**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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| **In re: Petition for rate increase by Florida Power and Light Company** | **DOCKET NO. 20210015-EI**<br>**Filed: July 14, 2021** |

**THE CLEO INSTITUTE AND VOTE SOLAR'S**
**PREHEARING STATEMENT**

A. APPEARANCES:

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B. THE CLEO INSTITUTE / VOTE SOLAR WITNESSES:

| Witness | Subject Matter | Issue # |
|---|---|---|
| Rachel Wilson | Reviews the sufficiency of FPL's resource planning process and evaluates the prudence of FPL's recent and proposed gas investments within that | 19, 20, 25, 27, 29, 41, 42, 43, 44, 47, 133, C |

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| | context; notes the lack of consideration given to demand side management (DSM) measures as a resource in FPL's planning process; Describes the deficiencies in FPL's analysis related to both the coal-to-gas conversion project at Crist Units 6 and 7 and the new combustion turbine units added at the Crist site; Reviews the stranded asset risk posed to FPL ratepayers through continued reliance on gas-fired resources. | |
| Melissa Whited | Demonstrates that FPL's proposal has failed to provide adequate safeguards for its low-income customers who are struggling with the impacts from COVID-19, unaffordable bills, and a warming climate; documents how FPL's disconnection practices have exacerbated inequities and that FPL's proposal will do little to address affordability or resilience; proposes several possible solutions to help protect FPL's most vulnerable costumers, improve affordability, and enhance resiliency. | 19, 20, 25, 71, H |
| Curt Volkmann | Assesses the proposed T&D capital expenditures for Reliability/Grid Modernization and Growth by FPL and Gulf Power as described in the Company's direct testimony of witness Michael Spoor; concludes that the Company's proposed $11.5 billion of | D, E |

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| | Reliability/Grid Modernization and Growth capital expenditures in 2019-2023 are unsupported with evidence in the record. | |
| Yoca Arditi-Rocha | Addresses The CLEO Institute's representational standing to intervene in this proceeding; demonstrating that a substantial number of CLEO's members reside within FPL service territory and may be substantially affected by the Commission's decision in this docket; demonstrating that the subject matter of this proceeding is within CLEO's general scope of interest and activity; and demonstrating that the relief requested is of a type appropriate for CLEO to receive on behalf of its members. | 7, 8 |

C. THE CLEO INSTITUTE / VOTE SOLAR WITNESSES' EXHIBITS:

| **Witness** | **Docket Nos.** | **Exhibit No.** | **Description** | **Issue #** |
|---|---|---|---|---|
| Rachel Wilson | 20210015-EI | RW-1 | Resume | |
| Rachel Wilson | 20210015-EI | RW-2 | Electric Utilities Carbon Emission Reduction Goals | 19, 20, 25, 27, 29, 41, 42, 43, 44, 47, 133, C |
| Curt Volkmann | 20210015-EI | CV-1 | Statement of Qualifications | |
| Curt Volkmann | 20210015-EI | CV-2 | Prior Testimony & Comments by Curt Volkmann | |
| Curt Volkmann | 20210015-EI | CV-3 | Discovery Requests, Objections, and Responses by FPL to CLEO | D, E |

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| | | | Institute and Vote Solar | |
| Curt Volkmann | 20210015-EI | CV-4 | Potential Metrics for FPL-Gulf T&D Capital Performance Management | D, E |
| Curt Volkmann | 20210015-EI | CV-5 | ICE Calculator Screenshots | D, E |
| Curt Volkmann | 20210015-EI | CV-6 | Grid Modernization Playbook | D, E |
| Curt Volkmann | 20210015-EI | CV-7 | Benefit-Cost analysis for Grid Modernization | D, E |
| Curt Volkmann | 20210015-EI | CV-8 | Excerpts of FPL Witness Spoor's Deposition | D, E |
| Melissa Whited | 20210015-EI | MW-1 | Melissa Whited Resume | |
| Melissa Whited | 20210015-EI | MW-2 | FPL First Set of Interrogatories No. 33 | 19, 20, 25, 71, H |
| Melissa Whited | 20210015-EI | MW-3 | FPL First Set of Interrogatories No. 39 | 19, 20, 25, 71, H |
| Melissa Whited | 20210015-EI | MW-4 | FPL First Set of Interrogatories No. 37 | 19, 20, 25, 71, H |

## D. STATEMENT OF BASIC POSITION:

The CLEO Institute and Vote Solar's Statement of Basic Position:

In this proceeding, FPL proposes the largest rate increase in the history of the State of Florida. This rate case comes as Floridians are just beginning to emerge from a global pandemic and a painful recession. FPL customers are also on the front lines of a changing climate, facing ever-stronger storms, more extreme temperatures, and sea level rise. FPL acknowledges some of the challenges facing customers, but fails to provide the leadership necessary to actually confront them. In fact, its proposal primarily serves to exacerbate the challenges that its customers are facing day to day. The result is that instead of proposing strategic, sound investments that put the state's most vulnerable customers first, FPL instead doubles down on a traditional, polluting, over-built grid that will only exacerbate unaffordability and compound the financial risks facing customers in the coming decades.

