transportation access ROW & easements - and strategy to obtain same:

_____

_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 6: Environmental & Permitting Information

Facility Name: _____

11) **Protected Species Impacts:**

_____

_____

_____

_____

12) **Permitting Experience in Florida of Proposer and Environmental Support Contractors and Consultants:**

_____

_____

_____

_____

_____

_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 7: Key Milestones

Facility Name: _____

Key Milestones for **2011 Options:**	Projected Date
a) Site Certification Application Filed	_____
b) Air Permit Application Filed	_____
c) Interconnection Application Filed	_____
d) Granted Site Certification	_____
e) Granted Air Permit	_____
f) Irrevocable Order Placed for All Major Equipment	_____
g) Firm Fuel Transportation Arrangement(s) Executed	_____
h) Contractor Mobilized, Financing Closed	_____
i) Construction Start	_____
j) Major Equipment Deliveries (specify all)	_____
k) Acceptance Testing (specify all)	_____
l) Capacity Delivery Date	_____

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 7: Key Milestones

Facility Name: _____

Key Milestones for **2012 Options:**	Projected Date
a) Site Certification Application Filed	_____
b) Air Permit Application Filed	_____
c) Interconnection Application Filed	_____
d) Granted Site Certification	_____
e) Granted Air Permit	_____
f) Irrevocable Order Placed for All Major Equipment	_____
g) Firm Fuel Transportation Arrangement(s) Executed	_____
h) Contractor Mobilized, Financing Closed	_____
i) Construction Start	_____
j) Major Equipment Deliveries (specify all)	_____
k) Acceptance Testing (specify all)	_____
l) Capacity Delivery Date	_____

Florida Power & Light Company's
2005 Request for Proposal

Form # 8: Receipt Point(s) to FPL

Facility Name: _____

1) State the receipt point(s) to the FPL system including nearest substation(s):

_____

_____

_____

2) Attach a readable transmission map (8.5x11) highlighting the receipt point(s) listed above.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 9: Proposer Exceptions *

Facility Name: _____

* Note: FPL will not consider proposed exceptions to the RFP's Minimum Requirements or Specific Minimum Requirements for proposal eligibility.

1) With regard to this proposal, the Proposer takes no exception to terms, conditions, or other facets of the RFP and/or draft PPAs (Check One): _____ Agrees _____ Disagrees

2) If the answer to item (1) above is "Disagrees", then for each term, condition, or other facet of the RFP and/or draft PPAs which the Proposer takes exception to, use the space below to:

a) identify the language (citing page and paragraph) in the RFP and/or draft PPAs for which an exception is made; and,

b) write out the Proposer's desired revised language.

Florida Power & Light Company's
2007 Request for Proposal for 2011/2012 Capacity

Form # 10: Proposal Certification

Facility Name: _____

The undersigned certifies that: (i) all of the information submitted in its proposal to FPL is complete and accurate, and that the pricing includes all of the following applicable costs for the proposal for the proposed full term of service including, but not limited to, the following costs:

- generator construction;
- generator operation and maintenance;
- *transmission interconnection and 3rd party transmission service;*
- gas pipeline interconnection including lateral pipeline (or other fuel delivery capital and O&M costs); and
- cost of fuel (as applicable);

(ii) the terms, conditions, and other facets of the RFP and/or draft PPAs are acceptable, except as specifically noted on Form # 9; (iii) the Completion Security and Performance Security described in Section III.C.6 of the RFP document are acceptable and there are no pending legal or civil actions that would affect the ability of the Proposer and/or its guarantor to maintain these security amounts; (iv) the proposal has been submitted in the legal name of the entity which would be bound by any resulting contract; and (v) the proposal is firm and will remain open for 180 days from the Proposal Due Date.

Name of Legal Entity: _____

State of Incorporation: _____

Business Address: _____

Name of Person Certifying Proposal: _____

Title: _____

Date: _____

Telephone: _____

Signature:* _____

E-Mail: _____

(* An Officer of the proposing company must sign a copy of this form which is included in each of the five (5) bound hard copies of the proposal.)

APPENDIX D

D.1 Evaluation Methodology – Overall Process
D.2 Transmission Integration & Losses
D.3 Net Equity Adjustment

(This page is left intentionally blank.)

D.1. Evaluation Methodology - Overall Process

A. Overview

The objective of the evaluation methodology is to determine the best portfolio of capacity alternatives that satisfies FPL's RFP capacity need requirements starting in June 2011. Individual proposals that partially satisfy the capacity requirement may be paired with other capacity options to develop feasible portfolio combinations that meet the capacity requirement.

The evaluation of how well a portfolio satisfies the capacity requirement is accomplished by evaluating the portfolio using both economic and non-economic criteria. The results of this combined analysis are: 1) a measure of the economic performance of the portfolio that is based on the system economics when the portfolio is included, and 2) a judgment of the relative risks presented by that portfolio.

Portfolios will be compared to determine the top portfolios which best satisfy the capacity requirements in an economic evaluation that provides a total system economics perspective including costs related to generation, system fuel, transmission, environmental compliance, and cost of capital. The standard basis for comparing the economics of competing resource plans is their relative impact on FPL's electricity rate levels, with the intent of minimizing FPL's levelized system average rate (i.e., a Rate Impact Measure or RIM methodology). However, in cases such as an RFP evaluation in which the demand side management (DSM) contribution is unchanged and the only competing options are new generating units or purchase options, comparisons of competing resource plans' impacts on electricity rates and on system revenue requirements are equivalent. Consequently, the competing resource plans evaluated in the RFP analyses will be evaluated on a cumulative present value of revenue requirements (CPVRR) basis. The CPVRR values will be developed primarily using FPL's Fixed Cost Spreadsheet and the P-MAREA model.

FPL will utilize its Fixed Cost Spreadsheet model to develop the fixed costs associated with each of the portfolios and their associated generation plans. These fixed costs include costs for: capital, fixed O&M, capital replacement, firm gas transportation, and capacity payments.

The P-MAREA production cost model will be used to develop the variable cost of system operation for the portfolios. The P-MAREA model is used by FPL in its fuel cost recovery filings and other production cost applications. This detailed, hourly production costing model will develop the fuel and variable O&M costs for each of the portfolios for the period 2007 through 2037. This production costing model will also account for

limitations on the amount of power that can be imported into the Southeastern Florida area and the corresponding impacts on the operation of FPL generating units located in Southeastern Florida. The P-MAREA model and additional spreadsheet analysis will be used to develop the environmental compliance costs of each portfolio.

The Fixed Cost Spreadsheet model and P-MAREA will also address, respectively, the fixed and variable costs of each portfolio's effects on the subsequent generation expansion plan.

All economic analyses steps will use consistent assumptions regarding fuel costs, environmental compliance costs, load growth, and generation expansion plan addition options. A designated FPL Fossil Fuel Price and Natural Gas Availability Forecast and Environmental Compliance Cost Forecast will be utilized in these economic analyses. In addition, load growth will be modeled using FPL's Load Forecast and its approved DSM Goals and DSM Plan. The resulting firm peak load growth will require additional generation in years beyond 2011 to maintain FPL's required reserve margin level.

For analysis purposes, FPL will assume: the addition of 414 MW from its proposed capacity uprates to FPL's existing four nuclear units will occur in 2011/2012; the addition of two new 1,100 MW nuclear units, one each in 2018 and 2020; plus several new 3x1 and/or 2x1 G combined cycle (CC) units in the 2013 – 2017 time period. For years after 2020, the addition of the requisite number of 2x1 F CC units will be assumed. In addition, FPL may include the extension of several existing power purchase contracts and/or the addition of several new contracts based on bids previously received in response to FPL's Renewable RFP issued in the first Quarter of 2007.

Non-economic information will be used to: 1) determine that there is no critical and unforeseen fatal flaw in an otherwise eligible proposal, and 2) develop a non-economic assessment for the best portfolios as indicated by the economic evaluation. The economic cost and non-economic assessment offered by a given portfolio will be compared to a portfolio that includes FPL's next planned generating unit (NPGU) to determine the best candidate portfolio(s).

