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Sent: Monday, July 14, 2008 4:08 PM
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Subject: RE: Electronic Filing for Docket No. 080007-EI/FPL's Preliminary List of New Projects to be Submitted for Cost Recovery
Attachments: FPL 2009 Preliminary Projects FINAL.doc

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 080007-EI

In Re: *Environmental Cost Recovery Clause*

c. The document is being filed on behalf of Florida Power & Light Company.

d. There are a total of 3 pages.

e. The document attached for electronic filing is Florida Power & Light Company's Preliminary List of New Projects to be Submitted for Cost Recovery

Florida Power & Light Company
Environmental Cost Recovery
Docket No. 080007-EI
July 14, 2008

PRELIMINARY LIST OF NEW PROJECTS TO BE SUBMITTED FOR COST RECOVERY

Projects: FPL's Next Generation Solar Energy Centers

Law/Regulation: Recent Florida legislation, namely House Bill 7135 which the Governor signed into law on June 25, 2008, enhances the feasibility of developing clean, zero greenhouse gas emitting renewable generation to serve a portion of the electricity needs of FPL's customers. House Bill 7135 enhances the feasibility of developing such renewable generation by providing for full cost recovery of all reasonable and prudent costs incurred by a provider for renewable energy projects under the ECRC, for a total of 110 MW statewide.

Brief Description of Projects: On Friday, May 16, 2008, FPL filed a petition with the Commission for approval of three solar energy projects, totaling 110 MW, such that prudently incurred project costs may be recovered through the ECRC.

FPL's three proposed solar energy projects are as follows:

- The Martin Next Generation Solar Energy Center, which will be the second largest solar thermal facility in the world and the largest solar plant of any kind outside of California (it will provide up to 75 MW of solar thermal capacity and is expected to be completed by the end of 2010);
- The DeSoto Next Generation Solar Energy Center, which will be the world's largest solar photovoltaic ("PV") facility (it will provide 25 MW of solar PV capacity and is expected to be completed during the second quarter of 2010); and
- The Space Coast Next Generation Solar Energy Center, which will be one of the first large scale solar PV facilities located near the coastline and will be located at NASA's Kennedy Space Center (it will provide 10 MW of solar PV capacity and is expected to be completed during the fourth quarter of 2009).

FPL expects construction to begin on all three projects at the end of 2008, and the first solar facility to go commercial in mid-2009. FPL is in the process of finalizing its cost estimates for these projects and will present the estimates as part of its estimated/actual and projection filings in August.

On July 2, 2008, Staff issued its recommendation on FPL's petition. Staff recommends that the "Commission approve FPL's petition for approval of the eligibility of the Martin Next Generation Solar Energy Center, the DeSoto Next Generation Solar Energy Center, and the Space Coast Next Generation Solar Energy Center for recovery through the Environmental Cost Recovery Clause (ECRC)." Staff found that all three of FPL's proposed solar projects "comply with the statutory

requirements specified in the section 366.92(4), F.S., for eligibility for cost recovery through the ECRC.”

Project: Electric Utility Greenhouse Gas Reduction Program (Tentative for 2009)

Law/Regulation: Department of Environmental Protection (DEP) Proposed Rule 62-285.300 (07-1262), Florida Administrative Code (FAC), Rule to implement Executive Order 07-127 requiring the reduction in emission of Greenhouse Gasses (GHG) from Electric Utilities. In addition, Florida House Bill 7135 (“HB 7135”) created the Florida Climate Protection Act as Section 403.44 of the Florida Statutes, which requires major GHG emitters to register and report GHG emissions and also requires the DEP to implement a GHG Cap and Trade program to address required reductions, which must then be presented to the legislature for ratification by 2010. HB 7135 also includes provisions allowing recovery of the costs or expenses prudently incurred for scientific research and geological assessments of carbon capture and storage conducted in Florida for the purpose of reducing an electric utility's GHG emissions when such costs or expenses are incurred in joint research projects with Florida state government agencies and Florida state universities.

Brief Description of Project: The purpose of FPL’s proposed Electric Utility Greenhouse Gas Reduction Program is to implement both the reporting and emission reduction requirements established under Chapter 403 of the Florida Statutes, as amended by HB 7135, and the Governor’s Executive Order 07-127 that set a maximum allowable emission level of GHGs in the state of Florida. During the initial implementation of the program electric utilities, major emitters of GHGs, are required to participate in The Climate Registry providing historical and current GHG emission data to establish the baseline emissions and targets for the required compliance reductions to meet the 2017, 2025 and 2050 deadlines. In subsequent years utilities will be required to engage third party verification of their reported inventory. To comply with future GHG Cap and Trade programs FPL may potentially need to recover GHG emission allowance costs through this project. To achieve the future reduction goals established by the Executive Order FPL anticipates that additional reductions in its GHG emissions may be required beyond the currently planned fossil unit conversions, nuclear uprates, and the addition of new nuclear generating units. The additional reductions may require a combination of the implementation of carbon sequestration and storage technology and the use of verified carbon offset projects, at which time FPL will pursue the lowest cost option.

FPL is tentatively considering implementation of this project beginning in 2009, to recover costs associated with participation in The Climate Registry, including the development of a GHG reporting and tracking system. FPL expects to begin incurring such costs beginning in 2009, following the publication of registry guidance by the DEP. FPL’s preliminary O&M estimate of \$50,000 for the 2009 initial implementation of the project includes the projected registration and consultant fees for the first year of Climate Registry participation.

CERTIFICATE OF SERVICE

Docket No. 080007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on July 14, 2008 to the following:

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