FPL proposes over $10 billion dollars in non-storm related transmission and distribution investments over a 4-year period without even providing a traditional benefit/cost analysis to justify these dollars. The Commission has no way of knowing if these expenses are reasonable and prudent. In fact, the little evidence that FPL has presented casts serious doubt on whether the purported benefits to customers outweigh the costs; for instance, with respect to the proposed reliability investments, FPL proposes to spend $600-$900 million of capital for a ***one-minute*** improvement in day-to-day (non-storm) customer outage time. FPL provides zero justification for its position that customers are willing to pay so much for so little value. Instead of this illogical approach, FPL should be engaging in transparent planning and robust analysis to ensure that every dollar of customers' money spent on grid modernization is being spent wisely.

With respect to its generation investments, on one hand, FPL proposes some solar and battery storage investments that will move FPL's system towards cleaner generation. But at the same time, FPL continues to make significant investments in gas resources and also seeks to extend gas plants' useful lives to ***50 years*** – decades beyond the point where most of FPL's peer utilities in America are planning to be carbon-free. FPL seeks to invest in green hydrogen in the hope of converting these gas plants to run on clean fuel down the road, but this technology is untested at scale. In making these decisions, FPL ignores what would likely be the *most* cost-effective resource alternative – energy efficiency and conservation resources. In addition to excluding DSM from all of its resource modeling, FPL doesn't even bother to include any FEECA-related incremental efficiency investments in its load forecasts beyond the current planning period. With respect to the 938 MW of new combustion turbines that FPL is building at Plant Crist, FPL accelerated the development of this capacity by several years, despite its own modeling delaying these plants until 2024, by which point other cost-effective alternatives might have displaced them. Even worse, FPL did not even bother to model *any* alternatives to converting Plant Crist Units 6 and 7 to run on gas.

These new gas resources – compounded by the Company's 50-year life proposal – heap risk upon risk on FPL's customers. FPL should instead be following peer utilities in planning for a 100% carbon-free system by mid-century, and aggressively pursuing <u>all</u> cost-effective resources (including DSM) to meet that goal. The Commission should require FPL to demonstrate that its gas decisions are reasonable and prudent. Should the Commission decide to approve any of these new gas resources, or the 50-year useful life proposal, it should condition the approval with the provision that, in the event the units become stranded assets, FPL's shareholders will bear the risks and costs rather than customers. The Company should be willing to accept this risk if it is confident that these new assets will be used and useful.

Lastly, FPL seeks a performance incentive of 0.5% on top of its requested return on equity based on the superior customer value it provides. FPL's performance with respect to customer affordability, disconnections and conservation programs does not warrant a performance incentive. The place in Florida law that explicitly warrants such a performance incentive is in the realm of energy efficiency. *See* Fla. Stat. § 366.82(9). FPL's quality of electric service is clearly lacking in this area. FPL ranks 51st out of 52 utilities nationally for its efficiency investments. FPL's energy efficiency savings total just 0.06% of sales – well below the national average of 1.03% and the Southeast regional average of 0.47%. FPL customers pay relatively high electricity bills compared to customers served by other utilities, in part due to FPL's abysmal energy efficiency offerings. The Commission should reject FPL's request for a 50-basis point performance incentive, and should the Commission seek to incentivize FPL, it should adopt measurable and targeted performance incentive mechanisms aimed at achieving *specific policy goals*, such as reducing customer disconnections and improving energy efficiency programs.

Superior value means keeping the lights on when it matters most to customers. FPL should also be making targeted investments in resilience to provide emergency power when the grid goes down. There is no such thing as a hurricane-proof grid; and many of the same vulnerable customers who are at risk of disconnection also rely on emergency shelters when storms hit. Solar, storage and efficiency investments at public schools that serve as shelters would provide a critical safety net for customers – a place to cool off, refrigerate medicine, plug in oxygen machines or just charge a phone to stay in touch with loved ones.

Our recommendations in this proceeding start from the reality that customers need meaningful progress toward a resilient, equitable, clean energy future that is built from the bottom up, starting with the needs of those who are most vulnerable. FPL's proposals in this case largely represent a missed opportunity to leverage clean energy at scale to benefit its customers who are most vulnerable – instead, it exacerbates the risks facing customers both today and for decades to come. The Commission should reject these high-risk proposals and send FPL back to the drawing board to craft a plan that puts customers before profit.