The economic analysis will be conducted by FPL's Resource Assessment & Planning Department. An external consultant, the Independent Evaluator, will conduct parallel economic evaluations with an independent model. A second external consultant will provide transmission integration cost and transmission loss impact calculations for the top-ranked portfolios.

The non-economic analysis will be conducted by a number of FPL departments which may also utilize other independent consultants in this assessment. The overall non-economic analysis work will be coordinated by FPL's Resource Assessment & Planning Department.

The evaluation of individual capacity options and portfolios will be conducted using an eight (8) step process.

Step 1: Initial Screening for Eligibility

This initial step determines how proposals satisfy the General and Specific Minimum Requirements (Sections II.D and III.E, respectively) of the RFP. Proposals that do not satisfy the General and Specific Minimum Requirements will be deemed ineligible and will be returned to the Proposer, along with 75% of the RFP Evaluation Fee, and will not be evaluated further.

Step 2: Economic Evaluation of Individual Proposals

In order to assist in the analysis of a potentially large number of proposals, an economic ranking of each individual eligible proposal may be made based on their individual impact to the FPL system. The results of the analysis may be used to rank proposals based on their individual economic merit in order to reduce the number of proposals that are carried forward to the computationally intensive later steps of the economic evaluation. Proposals that are not evaluated beyond this step will be shown to be non-competitive by comparison of their results to other proposals that do proceed in the evaluation.

The Step 2 analyses, if applicable, will include system impacts such as capital, capacity payments, fixed and variable O&M, capital replacement, firm gas transportation, system fuel, system environmental compliance costs, and effects on the subsequent generation expansion plan.

If there are a relatively small number of eligible proposals, FPL may choose to forego this step of evaluating individual proposals and proceed to the creation and evaluation of portfolios.

Step 3: Creation and Initial Evaluation of Portfolios

Eligible proposals that remain after Step 1 and, if applicable, Step 2, will then be evaluated in portfolio analyses that may examine more than one of the competing capacity options at a time. Proposals that

cannot, by themselves, meet FPL's full capacity requirement may be combined with other proposals options to create portfolios that can fully meet the RFP capacity need requirement.

All portfolios will be designed to address FPL's projected capacity needs for approximately 25 years beyond 2011. In this initial evaluation step, FPL will utilize the firm gas transportation cost and volume assumptions presented below in Table D.1 – 1.

Table D.1 - 1

Firm Gas Transportation Cost Values for the Initial Evaluation of Portfolios (Note 1:)

I. For FPL and non-FPL Combined Cycle (CC) Units in the 2011 - 2012 time frame:

Type of CC Unit:	1x1 F	2x1 F	3x1 F	4x1 F	(Two) 4x1 F	1x1 G	2x1 G	3x1 G	(Two) 3x1 G
Firm Gas Volume (mmBTU/day):	43,750	87,500	131,250	175,000	350,000	66,667	133,333	200,000	400,000
Firm Transportation Cost ($/mmBTU):	$1.165	$1.165	$1.165	$1.165	$1.165	$1.165	$1.165	$1.165	$1.165

II. For FPL CC Filler Units (2013 - on):

Year	Firm Transport Cost ($/mmBTU)
2013 - 2014	$1.165
2015 - 2017	$1.500
2021 - on	**(see Note 2)**

III. For non-FPL Combustion Turbine (CT) units in the 2011 - 2012 time frame:

Firm Gas Volume (mmBTU/day): = 25% of nameplate capacity

For example: a 165 MW CT with a 10,400 BTU/kwh heat rate would require 10,296 mmBTU/day.
(= 0.25 * 165 MW * 1000 kw/MW * 10400 BTU/kwh * 24 hours/day /1,000,000 = 10,296 mmBTU/day.

Firm Transportation Cost ($/mmBTU): $1.165

Notes:

- Note 1: Firm Transportation Cost assumes a 25 year contract term.
- Note 2: A price of $1.50/MMBTU starting in 2017 with annual escalation of 2.5% per year will be used.

Step 4: Development of Additional System Costs for Portfolios

Competitive portfolios will then undergo additional economic analyses as well as a non-economic evaluation. In Step 4, four additional system cost areas will be specifically developed for each portfolio, as applicable. These system costs are: (1) transmission-related costs, (2) fuel system-related costs, (3) Fuel Switching Credit, and (4) the net impact on FPL's cost of capital.

4a. Transmission-Related Costs

The following transmission-related costs will be calculated:

- transmission integration costs;

- costs related to system capacity (MW) losses at FPL's system peak hour; and,
- costs related to system annual energy (MWH) losses.

The transmission integration facilities that are needed for each portfolio will be determined first. Next, costs for these integration facilities will be calculated. A transmission system analysis will then be conducted assuming that these integration facilities are in place. This analysis will serve as the basis to estimate the transmission system capacity losses at the system peak hour and annual energy losses associated with the portfolio.

Other transmission-related costs, including transmission interconnection costs and the costs of 3rd party transmission services (if applicable), are to be included in the price provided for each individual proposal. These items are discussed in more detail in Section D.2. of this Appendix.

4b. Fuel System-Related Costs

As applicable, a more detailed analysis of the fuel system-related costs for each portfolio will be developed. Such an analysis will utilize the specific location of generators contained in the portfolio and the designated natural gas pipeline(s) to provide a more definitive estimate of the firm fuel transportation costs required to provide the necessary firm transportation at the appropriate pressures and volume to the portfolio consistent with FPL's normal fuel system management practices.

If such an analysis is deemed necessary, the firm gas transportation costs for individual generating units in the portfolio may differ from those values previously presented in Table D.1 - 1 and used in the initial evaluation of portfolios. In addition, FPL will be evaluating the portfolio to identify if "upstream" capital costs associated with additional natural gas pipeline and/or compression facilities will be needed to supply the proper volume and pressure of natural gas to the units in the portfolio.

4c. Fuel Switching Credit

As previously discussed in Section III.C.5 of the RFP document, FPL will apply a Fuel Switching Credit to each capacity option in a portfolio that offers the capability of switching from natural gas to residual fuel oil, where that opportunity is to the benefit of FPL's customers. The value of the option will be determined using a designated FPL Fossil Fuel Price and Natural Gas Availability

Forecast and FPL's option pricing model. The sum of applicable fuel switching credit for all options that make up each portfolio will be credited to the final cost of the portfolio.

4d. Net Equity Adjustment

FPL will also estimate the impact to FPL's cost of capital associated with entering into a new purchased power agreement(s). The costs of the resulting impact on FPL's capital structure are referred to as an equity adjustment. It is also recognized that a power purchase agreement also has the potential to mitigate completion and/or performance risks that would otherwise be borne by FPL if FPL were to construct a new generating unit. FPL assigns a cost savings to these "mitigating factors" and subtracts these values from the equity adjustment amount to derive a net equity adjustment. An explanation of the net equity adjustment evaluation, including an example calculation, is presented in Section D.3. of this Appendix.

Step 5: Detailed Evaluation of Total System Costs

In this step, the CPVRR costs for each portfolio calculated in Step 3 are added to the additional system costs developed in Step 4 to produce a total system CPVRR cost for each portfolio. This total cost value represents the full economic evaluation for each portfolio. The results for each portfolio, presented in CPVRR form, will be compared to the results for all other portfolios.

Step 6: Non-Economic Evaluation of Portfolios

A non-economic evaluation will be conducted on those parameters that, by their nature, are unable to be integrated into the economic evaluation. These parameters describe factors that represent elements of risk that FPL must evaluate in all generation addition scenarios. The result of the non-economic evaluation will be a summary report on the risk areas of the capacity options/portfolios. Detailed information requirements designed to assist FPL in the non-economic evaluation are outlined in the submittal forms in this RFP that are presented and discussed in Appendix C. These submittal forms will be used to evaluate specific non-economic parameters that can be summarized as falling into one or more of the following 3 areas:

6a. Environmental Area

- Items related to the Proposer's ability to successfully complete the permitting and siting aspects of the project as proposed and maintain compliance with applicable rules and regulations.

6b. Technical/Operational Area

- Items related to the long-term operational performance, reliability, and maintainability of the proposed generating alternatives.

6c. Project Execution Area

- Items related to the exceptions stated to the RFP and/or draft PPAs and the impact of those exceptions on the proposed portfolio.
- Items that relate to the Proposer's ability to complete the development, construction, and operational aspects of the project as proposed.

Proposals that exhibit strong potential in the economic evaluation, but are unclear in certain non-economic evaluation areas, may be considered for a Panel Review. The Panel Review, if necessary, would provide for an exchange between the Proposer(s) and FPL panelists regarding the non-economic evaluation areas. This would allow for a more complete exchange of ideas in the important areas. Proposers will be notified individually if a need for a Panel Review is indicated, and a mutually convenient time will be arranged.

The specific parameters for each of these 3 areas are presented in Tables D.1 - 2 through D.1 – 4 that follow.

Table D.1 - 2 Environmental Area Parameters

Compliance Experience
Control Technology
Violation/Non - Compliance
Proposed Project
Licensing/Permitting
PPSA/Permitting Issues
PSD/NSR Issues
Land Use Issues
Protected Species Issues
Zoning Issues
Variance Required
Exceptions Required
Community Outreach Plan
Water Supply Strategy
Water Discharge Strategy
FL Permitting Experience
PPSA
Non - PPSA
Other Infrastructure
Water Supply or Discharge Easements
Transportation Access
Fuel Supply Easements
Transmission Line Easements

Table D.1 - 3 Technical/Operational Area Parameters

Technology (Major Equip. Technology/Supplier)
Configuration (Type and Configuration of Unit)
Operational Limitations (Limitations in hrs/yr. and/or time of year usage)
Fuel
Guaranteed Firm Capacity, Net MW (@GSU Transformer High Side)
Guaranteed Heat Rate (@Guaranteed Firm Capacity) Btu/kWh (HHV)
Generator(s) VAR Capability (Lead/Lag)
Commercial Availability Minimum % (Annual)
Startup Time, minutes (to Committed Capacity) Cold Start (offline:>48 hrs.) Cold/Warm Start (off-line:12-48 hrs.) Warm/Hot Start (off-line:4-12 hrs.) Hot Start (offline:<4 hrs.)
Minimum Load, MW (@GSU Transformer High Side)
Startup Time, minutes **(to Minimum Load)** Cold Start (offline:>48 hrs.) Cold/Warm Start (off-line:12-48 hrs.) Warm/Hot Start (off-line:4-12 hrs.) Hot Start (offline:<4 hrs.)
Ramp Rate, MW/minute (Minimum > Guaranteed)
Generating Units' Operating & **Maintenance Experience** Scope of Historical O&M Experience Performance Results Relevance

Table D.1 - 4 Project Execution Area Parameters

Nature of Exceptions
Impact to Risk Profile
Departure from Scope
Probability of Resolution
Development Experience
Design/Construct Experience
Operational Experience

Step 7: Best and Final Offer Evaluation

After the economic results from Step 5, and the non-economic results from Step 6, are developed, the overall economic and risk profile of each portfolio will be examined and compared to the portfolio based on FPL's NPGU. At that time FPL will decide whether it will select Finalists. If so, FPL may request from the Finalists a Best and Final Offer. In this case FPL would then evaluate these Best and Final Offers to develop the final economic and non-economic evaluations.

If the results of the evaluation indicate to FPL that the additional step of selecting Finalists is not appropriate, FPL will base its decision on the evaluation (economic and non-economic) performed on the original proposals.

Step 8: Final Selection

The results of FPL's economic and non-economic evaluation will be presented to an FPL Management Review Team. The Management Review Team will then make a selection based on sound business practices and the best interests of FPL's customers.

D.2 Transmission Integration and Losses

A. Overview

In its evaluation of proposals received in response to this RFP, FPL will be incorporating five cost aspects of FPL's transmission system for individual capacity options or for portfolios containing these options. These five costs are:

1) transmission interconnection costs;
2) third party transmission service costs (as applicable);
3) transmission integration costs;
4) costs of transmission system losses; and
5) the potential impact on costs of operating existing FPL generation units in Southeastern Florida to maintain reliability.

This section of this appendix discusses the first four of these five costs. The fifth transmission-related cost listed above; the impact on costs of operating existing FPL generating units in Southeastern Florida, will be captured in the system production cost analyses described above in the previous section.

The transmission interconnection and third party transmission service costs are to be provided by each Proposer for their individual proposal(s). Transmission integration costs, as well as the costs of transmission system losses, will be developed by FPL and/or an independent consultant and incorporated in the economic evaluation of portfolios. FPL anticipates that the determination of integration costs, as well as the determination of the costs of losses, will be carried out for a selected number of the most promising portfolios as indicated by the initial steps of the economic evaluation.

1. Transmission Interconnection Costs

As discussed in Appendix C, Form # 5, a Proposer whose proposal is based partially or totally on generators that need to be constructed and connected to a transmission system must include all costs of this interconnection in their proposal's Guaranteed Capacity Payment. In addition, these interconnection costs must be separately broken out on Form # 5 so that FPL may judge the reasonableness of this estimate. FPL reserves the right to review and, if it deems necessary, to adjust this estimate accordingly to provide a more accurate interconnection cost based on FPL's knowledge and experience with the transmission system. Proposers will be notified of any such adjustments affecting their proposal(s).

All proposals that are based partially or totally on generators that need to be constructed and connected to the transmission system must also demonstrate on Form # 5 that they have a valid completed application for Generator Interconnection Service (GIS) in the FPL GIS Queue, or with the applicable third party if the new generator is to be connected to a third party's transmission system.

The process for requesting GIS and having a completed GIS application on the FPL system is delineated in FPL's Open Access Transmission Tariff.

2. Third Party Transmission Service Costs (as applicable)

As discussed in Appendix C, Form # 5, to the extent the generator(s) is connected to the transmission system of a third party, the Proposer shall include any and all third party transmission service costs in the Guaranteed Capacity Payment.

In addition, the Proposer shall state on Form # 5 whether such long-term transmission rights for third party transmission service has been requested and/or already procured for a portion of or all of the generation capacity being offered. To the extent a request for such long – term firm transmission rights has been made, but not yet procured, the Proposer shall provide all available studies and information associated with such request(s).

Finally, the Proposer shall also state on Form # 5 the transmission losses associated with the third party transmission service which are accounted for as the Proposer developed the Total Guaranteed Firm Capacity (as delivered to FPL's system) values on Form # 4.

3. Transmission Integration Costs

The transmission integration costs are based on all modifications (new facilities and facility upgrades) to the FPL transmission system that are necessary to physically transfer the proposed power from the FPL System Receipt Point to the load center consistent with reliability standards for 2011/2012 conditions. The latest available Florida Reliability Coordinating Council (FRCC) peak load flow case representing the year 2011 (updated as necessary to reflect the latest available information) will be used as the basis for determining the transmission integration modifications needed. Once these modifications are determined, costs for these modifications will be estimated. These costs will then be assigned to the portfolio in question. The process of determining the needed transmission integration modifications generally consists of three steps.

Integration Cost Step 1: Identify Needed New/Upgraded Facilities

The first step is to perform screening studies to identify new facilities and facility upgrades that would be needed to integrate the capacity resources in each portfolio into the transmission system as a network resource for FPL. The type of studies that will be performed are considered screening type studies since they are not as comprehensive as studies that are normally performed for a specific request for transmission service. However, the screening type studies are sufficient to provide a reasonable estimate of the upgrades and facilities necessary to integrate each portfolio into the FPL system meeting the same reliability standards for comparison purposes. The analysis will assure that the FPL transmission system is planned with sufficient capability such that FPL can serve its customers and meet its transmission service obligations in the years 2011 and beyond consistent with NERC, FRCC, and FPL standards.