## E. STATEMENT OF ISSUES AND POSITIONS

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| ISSUE 1: | Does the Commission have the statutory authority to grant FPL's requested storm cost recovery mechanism? |
| CLEO/VS: | No position. |
| ISSUE 2: | Does the Commission have the statutory authority to approve FPL's requested Reserve Surplus Amortization Mechanism (RSAM)? |
| CLEO/VS: | No position. |
| ISSUE 3: | Does the Commission have the statutory authority to approve FPL's requested Solar Base Rate Adjustment mechanism for 2024 and 2025? |
| CLEO/VS: | Yes, there is statutory authority for the approval of a limited scope adjustment for a new generation plant, such as the SoBRA solar projects. Section 366.076(1), Florida Statutes permits the Commission to conduct a limited proceeding to consider any matter that results in a utility rate adjustment; Section 366.076(2) allows the Commission to adjust rates to be implemented in years subsequent to the test year. *See Citizens v. Florida Public Serv. Comm'n*, 146 So.3d 1143, 1157 fn.7 (Fla. 2014). (Legal issue) |
| ISSUE 4: | Does the Commission have the statutory authority to adjust FPL's authorized return on equity based on FPL's performance? |
| CLEO/VS: | Yes, in setting rates, the Commission may "give consideration, among other things, to the efficiency, sufficiency, and adequacy of the facilities provided and the services rendered; the cost of providing such service and the value of such service to the public." |

Fla. Stat. § 366.041(l). Furthermore, the Commission is explicitly permitted to grant performance incentives with respect to energy conservation and efficiency performance. Fla. Stat. § 366.82(9). (Legal issue)

ISSUE 5: Does the Commission have the statutory authority to include non-electric transactions in an asset optimization incentive mechanism?

CLEO/VS: No position.

ISSUE 6: Does the Commission have the statutory authority to grant FPL's requested four year plan?

CLEO/VS: No position.

ISSUE 7: Has CLEO Institute, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?

CLEO/VS: Yes. The CLEO Institute's member database contains addresses for 5,231 of the Institute's 10,314 members, including 3,748 member addresses located within FPL service territory, suggesting that at least 3,748 of the Institute's members, and perhaps as many as 7,000 or more will be affected by the Commission's decisions in this docket. Furthermore, CLEO's organizational interests include reducing greenhouse gas emissions coming from carbon pollution due to their role in exacerbating climate change and its impacts on people, particularly vulnerable populations. This interest is impacted by the Commission's decisions in this docket which will: address the prudency of certain fossil-fueled electricity generation choices; approve or deny cost recovery mechanisms that assume longer than customary useful lives of combined cycle natural gas generating units; and accept, or not, FPL's resource planning methodologies that fail to adequately consider solar generation, battery storage and demand-side management programs as alternatives to fossil-fueled electricity generation. Finally, the relief sought by CLEO is appropriate for CLEO to receive on behalf of its members. It is unnecessary for any of CLEO's individual members to participate in the proceeding in order for CLEO to obtain any relief requested, and any relief CLEO requests is relief that any one of its individual members could receive on its own if such member had the resources to intervene individually. (Arditi-Rocha)

ISSUE 8: What impact, if any, does the determination regarding the CLEO Institute Inc.'s associational standing have on its ability to participate in this proceeding?

CLEO/VS: None. The issue is moot as of the time that the Commission's decision is made, as CLEO will have participated in all phases of the case leading up to the Commission's post-hearing decision.

ISSUE 9: Has Floridians Against Increased Rates, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?

CLEO/VS: No position.

ISSUE 10: What impact, if any, does the determination regarding Floridians Against Increased Rates, Inc.'s associational standing have on its ability to participate in this proceeding?

CLEO/VS: No position.

ISSUE 11: Has Florida Rising, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?

CLEO/VS: No position.

ISSUE 12: What impact, if any, does the determination regarding Florida Rising, Inc.'s associational standing have on its ability to participate in this proceeding?

CLEO/VS: No position.

ISSUE 13: Has Smart Thermostat Coalition demonstrated individual and/or associational standing to intervene in this proceeding?

CLEO/VS: No position.

ISSUE 14: What impact, if any, does the determination regarding Smart Thermostat Coalition's associational standing have on its ability to participate in this proceeding?

CLEO/VS: No position.

ISSUE 15 : Is FPL's projected test period of the 12 months ending December 31, 2022, appropriate?

CLEO/VS: No position.

ISSUE 16: Do the facts of this case support the use of a subsequent test year ending December 31, 2023 to adjust base rates?

CLEO/VS: No position.