Each of the portfolios will be subjected to contingency screening of all transmission elements and generators, and the transmission system is monitored for violations of NERC, FRCC, and FPL standards. Contingency screening tests will be performed at Summer peak load conditions with all FPL generators/facilities assumed available and economically dispatched. Further, the generator deemed most critical to that case will be assumed to be unavailable and the remaining FPL generators dispatched to mitigate, if practicable, violation of reliability criteria for all contingencies tested. Violations of reliability criteria found on the FPL system are resolved by acceptable remedial action (e.g., switching), facility upgrades, or by new facilities, as appropriate. All proposed solutions will be subsequently introduced into the appropriate case and tested in order to verify the completeness of the solution.

During these studies, potential violations may be noticed on third party transmission systems. Should that occur, the following actions will be taken. The observance of such potential violations and the details surrounding these events will be communicated to the Proposer whose proposal is associated with the third party transmission system in question. Since the mitigation measures employed for the potential violations on third party systems will be at the discretion of, and based on the expertise of, third parties for their own transmission systems, identified potential violations will need to be communicated by the Proposer to the third party transmission system owner. Resolution of potential violations will be necessary if the subject portfolio is selected to potentially meet

FPL's need. As a result, any upgrades or facilities required on a third party system and attendant costs must be developed and provided by the Proposer so that they may be taken into consideration in the final evaluation. It is possible that a potential violation could be attributable in part to the portfolio combination being reviewed (e.g. violation on transmission system X of Proposal A is aggravated by existence of Proposal B on FPL system). Analysis of this type would require a coordinated effort and the involvement of multiple parties.

Integration Cost Step 2: Determine Total Cost of Needed Facilities

Once a list of new facilities and upgrades on the FPL system required for integration is identified, the second step of the evaluation process of developing cost estimates for the new and upgraded transmission facilities commences. Based on the need for incremental transmission facilities identified in each portfolio, a cost estimate for the facilities is developed in a consistent manner for each portfolio. The estimates will be based on engineering judgment and readily available cost information, including cost information previously obtained from equipment manufacturers for transmission reinforcements of the type and capacity required for each portfolio. The estimates do not involve any field inspections, or detailed analysis of the type that would be performed in response to a specific request for interconnection or transmission service, but are adequate for their intended purpose.

Integration Cost Step 3: Develop Monthly Cash Flows

The final step in the process involves transforming the total transmission integration cost for each portfolio developed in Step 2 into an estimated monthly cash flow (including AFUDC, as appropriate) of the costs for the transmission projects.

4. Costs of Transmission System Losses

Each portfolio will contain capacity additions at specific locations in relation to the FPL transmission system. Therefore, each portfolio will present a unique transmission loss impact when combined with the existing FPL transmission system. The difference in the economic impacts between portfolios related to losses will be estimated and applied in the economic comparison of portfolios.

There are two types of losses that comprise total transmission losses for the system. In the analysis of the first type of loss, the generation

capacity required to compensate for transmission losses is based on losses during peak load conditions. The second type of loss, energy losses that occur over the entire year, will be estimated based on losses during peak load and average system load conditions.

Transmission losses will vary from year-to-year with load growth, transmission system additions, and resource additions. It is not practicable to predict the amount of such variations due to the almost infinite combinations of future scenarios. It is, however, both certain and practical to assess the impact each portfolio would have in the 2011 time frame of operation. Losses for all future years are calculated based on expected 2012 system conditions, while only accounting for term-of-service-related changes in a particular portfolio over time as discussed below.

The losses for a given portfolio are determined, and costs are assigned to these losses, in a 3-step procedure discussed below. This discussion utilizes a hypothetical example to explain the loss evaluation and cost assignment methodologies. In this example, a hypothetical portfolio consisting of a 1,219 MW proposed purchase for 20 years starting in 2012 is assumed. In order to address FPL's 214 MW capacity need for 2011, a 4-month 214 MW proxy purchase is assumed for June through September of 2011. At the end of the 20-year purchase term, the proposed 1,219 MW purchase capacity is replaced by filler units.

Cost of Losses Step 1: Calculation of Peak Load and Average Load Losses

a) Peak Load Losses

The required FPL transmission system integration upgrades will be incorporated into the FRCC load flow base case (updated with the latest available information), resulting in a modified, portfolio-specific load flow case. The modified load flow case is set up with the portfolio resources on-line at full output, and the remaining system resources are dispatched economically. The losses (MW) at the peak load hour on the FPL transmission system (Peak Load Losses) are then calculated for the portfolio.

The portfolio associated with the lowest system Peak Load Losses for the year 2011 will be designated as the "reference" portfolio for both the 2011 Peak Load Losses and Average Load Losses analyses. The difference between system Peak Load Losses associated with each portfolio and with the reference portfolio will be calculated for 2011.

Similarly, the portfolios associated with the lowest system Peak Load Losses for the years 2012 - on will be designated as the "reference" portfolios for the 2012 – on Peak Load Losses and Average Load Losses analyses, respectively. The difference between system Peak Load Losses associated with each portfolio and with the reference portfolio will be calculated for 2012 – on.

Starting with the year 2012, the total losses will remain constant for each portfolio for the 2012 – on time period until one of the components (capacity options) making up the portfolio reaches the end of its proposed term-of-service. If there are no changes to the reference portfolio during this period, the difference in transmission losses between the specific portfolio being evaluated and the reference portfolio will also be unchanged over this period.

In the example, the MW differences in system Peak Load Losses associated with the hypothetical portfolio and with the reference portfolio can be seen in Column (9) of Table D.2 - 1 (2011) and Table D.2 – 1 (2012 - on).

For portfolios (including the actual reference portfolio) that have components whose proposed terms-of-service end prior to the end of the analysis period (as is the case with this hypothetical portfolio), the portfolio-specific load flow case mentioned above will be further modified. This additional modification will reflect the termination of a specific component along with a corresponding adjustment to the FPL load. The system Peak Load Losses associated with only the portfolio's remaining components are first calculated. Then, in order to compensate for the loss of the expired component's capacity, an equal amount of Filler unit capacity and load is introduced. This Filler unit capacity is assumed to have losses equal to FPL's current system average transmission losses (2.19%).[1]

The losses associated with the reference portfolio are subtracted from the system Peak Load Losses associated with the remaining portfolio components, plus the Filler unit losses. The resulting system Peak Load Loss value associated with the portfolio is carried forward until another component of the portfolio reaches the end of its proposed term-of-service (if applicable).

[1] Note that the FPL system average transmission losses mentioned here are <u>not</u> the same as the Average Load Losses discussed later in this section.

Table D.2 - 1 (2011)

Peak Load Losses Calculation for:

Example: For 2011, a 214 MW short-term (4-month) purchase; For 2012, a 1,219 MW Bid for 20 years

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					=(3)*(4)		=(5)+(6)		= (7) - (8)
Year	Bid 1 (1219 MW)	Purchase (214 MW)	Filler Capacity Needed to Replace Portfolio's Expired Components (MW)	Filler Capacity Losses (%)	Filler Capacity Losses (MW)	FPL Transmission System Losses with Portfolio's Remaining Components (MW)	FPL Transmission System Losses with Portfolio's Remaining Components + Filler Capacity Losses (MW)	FPL Transmission System Losses with the Reference Portfolio (MW)	Difference in FPL Transmission System Losses between Portfolio in question and Reference Portfolio (MW)
2011	0	214	0	2.19%	0	554	554.00	554	0.00

Table D.2 - 1 (2012 - on)

Peak Load Losses Calculation for:

Example: For 2011, a 214 MW short-term (4-month) purchase; For 2012, a 1,219 MW Bid for 20 years

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					=(3)*(4)		=(5)+(6)		= (7) - (8)
Year	Bid 1 (1219 MW)	Purchase (214 MW)	Filler Capacity Needed to Replace Portfolio's Expired Components (MW)	Filler Capacity Losses (%)	Filler Capacity Losses (MW)	FPL Transmission System Losses with Portfolio's Remaining Components (MW)	FPL Transmission System Losses with Portfolio's Remaining Components + Filler Capacity Losses (MW)	FPL Transmission System Losses with the Reference Portfolio (MW)	Difference in FPL Transmission System Losses between Portfolio in question and Reference Portfolio (MW)
2012	1219		0	2.19%	0.00	568	568.00	567	1.00
2013	1219		0	2.19%	0.00	568	568.00	567	1.00
2014	1219		0	2.19%	0.00	568	568.00	567	1.00
2015	1219		0	2.19%	0.00	567	567.00	567	0.00
2016	1219		0	2.19%	0.00	567	567.00	567	0.00
2017	1219		0	2.19%	0.00	567	567.00	567	0.00
2018	1219		0	2.19%	0.00	567	567.00	567	0.00
2019	1219		0	2.19%	0.00	567	567.00	567	0.00
2020	1219		0	2.19%	0.00	567	567.00	567	0.00
2021	1219		0	2.19%	0.00	567	567.00	567	0.00
2022	1219		0	2.19%	0.00	567	567.00	567	0.00
2023	1219		0	2.19%	0.00	567	567.00	567	0.00
2024	1219		0	2.19%	0.00	567	567.00	567	0.00
2025	1219		0	2.19%	0.00	567	567.00	567	0.00
2026	1219		0	2.19%	0.00	567	567.00	567	0.00
2027	1219		0	2.19%	0.00	567	567.00	567	0.00
2028	1219		0	2.19%	0.00	567	567.00	567	0.00
2029	1219		0	2.19%	0.00	567	567.00	567	0.00
2030	1219		0	2.19%	0.00	567	567.00	567	0.00
2031	1219		0	2.19%	0.00	567	567.00	567	0.00
2032	0		1219	2.19%	26.70	567	593.70	567	26.70
2033	0		1219	2.19%	26.70	567	593.70	567	26.70
2034	0		1219	2.19%	26.70	567	593.70	567	26.70
2035	0		1219	2.19%	26.70	567	593.70	567	26.70
2036	0		1219	2.19%	26.70	567	593.70	567	26.70
2037	0		1219	2.19%	26.70	567	593.70	567	26.70

b) Average Load Losses

Another, separate set of load flow cases is then created for each portfolio. This second set of load flow cases represent specific portfolios in 2011 and 2012 - on, under FPL's average system load (i.e., 60% of peak) and typical operation of FPL's system (e.g., peaking generation type components off-line). For each portfolio, the transmission system is modified to include the same transmission upgrades required for that portfolio as applied to the load flow cases used for the Peak Load Losses evaluation. This system representation is used to calculate the transmission system losses on the FPL system at average system load (Average Load Losses) for each portfolio including the reference portfolio defined in the Peak Load Losses calculations for years 2011 and 2012 - on.

The difference between system Average Load Losses of each evaluated portfolio and the reference portfolio will be calculated for 2011 and 2012. Thereafter, the 2012 difference amount is carried forward for each year until one of the components making up the portfolio (or one of the components in the reference portfolio) reaches the end of its proposed term-of-service.

In the example, the differences between the system Average Load Losses associated with the hypothetical portfolio and with the reference portfolio can be seen in Column (9) of Tables D.2 – 2 (2011) and D.2 – 2 (2012 - on).

For portfolios that have components whose proposed terms-of-service end prior to the end of the analysis period and which would have been on-line in the typical operation of the system at FPL's system average load, that component would be replaced with Filler unit capacity. The loss calculations in these instances are based on the same 2011 load flow case, but with the FPL load reduced by the amount of expired capacity and the existing FPL resources and the remaining portfolio resource components dispatched to represent typical operation of FPL's system (e.g. peaking type components off-line at this load level). In those circumstances in which a component is not typically in operation at FPL's average system load and whose term-of-service ends prior to the end of the analysis period, no Filler unit capacity is introduced for this analysis.

Table D.2 - 2 (2011)

Average Load Losses Calculation for:

Example: For 2011, a 214 MW short-term (4-month) purchase; For 2012, a 1,219 MW Bid for 20 years

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					=(3)*(4)		=(5)+(6)		= (7) - (8)
Year	Bid 1 (1219 MW)	Purchase (214 MW)	Filler Capacity Needed to Replace Portfolio's Expired Components (MW)	Filler Capacity Losses (%)	Filler Capacity Losses (MW)	FPL Transmission System Losses with Portfolio's Remaining Components (MW)	FPL Transmission System Losses with Portfolio's Remaining Components + Filler Capacity Losses (MW)	FPL Transmission System Losses with the Reference Portfolio (MW)	Difference in FPL Transmission System Losses between Portfolio in question and Reference Portfolio (MW)
2011	0	214	0	2.19%	0	254	254.00	253	1.00

Table D.2 - 2 (2012 - on)

Average Load Losses Calculation for:

Example: For 2011, a 214 MW short-term (4-month) purchase; For 2012, a 1,219 MW Bid for 20 years

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					=(3)*(4)		=(5)+(6) FPL		= (7) - (8)
Year	Bid 1 (1219 MW)	Purchase (214 MW)	Filler Capacity Needed to Replace Portfolio's Expired Components (MW)	Filler Capacity Losses (%)	Filler Capacity Losses (MW)	FPL Transmission System Losses with Portfolio's Remaining Components (MW)	Transmission System Losses with Portfolio's Remaining Components + Filler Capacity Losses (MW)	FPL Transmission System Losses with the Reference Portfolio (MW)	Difference in FPL Transmission System Losses between Portfolio in question and Reference Portfolio (MW)
2012	1219		0	2.19%	0.00	248	248.00	246	2.00
2013	1219		0	2.19%	0.00	248	248.00	246	2.00
2014	1219		0	2.19%	0.00	248	248.00	246	2.00
2015	1219		0	2.19%	0.00	246	246.00	246	0.00
2016	1219		0	2.19%	0.00	246	246.00	246	0.00
2017	1219		0	2.19%	0.00	246	246.00	246	0.00
2018	1219		0	2.19%	0.00	246	246.00	246	0.00
2019	1219		0	2.19%	0.00	246	246.00	246	0.00
2020	1219		0	2.19%	0.00	246	246.00	246	0.00
2021	1219		0	2.19%	0.00	246	246.00	246	0.00
2022	1219		0	2.19%	0.00	246	246.00	246	0.00
2023	1219		0	2.19%	0.00	246	246.00	246	0.00
2024	1219		0	2.19%	0.00	246	246.00	246	0.00
2025	1219		0	2.19%	0.00	246	246.00	246	0.00
2026	1219		0	2.19%	0.00	246	246.00	246	0.00
2027	1219		0	2.19%	0.00	246	246.00	246	0.00
2028	1219		0	2.19%	0.00	246	246.00	246	0.00
2029	1219		0	2.19%	0.00	246	246.00	246	0.00
2030	1219		0	2.19%	0.00	246	246.00	246	0.00
2031	1219		0	2.19%	0.00	246	246.00	246	0.00
2032	0		1219	2.19%	26.70	246	272.70	246	26.70
2033	0		1219	2.19%	26.70	246	272.70	246	26.70
2034	0		1219	2.19%	26.70	246	272.70	246	26.70
2035	0		1219	2.19%	26.70	246	272.70	246	26.70
2036	0		1219	2.19%	26.70	246	272.70	246	26.70
2037	0		1219	2.19%	26.70	246	272.70	246	26.70

Cost of Losses Step 2: Calculation of Peak Hour Capacity Loss Costs:

The cost of peak hour capacity losses associated with a portfolio is the product of the annual difference in the Peak Load Losses between a portfolio and the reference portfolio (calculated in Step 1) multiplied by a proxy purchase cost ($5/kw-month), and then escalated annually throughout the analysis period. This proxy purchase cost represents the economic value needed to bring this portfolio into equivalence with the reference portfolio.

An example of this calculation for the hypothetical portfolio is shown in Table D.2 – 3.