ISSUE 17: Has FPL proven any financial need for rate relief in any period subsequent to the projected test period ending December 31, 2022?

CLEO/VS: The CLEO Institute and Vote Solar take no position with respect to whether FPL has proven a financial need for rate relief in 2023.

With respect to 2024-2025 and FPL's proposed SoBRA mechanism, FPL has demonstrated that the SoBRA projects themselves are reasonable and prudent investments. The Commission should deem these future solar additions to be reasonable and prudent, as long as they are within the kilowatt cost caps proposed by FPL.

Concerning cost recovery, the Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes its SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

ISSUE 18: Is FPL's projected test period of the 12 months ending December 31, 2023, appropriate?

CLEO/VS: No position.

ISSUE 19: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class (including but not limited to forecasts of energy efficiency, conservation, demand-side management, distributed solar and electric vehicle adoption), for the 2022 projected test year appropriate?

CLEO/VS: No. Gulf Power assumed zero incremental demand-side management (DSM) would come from its utility programs beginning in 2025 through the end of its planning horizon. FPL assumed the DSM growth levels it *proposed* in the 2019 DSM Goals proceeding (despite being rejected by the Commission in its order setting Goals), which are equivalent to savings for less than ten residential homes out of the more than ten million people served. Zero incremental DSM was assumed for FPL beyond 2029. Gulf Power and FPL assume that FEECA yields zero DSM for the vast majority of the forecasted period, which is patently unreasonable and contrary to the intention of the statute. These assumptions drastically understate the amount of DSM that will be achieved, thereby over-inflating kWh and kW forecasts. The Commission should require FPL to incorporate its currently approved levels of

DSM savings into the Company's load forecasts over its long-term planning horizon (rather than assume proposed goals or zero incremental DSM in later years). (Wilson, Whited)

ISSUE 20: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class (including but not limited to forecasts of energy efficiency, conservation, demand-side management, distributed solar and electric vehicle adoption), for the 2023 projected test year appropriate, if applicable?

CLEO/VS: No. Gulf Power assumed zero incremental demand-side management (DSM) would come from its utility programs beginning in 2025 through the end of its planning horizon. FPL assumed the DSM growth levels it *proposed* in the 2019 DSM Goals proceeding (despite being rejected by the Commission in its order setting Goals), which are equivalent to savings for less than ten residential homes out of the more than ten million people served. Zero incremental DSM was assumed for FPL beyond 2029. Gulf Power and FPL assume that FEECA yields zero DSM for the vast majority of the forecasted period, which is patently unreasonable and contrary to the intention of the statute. These assumptions drastically understate the amount of DSM that will be achieved, thereby over-inflating kWh and kW forecasts. The Commission should require FPL to incorporate its currently approved levels of DSM savings into the Company's load forecasts over its long-term planning horizon (rather than assume proposed goals or zero incremental DSM in later years). (Wilson, Whited)

ISSUE 21: Are FPL's projected revenues from sales of electricity by rate class at present rates for the 2021 prior year and projected 2022 test year appropriate?

CLEO/VS: No position.

ISSUE 22: Are FPL's projected revenues from sales of electricity by rate class at present rates for the projected 2023 test year appropriate, if applicable?

CLEO/VS: No position.

ISSUE 23: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2022 test year budget?

CLEO/VS: No position.

ISSUE 24: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2023 test year budget, if applicable?

CLEO/VS: No position.

ISSUE 25: Is the quality of the electric service provided by FPL adequate taking into consideration: a) the efficiency, sufficiency and adequacy of FPL's facilities provided and the services rendered; b) the cost of providing such services; c) the value of such service to the public; d) the ability of the utility to improve such service and facilities; e) energy conservation and the efficient use of alternative energy resources; and f) any other factors the Commission deems relevant.

CLEO/VS: No. The quality of electric service provided by FPL is inadequate for the following reasons: 1) FPL continues its dangerous over-reliance on natural gas as its primary fuel source, creating new risks for its customers; 2) FPL fails to consider new energy conservation investments in any of its resource planning decisions or load forecasts, despite it being widely viewed as the most cost-effective resource; 3) FPL fails to offer any subscription clean energy offerings to its Gulf customers; and 4) FPL's plan does not do enough to help vulnerable customers to reduce their bills through energy efficiency, avoid disconnection, and access power during grid outages. FPL/Gulf customers pay relatively high electricity bills compared to customers served by other utilities, in part due to FPL's abysmal energy efficiency offerings. FPL must take steps to help its customers, particularly its low-income customers, implement more energy efficient measures to better manage their bills. The Company should also be assisting communities cope with the inevitable outages after major storms, such as through backup power systems for schools that serve as emergency shelters. (Wilson, Whited)

ISSUE 26: What, if any, are the appropriate capital recovery schedules?