Note that peak hour capacity loss costs will not be assigned for the first two years after a capacity option is assumed to be added. Using a 2011 capacity option as an example, actual impacts to FPL transmission system losses from the addition of any portfolio in 2011 would first be quantified in line loss studies FPL would conduct in 2012 based on actual 2011 data. The results of these studies would then be incorporated into FPL's 2013 load forecast. Therefore, 2013 would be the first year in which loss impacts from 2011 capacity additions would result in higher or lower forecasted capacity needs, thus affecting costs to meet FPL's system capacity needs from 2013 – on.

An annual peak hour capacity loss cost is calculated for all years starting in 2013 and the annual costs are then present valued and summed. The sum of these present valued costs represents the difference in cost of peak hour capacity losses associated with the portfolio relative to the reference portfolio.

Cost of Losses Step 3: Calculation of Annual Energy Loss Costs:

Both the differences for the Peak Load Losses and Average Load Losses between a portfolio and the reference portfolio (calculated in Step 1) are first converted to energy (MWH) values. The Peak Load Loss value is multiplied by 876 hours each year (representing 10% of the annual 8,760 hours) to derive an "on-peak" energy loss (MWH) value. These on-peak MWH values are then multiplied by projected on-peak

marginal energy prices to derive on-peak energy loss costs for each portfolio relative to the reference portfolio.

Similarly, the Average Load Losses value is multiplied by an appropriate (to the type of capacity being offered in the portfolio) number of hours to derive an "off-peak" energy loss (MWH) value. These off-peak MWH values are then multiplied by projected off-peak marginal energy prices to derive off-peak energy loss costs for each portfolio relative to the reference portfolio.

These annual on-peak and off-peak energy loss costs are then summed to derive a total annual energy loss cost for each portfolio relative to the reference portfolio. This total annual energy loss cost is calculated for all years starting in 2011. These annual costs are then present valued and summed. The sum of these present valued costs represents the difference in the cost of energy losses associated with the portfolio relative to the reference portfolio.

Tables D.2 – 3 and D.2 - 4 present an example of this calculation for the hypothetical portfolio. In Table D.2 – 4, a set of marginal energy costs based on FPL's designated Fossil Fuel Price and Availability Forecast is used in this example.

Table D.2 - 3

Calculation of Costs for Peak Hour Capacity Losses (MW) for:

Example: For 2011, a 214 MW short-term (4-month) purchase; For 2012, a 1,219 MW Bid for 20 years

Discount Rate =	0.083
Purchase Proxy Starting Cost ($/kw) =	$5.00
Annual Escalation Rate for Proxy Purchase =	2%

	(1)	(2)	(3)	(4)	(5)
				= (1)*(3)*12	= (2)*(4)
Year	Proxy Purchase Cost ($/kw-mo)	Discount Factor	Peak Load Loss (from Tables E-1) (MW)	Peak Hour Capacity Loss Cost Nominal ($ 000)	Peak Hour Capacity Loss Cost NPV ($ 000)
2008	$0.00	1.000	0.00	$0	$0
2009	$0.00	0.923	0.00	$0	$0
2010	$0.00	0.853	0.00	$0	$0
2011	$5.00	0.787	0.00	$0	$0
2012	$5.10	0.727	1.00	$61	$44
2013	$5.20	0.671	1.00	$62	$42
2014	$5.31	0.620	1.00	$64	$39
2015	$5.41	0.572	0.00	$0	$0
2016	$5.52	0.528	0.00	$0	$0
2017	$5.63	0.488	0.00	$0	$0
2018	$5.74	0.451	0.00	$0	$0
2019	$5.86	0.416	0.00	$0	$0
2020	$5.98	0.384	0.00	$0	$0
2021	$6.09	0.355	0.00	$0	$0
2022	$6.22	0.327	0.00	$0	$0
2023	$6.34	0.302	0.00	$0	$0
2024	$6.47	0.279	0.00	$0	$0
2025	$6.60	0.258	0.00	$0	$0
2026	$6.73	0.238	0.00	$0	$0
2027	$6.86	0.220	0.00	$0	$0
2028	$7.00	0.203	0.00	$0	$0
2029	$7.14	0.187	0.00	$0	$0
2030	$7.28	0.173	0.00	$0	$0
2031	$7.43	0.160	0.00	$0	$0
2032	$7.58	0.148	26.70	$2,428	$358
2033	$7.73	0.136	26.70	$2,476	$337
2034	$7.88	0.126	26.70	$2,526	$318
2035	$8.04	0.116	26.70	$2,576	$299
2036	$8.20	0.107	26.70	$2,628	$282
2037	$8.37	0.099	26.70	$2,680	$265
				NPV Total ($000) =	$1,986

Table D.2 - 4

Calculation of Costs for Annual Energy Losses (MWH) for:

Example: For 2011, a 214 MW short-term (4-month) purchase; For 2012, a 1,219 MW Bid for 20 years

On-Peak Hours =	876	(or 10% of all hours)
Off-Peak Hours =	6,570	
Discount Factor =	0.083	

Year	(1) On-Peak Marginal Energy Cost ($/mwh)	(2) Off-Peak Marginal Energy Cost ($/mwh)	(3) Discount Factor	(4) Peak Load Loss (from Tables E - 1) (MW)	(5) = (4)*On-Peak Hours On - Peak Hours Annual Energy Loss (MWH)	(6) = (1)*(5)/1000 On - Peak Hours Annual Energy Loss Cost Nominal ($ 000)	(7) Average Load Loss (from Table E - 2) (MW)	(8) = (7)*Off-Peak Hours Off - Peak Hours Annual Energy Loss (MWH)	(9) = (2)*(8)/1000 Off - Peak Hours Annual Energy Loss Cost Nominal ($ 000)	(10) = (6) + (9) Total Annual Energy Loss Cost Nominal ($ 000)	(11) = (3)*(10) Total Annual Energy Loss Cost NPV ($ 000)
2008	0	0	1.000	0.00	0	$0	0	0	$0	$0	$0
2009	0	0	0.923	0.00	0	$0	0	0	$0	$0	$0
2010	0	0	0.853	0.00	0	$0	0	0	$0	$0	$0
2011	$81.82	$64.82	0.787	0.00	0	$0	1.00	6,570	$426	$426	$335
2012	$81.82	$64.82	0.727	1.00	876	$72	2.00	13,140	$852	$923	$671
2013	$76.32	$57.39	0.671	1.00	876	$67	2.00	13,140	$754	$821	$551
2014	$80.45	$59.39	0.620	1.00	876	$70	2.00	13,140	$780	$851	$527
2015	$83.69	$61.47	0.572	0.00	0	$0	0.00	0	$0	$0	$0
2016	$87.97	$64.02	0.528	0.00	0	$0	0.00	0	$0	$0	$0
2017	$91.25	$65.51	0.488	0.00	0	$0	0.00	0	$0	$0	$0
2018	$95.63	$68.13	0.451	0.00	0	$0	0.00	0	$0	$0	$0
2019	$105.76	$73.13	0.416	0.00	0	$0	0.00	0	$0	$0	$0
2020	$112.21	$76.99	0.384	0.00	0	$0	0.00	0	$0	$0	$0
2021	$122.39	$80.51	0.355	0.00	0	$0	0.00	0	$0	$0	$0
2022	$130.47	$83.78	0.327	0.00	0	$0	0.00	0	$0	$0	$0
2023	$141.86	$88.84	0.302	0.00	0	$0	0.00	0	$0	$0	$0
2024	$143.31	$91.06	0.279	0.00	0	$0	0.00	0	$0	$0	$0
2025	$146.96	$91.81	0.258	0.00	0	$0	0.00	0	$0	$0	$0
2026	$151.43	$93.44	0.238	0.00	0	$0	0.00	0	$0	$0	$0
2027	$156.42	$94.02	0.220	0.00	0	$0	0.00	0	$0	$0	$0
2028	$160.53	$98.27	0.203	0.00	0	$0	0.00	0	$0	$0	$0
2029	$165.15	$99.36	0.187	0.00	0	$0	0.00	0	$0	$0	$0
2030	$166.08	$99.48	0.173	0.00	0	$0	0.00	0	$0	$0	$0
2031	$172.67	$102.08	0.160	0.00	0	$0	0.00	0	$0	$0	$0
2032	$175.45	$103.20	0.148	26.70	23,386	$4,103	24.70	175,393	$18,101	$22,204	$3,276
2033	$180.04	$106.31	0.136	26.70	23,386	$4,210	26.70	175,393	$18,646	$22,856	$3,114
2034	$187.85	$110.13	0.126	26.70	23,386	$4,393	26.70	175,393	$19,316	$23,709	$2,982
2035	$186.96	$109.23	0.116	26.70	23,386	$4,372	26.70	175,393	$19,158	$23,530	$2,733
2036	$198.76	$114.68	0.107	26.70	23,386	$4,648	26.70	175,393	$20,114	$24,762	$2,656
2037	$195.56	$111.16	0.099	26.70	23,386	$4,573	26.70	175,393	$19,497	$24,071	$2,384
									NPV Total ($000) =		$19,230