CLEO/VS: No position.

ISSUE 27: Based on FPL's 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for the accounts and subaccounts related to each production unit?

CLEO/VS: The Commission should continue to approve a 40-year useful life for FPL's gas-fired generators. FPL's request to extend the lives of existing assets from 40 to 50 years is inappropriate, out of sync with other utilities, and does not reflect the likelihood that gas assets will become stranded due to climate regulations and emerging alternatives like solar and battery storage. (Wilson)

ISSUE 28: Based on FPL's 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for each transmission, distribution, and general plant account, and subaccounts, if any?

CLEO/VS: No position.

ISSUE 29: If the Commission approves FPL's proposed Reserve Surplus Amortization Mechanism (Issue 130), what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and depreciation rates?

CLEO/VS: Should the Commission approve FPL's proposed RSAM, the Commission should continue to require a 40-year useful life for FPL's gas-fired generators. FPL's request to extend the lives of existing assets from 40 to 50 years is inappropriate, out of sync with other utilities, and does not reflect the likelihood that gas assets will become stranded due to climate regulations and goals and emerging alternatives like solar and battery storage. (Wilson)

ISSUE 30: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission deems appropriate, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances, if any?

CLEO/VS: No position.

ISSUE 31: What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 30?

CLEO/VS: No position.

ISSUE 32: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

CLEO/VS: No position.

ISSUE 33: Should FPL's currently approved annual dismantlement accrual be revised?

CLEO/VS: No position.

ISSUE 34: What, if any, corrective dismantlement reserve measures should be approved?

CLEO/VS: No position.

ISSUE 35: What is the appropriate annual accrual and reserve for dismantlement
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 36: Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 37: What is the appropriate amount of Plant in Service for the Dania Beach Clean Energy Center Unit 7
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 38: What is the appropriate amount of Plant in Service for the SolarTogether Centers
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 39: What is the appropriate amount of Plant in Service for FPL's Battery Storage Pilot projects associated with Paragraph 18 of the 2017 Settlement Agreement approved by Order No. PSC-2016-0560-AS-EI?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 40: Is the North Florida Resiliency Connection reasonable and prudent?

CLEO/VS: No position.

ISSUE 41: Are FPL's 2020 through 2023 solar generation additions reasonable and prudent?

CLEO/VS: Yes, FPL has demonstrated that its 2020 through 2023 solar generation additions are reasonable and prudent, representing the most cost-effective available resource alternative. However, FPL should consider whether its *method* of procurement could lead to even more cost-effective solar resources. Future solar procurement should consider a range of system sizes, both long-term leases and land purchases, open competitive solicitations, as well as additional financing structures such as power purchase agreements. (Wilson)

ISSUE 42: Are FPL's 938 MW Northwest combustion turbine additions in 2022 reasonable and prudent?

CLEO/VS: No. FPL has not demonstrated that it was reasonable to override its own model by accelerating the 938 MW gas units' in-service dates from 2023/2024 to 2021/2022. By locking these units in place before they were deemed cost-effective, it committed FPL customers to resources that were not the cheapest available generation resources. Further, FPL completely ignored the potential for cost effective DSM resources to meet the short-term need identified.

The Commission should disallow the costs associated with the addition of these four new combustion turbines (CTs) at the Crist site until FPL presents evidence that it was necessary to accelerate their in-service dates from 2023/2024 to the end of 2021/start of 2022. Alternatively, the Commission could disallow the $60 million increase in cumulative present value of revenue requirements (CPVRR) associated with the acceleration of the CTs from 2023/2024 to 2021/2022.

If the Commission decides to approve these upgrades, it should condition the determination of prudence for these new gas units with the provision that, in the event the units become stranded assets, FPL's shareholders will bear the risks and costs rather than customers. The Company should be willing to accept this risk if it is confident that these new assets will be used and useful. (Wilson)

ISSUE 43: Are FPL's combined cycle generation upgrade projects reasonable and prudent?

CLEO/VS: Additional investments in gas infrastructure create sizable stranded asset risk for customers of FPL. If the Commission decides to approve these upgrades, it should condition the determination of prudence for these new gas units with the provision that, in the event the units become stranded assets, FPL's shareholders will bear the risks and costs rather than customers. The Company should be willing to accept this risk if it is confident that these new assets will be used and useful. (Wilson)

<u>ISSUE 44</u>: Are FPL's proposed 469 MW of battery storage projects reasonable and prudent?

CLEO/VS: Yes. FPL has met its burden to demonstrate that the 469 MW of battery storage projects are reasonable and prudent. These projects represent significant savings for customers, compared to alternative resources that were analyzed. However, the Commission should require consideration of energy efficiency in combination with other resources like solar and battery storage in the future; pairing solar, battery storage and DSM resources would likely yield even more benefits for customers. (Wilson)

<u>ISSUE 45</u>: Should the Commission approve FPL's proposed hydrogen storage project?

CLEO/VS: Yes, in part. FPL claims that this pilot is based on green hydrogen's potential future ability to allow natural gas infrastructure to run on a carbon emissions-free basis. Given the untested nature of this technology, the Commission should not place unfounded reliance on hydrogen technologies as a means to curb FPL's significant carbon emissions related to natural gas. The Commission should allow half of the cost of the proposed pilot program ($30 million dollars) to be rate based, with the remainder of the cost covered by shareholders, to reflect a fairer apportionment of costs and risks between customers and the Company.

<u>ISSUE 46</u>: Is FPL's proposed early retirement of the coal assets at Plant Crist on October 15, 2020, as compared to (Original Retirement Date), reasonable and prudent?

CLEO/VS: Yes. FPL has demonstrated that these assets are no longer economic for customers and that it is in customers' best interests to retire them early.

<u>ISSUE 47:</u> Is FPL's conversion of Plant Crist Units 4-7 from coal to gas reasonable and prudent?

CLEO/VS: No. FPL has not met its burden to demonstrate that conversion of Crist Units 4-7 was reasonable and prudent. FPL only modeled a single scenario: conversion from coal to gas. It didn't model a scenario where the units are simply retired, or retired and replaced with other resources. The Commission should disallow the costs associated with the coal-to-gas conversion of Crist Units 6 and 7 until FPL presents an analysis demonstrating that the cost to convert the units (including the cost of a new gas line) is less than the cost to retire and replace them with clean energy alternatives. (Wilson)

ISSUE 48: Is FPL's proposed early retirement of the Plant Scherer Unit 4 and related transactions reasonable and prudent?

CLEO/VS: In part, yes. The early retirement of Plant Scherer Unit 4 is reasonable and prudent, and the Commission should approve it. FPL has demonstrated that this unit is no longer economic for customers, and should be retired as soon as possible. However, the Commission should not approve rate basing the full $100 million dollar Consummation Payment. Asking FPL customers to bear these costs represents a double penalty due to these stranded fossil fuel assets, and FPL has not demonstrated that a payment of this amount was necessary to persuade JEA to retire the unit, or that some or all of these costs couldn't be absorbed by shareholders or JEA ratepayers.

ISSUE 49: What is the appropriate ratemaking treatment for Consummation Payments made to JEA?

CLEO/VS: No position.

ISSUE 50: What is the appropriate level of Plant in Service (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 51: What is the appropriate level of Accumulated Depreciation (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 52: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 53: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 54: What is the appropriate level of Construction Work in Progress to be included in rate base
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 55: Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 56: What is the appropriate level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 57: What is the appropriate level of Property Held for Future Use
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 58: What is the appropriate level of fossil fuel inventories
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 59: Should the unamortized balance of Rate Case Expense be included in Working Capital and, if so, what is the appropriate amount to include
A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year

CLEO/VS: No position.

ISSUE 60: What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 61: Should the unbilled revenues be included in working capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 62: What is the appropriate methodology for calculating FPL's Working Capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 63: What is the appropriate level of Working Capital (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 64: What is the appropriate level of rate base (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year

CLEO/VS: No position.

ISSUE 65: What is the appropriate amount of accumulated deferred taxes to include in the capital structure and should a proration adjustment to deferred taxes be included in capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 66: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure
A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 67: What is the appropriate amount and cost rate for short-term debt to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 68: What is the appropriate amount and cost rate for long-term debt to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 69: What is the appropriate amount and cost rate for customer deposits to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 70: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 71: Should FPL's request for a 50 basis point performance incentive to the authorized return on equity be approved?

CLEO/VS: No. FPL's performance with respect to customer affordability, disconnections and conservation programs does not warrant a performance incentive. The Commission should reject FPL's request for a 50 basis point performance incentive, and should the Commission seek to incentivize FPL, it should adopt measurable and targeted performance incentive mechanisms aimed at achieving specific policy goals, such as reducing customer disconnections and improving energy efficiency programs (the latter has already been explicitly contemplated by the Florida legislature). (Whited)

ISSUE 72: What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement
A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 73: What is the appropriate weighted average cost of capital to use in establishing FPL's revenue requirement? (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 74: What are the appropriate projected amounts of Other Operating Revenues
A. For the 2022 projected test year
B. If applicable, for the 2023 subsequent projected test year?