D.3 Net Equity Adjustment

A. Explanation of Equity Adjustment

In order to fairly evaluate the total cost of competing generation portfolios, FPL will consider the impact that the potential selection of each portfolio would have on FPL's overall capital structure. FPL's self-build options assume financing of incremental costs at 55.8% equity, 44.2% debt. These financing costs are included in the total cost of FPL's NPGU.

Consistent with that approach an adjustment will be made to the total cost of generation alternative portfolios containing purchased power obligations to reflect the fact that such obligations draw upon the debt capacity of FPL and, other things being equal, must be offset by increasing the ratio of equity in FPL's capital structure. This is necessary to ensure that alternatives are compared against one another and to FPL's NPGU in a manner that is neutral

relative to FPL's capital structure. Rating agencies explicitly evaluate purchase power obligations and, based on that examination, the rating agencies attribute a portion of the net present value (NPV) of the obligations under each power purchase agreement to the utility's balance sheet as a debt equivalent. The effect of this adjustment is to increase the relative share of debt and debt-like instruments in the capital structure. Therefore, FPL will calculate the incremental cost of the equity required to rebalance the capital structure at 55.8% equity, 44.2% debt to obtain a complete assessment of the related costs to FPL associated with the potential selection of each portfolio.

Standard & Poor's (S & P) methodology will be used to calculate the debt equivalent that would be added to FPL's capital structure. S & P begins by taking the NPV of the annual capacity payments over the life of the contract using a 6% discount factor. To determine the debt equivalent, the NPV is then multiplied by a risk factor. Based on the guidelines provided by S & P, a 25% risk factor will be used to calculate the debt equivalent.

Once the debt equivalent has been determined, the amount of equity required to rebalance the capital structure will be calculated. The equity adjustment represents the net present value of the incremental cost of equity (versus debt) required to rebalance the capital structure. A detailed example of the calculation of the equity adjustment is presented in Table D.3 – 1 at the end of this section.

B. Mitigating Factors

While the S & P methodology takes a broad look at the debt equivalence of purchase power obligations, there may be other factors which may be considered as mitigating the effect of such purchased power obligations. The following subsections discuss those factors that, in FPL's review, may offer some mitigation and can be quantified. These factors will be reflected as credits in the development of a modified or net equity adjustment factor.

1) Mitigation Offered by Completion Security

When FPL enters into a purchased power agreement (PPA) associated with a unit to be constructed, the Proposer will provide Completion Security to address the delivery risks associated with completing the project. Many of these risks can be combined and represented as the risk of delivering less capacity than that proposed, and upon which the selection was made and a PPA was

executed. Under an FPL self-build option, there is some small probability that such an event might occur, and that impact might not be mitigated by FPL's contractual arrangements. If this occurred and it was determined by the FPSC that FPL was not imprudent, any incremental cost caused by such a delivery shortage may be allowed to be recovered from FPL's customers.

If this same sequence of events occurred under a PPA associated with a unit to be constructed, in the form contemplated by FPL, the Completion Security could mitigate the impact of those costs on FPL's customers. This would be the source of mitigation provided by the PPA Completion Security that is different from an FPL self-build option.

In order to assess a quantitative value that could be assigned to this mitigation, both the risk of occurrence and the economic magnitude of the occurrence of a delivery shortage must be estimated.

FPL reviewed the history of FPL self-build projects relevant to this RFP to determine the probability of a delivery shortage. These projects represented approximately 7,600 MW of planned capacity. The data showed that some projects over-delivered while others under-delivered. As a conservative approach, overages were not allowed to offset shortages. On this basis, a total shortage of 14 MW was seen over the promised approximately 7,600 MW resulting in a probability of delivery shortage of 0.19%.

The economic impact of a delivery shortage can be identified as represented by the Completion Security amount established by FPL. It is noted that this amount could be mitigated by many factors for specific occurrences; i.e., component performance guarantees, engineering - procurement - construction (EPC) guarantees and Liquidated Damages (LD's), etc., but represents a "worst case" value that is conservatively derived and applied to the favor of the Proposer in developing the mitigation credit.

The value of the mitigation provided by a PPA would be the product of the probability of delivery shortage (risk) and the Completion Security amount (magnitude) identified in Section III.C.6 of the RFP document.

Example:

P_{DS} = Probability of FPL Delivery Shortage = 0.19%
CS = Completion Security = $289,000 per MW

CS Mitigation = CS * (P_{DS}) = $289,000* (0.0019) = $549 per MW (Nominal $)

2) Mitigation offered by Performance Security

FPL recognizes that PPA-based capacity, if selected instead of an FPL self-build option, has the potential to provide better performance than that projected for FPL's NPGU at certain times. Therefore, FPL has calculated a Performance Mitigating Factor that attributes an appropriate amount of credit to a PPA for this potential benefit.

The Performance Mitigating Factor is not dependent upon the type or nature of the PPA in question. Instead, it is based on the projected forced outage factor (FOF) of FPL's NPGU in this RFP compared to recent FPL experience with new FPL units installed and operated by FPL that are most similar to the NPGU of this RFP and for which meaningful data exits. These existing units are FPL's Martin Unit 3 and Unit 4, combined cycle units that were installed on the FPL system in the mid-1990's.

The actual/projected annual average FOF for these units over their projected 25-year life is 1.72%. The projected average annual FOF for FPL's NPGU is 1.1%. Consequently, using the actual/projected annual average FOF for the Martin units as a possible projection of the actual FOF for the similar, but different, technology of FPL's NPGU, yields a possible FOF annual differential of 0.62%.

This translates to approximately 54 hours per full year (8760 hours/year x 0.0062 = 54 hours/year) in which the existing units on FPL's system might have to supply energy that is projected to be supplied by the NPGU. Then, using the same projection of FPL system marginal energy costs that is used in the calculation of the Costs of Transmission Losses in Section D.2 of this appendix, a calculation of the replacement energy costs for these 54 hours for each year is made. This annual nominal cost value is then present valued and added to the cumulative present value of these costs from prior years (beginning with the appropriate month/year of the PPA's proposed in-service date). This calculation is presented in Table D.3 – 2 at the end of this section.

As seen in Table D.3 – 2, the values calculated are on a per MW basis and vary according to the proposed term of the PPA. The actual Performance Mitigating Factor that will be applied to a PPA will depend both upon the proposed capacity (MW) and the proposed term-of-service.

3) Application

Once the appropriate Performance Mitigating Factor is calculated for a PPA, this mitigating factor, plus the Completion Security Mitigating Factor discussed above, will be subtracted from the Equity Adjustment value to derive a Net Equity Adjustment value for the PPA. This net value will be included in the final economic evaluation of all portfolios containing this PPA.

An example application of the equity adjustment calculation, and the mitigating factors, to provide a net equity adjustment value is presented in the remainder of this section.