ISSUE 75: Has FPL appropriately accounted for SolarTogether Program subscription charges?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 76: What is the appropriate level of Total Operating Revenues
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 77: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 78: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 79: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 80: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 81: Has FPL made the appropriate adjustments to remove all revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 82: Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 83: What is the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 84: What is the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 85: Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 86: What is the appropriate level of generation overhaul expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 87: What is the appropriate amount of FPL's production plant O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 88: What is the appropriate amount of FPL's transmission O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 89: What is the appropriate amount of FPL's distribution O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 90: What is the appropriate annual storm damage accrual and storm damage reserve
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 91: What is the appropriate amount of Other Post Employment Benefits expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 92: What is the appropriate amount of Salaries and Employee Benefits expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 93: What is the appropriate amount of Incentive Compensation Expense to include in O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 94: What is the appropriate amount of Pension Expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 95: Should an adjustment be made to the amount of the Directors and Officers Liability Insurance expense that FPL included in the 2022 and, if applicable, 2023 projected test year(s)?

CLEO/VS: No position.

ISSUE 96: What is the appropriate amount and amortization period for Rate Case Expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 97: What is the appropriate amount of uncollectible expense and bad debt rate
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 98: What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 99: What is the appropriate level of O&M Expense (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 100: What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 101: What is the appropriate level of Taxes Other Than Income (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 102: What is the appropriate level of Income Taxes
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 103: What is the appropriate level of (Gain)/Loss on Disposal of utility property
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 104: What is the appropriate level of Total Operating Expenses? (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 105: What is the appropriate level of Net Operating Income (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

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| <u>ISSUE 106:</u> | What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for FPL<br>A. For the 2022 projected test year?<br>B. If applicable, for the 2023 subsequent projected test year? |
| CLEO/VS: | No position. |
| <u>ISSUE 107</u>: | What is the appropriate annual operating revenue increase or decrease (Fallout Issue)<br>A. For the 2022 projected test year?<br>B. If applicable, for the 2023 subsequent projected test year? |
| CLEO/VS: | No position. |
| <u>ISSUE 108</u>: | Should FPL's proposal for a consolidated cost of service and unified tariffs and rates for FPL and the former Gulf Power Company's customers be approved? |
| CLEO/VS: | No position. |
| <u>ISSUE 109:</u> | Should the proposed transition rider charges and transition rider credits for the years 2022 through 2026 be approved? |
| CLEO/VS: | No position. |
| <u>ISSUE 110</u>: | Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?<br>A. For the 2022 projected test year?<br>B. If applicable, for the 2023 subsequent projected test year? |
| CLEO/VS: | No position. |
| <u>ISSUE 111</u>: | What is the appropriate methodology to allocate production, transmission, and distribution costs to the rate classes?<br>A. For the 2022 projected test year?<br>B. If applicable, for the 2023 subsequent projected test year? |
| CLEO/VS: | No position. |
| <u>ISSUE 112</u>: | How should the change in revenue requirement be allocated to the customer classes?<br>A. For the 2022 projected test year?<br>B. If applicable, for the 2023 subsequent projected test year? |
| CLEO/VS: | No position. |

ISSUE 113: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, late payment charge, meter tampering)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 114: Should FPL's proposed revisions to the underground electric distribution tariffs for residential subdivisions and commercial customers be approved?

CLEO/VS: No position.

ISSUE 115: Should FPL's proposal to eliminate the Governmental Adjustment Factor (GAF) waiver (Tariff Sheet No. 6.300) be approved?

CLEO/VS: No position.

ISSUE 116: Should FPL retain the existing Gulf Power Real-Time Pricing (RTP) rate for customers and expand it to be offered for customers in the combined FPL and Gulf Power systems?

CLEO/VS: No position.

ISSUE 117: Should FPL's proposed new Economic Development Rider (Original Tariff Sheet Nos. 8.802 – 8.802-1) be approved?

CLEO/VS: No position.

ISSUE 118: Should FPL's proposal to increase the cap from 300 to 1,000 megawatts and from 50 to 75 contracts for the Commercial/Industrial Service Rider (CISR) be approved?

CLEO/VS: No position.

ISSUE 119: Should FPL's proposal to cancel Gulf's Community Solar (CS) rider be approved?

CLEO/VS: Yes. The Community Solar rider has not had any subscribers, and is not a cost-effective option for customers. However, FPL should commit to make available another, more cost-competitive solar subscription offering to Gulf Power customers in place of the community solar rider.

ISSUE 120: What is the appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider customers effective January 1, 2022?

CLEO/VS: No position.

ISSUE 121: Should FPL's proposal to add a maximum demand charge to the commercial/industrial time-of-use rate schedules be approved?

CLEO/VS: No position.