C. Example Net Equity Adjustment Calculations

The net equity adjustment calculations that FPL will use in its evaluation of purchased power Proposals received in response to its 2007 RFP for 2011 Capacity is explained below using a hypothetical Proposal for 500 MW starting in 2011 over a 10-year period at a constant price of $8/kw-month.

Table D.3 -1 presents the equity adjustment calculation. This is followed by an explanation by column of the values in Table D.3 - 1. Table D.3 – 2 then presents the calculation of the mitigating factors. The net equity adjustment value is then calculated.

Table D.3 -1

Equity Adjustment Calculation for Example Purchase

Calculation Assumptions:

Discount Rate applied to capacity charges(per Standard & Poor's)	6.00%	Discount Rate (FPL's incremental after-tax cost of capital) =	8.3%
Adjustment Factor (per Standard & Poor's methodology)	25%	Equity vs. Debt Cost Difference =	12.7%
Equity Percentage (FPL's target equity ratio) =	55.8%	Bid's Proposed Firm Capacity (MW) =	500
Effective Tax Rate =	38.575%		
Cost of Debt (FPL's incremental cost)	6.43%		
Cost of Equity =	11.75%		

Equity Adjustment Calculation

Year	(1) Monthly Capacity Payments ($/kw-month)	(2) Annual Capacity Payments ($000)	(3) NPV Capacity Payments ($000)	(4) Debt Equivalence ($000)	(5) Equity Replaced to Rebalance ($000)	(6) Equity Adjustment ($000)
2008	0.00	$0	$0	$0	$0	$0
2009	0.00	$0	$0	$0	$0	$0
2010	0.00	$0	$0	$0	$0	$0
2011	8.00	$28,000	$334,416	$83,604	$46,651	$5,924
2012	8.00	$48,000	$326,481	$81,620	$45,544	$5,784
2013	8.00	$48,000	$298,070	$74,518	$41,581	$5,280
2014	8.00	$48,000	$267,954	$66,989	$37,380	$4,747
2015	8.00	$48,000	$236,032	$59,008	$32,926	$4,181
2016	8.00	$48,000	$202,193	$50,548	$28,206	$3,582
2017	8.00	$48,000	$166,325	$41,581	$23,202	$2,946
2018	8.00	$48,000	$128,305	$32,076	$17,898	$2,273
2019	8.00	$48,000	$88,003	$22,001	$12,276	$1,559
2020	8.00	$48,000	$45,283	$11,321	$6,317	$802
2021	0.00	$0	$0	$0	$0	$0
2022	0.00	$0	$0	$0	$0	$0
2023	0.00	$0	$0	$0	$0	$0
2024	0.00	$0	$0	$0	$0	$0
2025	0.00	$0	$0	$0	$0	$0
2026	0.00	$0	$0	$0	$0	$0
2027	0.00	$0	$0	$0	$0	$0
2028	0.00	$0	$0	$0	$0	$0
2029	0.00	$0	$0	$0	$0	$0
2030	0.00	$0	$0	$0	$0	$0
2031	0.00	$0	$0	$0	$0	$0
2032	0.00	$0	$0	$0	$0	$0
2033	0.00	$0	$0	$0	$0	$0
2034	0.00	$0	$0	$0	$0	$0
2035	0.00	$0	$0	$0	$0	$0
2036	0.00	$0	$0	$0	$0	$0
2037	0.00	$0	$0	$0	$0	$0
					NPV Total =	$23,058

Explanation of calculation by column:

Column [1] = Monthly Capacity Payments ($/kw-month)

Column [2] = ((Capacity Payments ($/kw-month) * Proposal's Firm Capacity (MW) * 1000 kW/MW*12 months))/1000

Column [3] = Net Present Value (NPV) of the total sum of remaining annual capacity payments with values discounted at the discount rate used by Standard & Poor's to value off-balance sheet purchase power obligations.

Example: For 2011: NPV of capacity payments for (2011-2020)
For 2012: NPV of capacity payments for (2012 – 2020)

For 2013: NPV of capacity payments for (2013 – 2020)
Etc:

Column [4] = (Column [3]* Adjustment Factor)

Column [5] = (Column [4] * Equity Percentage)

Column [6] = (Column [5]* Equity vs. Debt Cost Difference)
Where Equity vs. Debt Cost Difference = ((Cost of Equity)/(1- Effective Tax Rate)) – Cost of debt

NPV Total is discounted back to current year (2008) using after tax cost of capital discount rate.

Completion Security Mitigation Example:

The Completion Security Mitigating Factor would be credited by applying the amount previously calculated:

CS mitigation/MW * Capacity * Net Present Value Factor = Completion Security Mitigation Factor

$549 * 500 MW = $274,500 (Nominal $) or
$274,500 * 0.787 = $216,032 (NPV $)

Performance Mitigation Example:

The Performance Mitigation value, in terms of $ per MW, is presented in the following table.

Table D.3 - 2

Performance Security Mitigating Factor Calculation Example: for Bid with 2011 In-Service Date
(Note: Values shown are "per MW" values)

Assumptions:
- Capacity level (MW) = 1
- Avg Annual FOF "Overage" for FPL CCs = 0.62%
- Discount Factor = 0.083

Year	(1) Annual Discount Factor	(2) Average Annual Forced Outage "Overage" (MWH per MW)	(3) Average Marginal Energy Cost ($/MWH)	(4) = (2) x (3) Nominal Replacement Energy Cost ($)	(5) = (1) x (3) NPV Replacement Energy Cost ($)	(6) Cumulative NPV Replacement Energy Cost ($)
2008	1.000	0	$78.73	0	0	0
2009	0.923	0	$76.08	0	0	0
2010	0.853	0	$71.66	0	0	0
2011	0.787	32	$66.44	$2,105	$1,657	$1,657
2012	0.727	54	$63.35	$3,441	$2,501	$4,158
2013	0.671	54	$68.08	$3,698	$2,482	$6,640
2014	0.620	54	$73.58	$3,996	$2,477	$9,117
2015	0.572	54	$76.50	$4,155	$2,378	$11,495
2016	0.528	54	$81.25	$4,413	$2,332	$13,826
2017	0.488	54	$83.57	$4,539	$2,215	$16,041
2018	0.451	54	$86.45	$4,695	$2,115	$18,156
2019	0.416	54	$92.16	$5,005	$2,082	$20,238
2020	0.384	54	$96.90	$5,263	$2,022	$22,260
2021	0.355	54	$101.64	$5,520	$1,958	$24,218
2022	0.327	54	$103.82	$5,639	$1,847	$26,064
2023	0.302	54	$107.31	$5,828	$1,762	$27,827
2024	0.279	54	$111.57	$6,060	$1,692	$29,519
2025	0.258	54	$115.68	$6,283	$1,620	$31,139
2026	0.238	54	$120.34	$6,536	$1,556	$32,695
2027	0.220	54	$123.91	$6,730	$1,479	$34,174
2028	0.203	54	$128.00	$6,952	$1,411	$35,585
2029	0.187	54	$132.47	$7,195	$1,348	$36,933
2030	0.173	54	$135.01	$7,333	$1,269	$38,202
2031	0.160	54	$139.63	$7,584	$1,212	$39,414
2032	0.148	54	$142.76	$7,754	$1,144	$40,558
2033	0.136	54	$149.52	$8,121	$1,106	$41,664
2034	0.126	54	$151.41	$8,223	$1,034	$42,699
2035	0.116	54	$159.34	$8,654	$1,005	$43,704
2036	0.107	54	$165.03	$8,963	$961	$44,665
2037	0.099	54	$170.48	$9,259	$917	$45,582

In the table above, a 500 MW PPA with an in-service date of 2011 and a term of service through 2020 would have a Performance Mitigation amount of:

500 MW * $22,260/MW = $11,130,000 (NPV)

Net Equity Adjustment Example:

In this example the Completion Security Mitigation amount and the Performance Mitigation amount would be subtracted from the Equity Adjustment to yield a Net Equity Adjustment value for this PPA of:

$23,058,000 - $216,032 - $11,130,000 = $11,711,968 (NPV $)