ISSUE 122: What are the appropriate base charges (formerly customer charges)(Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 123: What are the appropriate demand charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 124: What are the appropriate energy charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 125: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 126: What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 127: What are the appropriate lighting rate charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 128: Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?

CLEO/VS: No position.

ISSUE 129: What are the effective dates of FPL's proposed rates and charges?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

CLEO/VS: No position.

ISSUE 130: Should the Commission approve FPL's requested Reserve Surplus Amortization Mechanism (RSAM)?

CLEO/VS: No position.

ISSUE 131: Should the Commission approve FPL's request for variable capital recovery for retired assets such that the total amortization over the four year period ended December 31, 2025 is equal to the sum of the amortization expense for 2022-2025?

CLEO/VS: No position.

ISSUE 132: Should the Commission approve FPL's requested asset optimization incentive mechanism?

CLEO/VS: No position.

ISSUE 133: Should the Commission approve FPL's requested Solar Base Rate Adjustment mechanisms in 2024 and 2025 for a total of 1,788 MW?

CLEO/VS: With respect to 2024-2025 and FPL's proposed SoBRA mechanism, FPL has demonstrated that the SoBRA projects themselves are reasonable and prudent investments. The Commission should deem these future solar additions to be reasonable and prudent, as long as they are within the kilowatt cost caps proposed by FPL. (Wilson)

Concerning cost recovery, the Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

ISSUE 134: Should the Commission approve FPL's requested Storm Cost Recovery mechanism?

CLEO/VS: No position.

ISSUE 135: Should the Commission approve FPL's proposal for addressing a change in tax law, if any, that occurs during or after the pendency of this proceeding?

CLEO/VS: No position.

ISSUE 136: Should the Commission authorize FPL to accelerate unprotected accumulated excess deferred income tax amortization in the incremental amounts of $81 million in 2024 and $81 million in 2025 or for other amounts in the years 2022 through 2025?

CLEO/VS: No position.

ISSUE 137: Should the Commission approve FPL's requested four year plan?

CLEO/VS: No position.

ISSUE 138: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

CLEO/VS: No position.

ISSUE 139: Should this docket be closed?

CLEO/VS: Yes.

CONTESTED ISSUES:

OPC
ISSUE A: Has FPL proven any financial need for single-issue rate relief in 2024 and 2025, based upon only the additional costs associated with FPL's request for Solar Base Rate Adjustments in 2024 and 2025, and with no offsets for anticipated load and revenue growth forecast to occur in 20214 and 2025?

CLEO/VS: CLEO/Vote Solar take no position on whether FPL has proven a financial need for single-issue rate relief in this proceeding. Should the Commission find that FPL has not demonstrated a financial need at this time, the Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

CLEO/VS ISSUE B: This issue has been dropped.

CLEO/VS ISSUE C: Do FPL's proposed capital investments in natural gas ensure adequate fuel diversity and fuel supply reliability of the electric grid, per F.S. 366.05?

CLEO/VS: No. By investing in additional gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability. Further, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

CLEO/VS ISSUE D: Are FPL's proposed T&D growth-related capital expenditures of $5.86 billion between 2019-2023 reasonable and prudent?

CLEO/VS: There is insufficient evidence in the record to determine if the proposed $5.86 billion of T&D growth-related capital expenditures are reasonable and prudent. FPL's support for these expenditures consists of two pages of witness testimony (Spoor). CLEO/VS's attempts to obtain evidence further supporting the proposed expenditures through discovery were unsuccessful, as FPL either objected to the discovery requests or provided high-level, unhelpful responses. The Commission should require FPL to develop a T&D capital performance management framework prior to approval of the Company's proposed expenditures. (Volkmann)

CLEO/VS ISSUE E: Are FPL's proposed reliability/grid modernization-related T&D capital expenditures of $5.64 billion between 2019-2023 reasonable and prudent?

CLEO/VS: There is insufficient evidence in the record to determine if the proposed $5.64 billion of reliability/grid modernization capital expenditures are reasonable and prudent. The requested expenditures are in addition to FPL's Commission-approved Storm

Protection Plan expenditures, and are intended to reduce day-to-day outages and restoration times. FPL's day-to-day reliability performance is already very good, and the Company has not provided evidence that customers want and are willing to pay for incremental improvements in day-to-day reliability. Most importantly, in contrast to industry standard practice, FPL has not conducted a benefit/cost analysis for its proposed reliability/grid modernization expenditures to demonstrate cost-effectiveness and reasonableness. The Commission should require FPL to develop both a comprehensive benefit/cost analysis demonstrating cost effectiveness and reasonableness and a T&D capital performance management framework prior to approval of the Company's proposed expenditures. (Volkmann)

<ins>CLEO/VS ISSUE F</ins>: This issue has been dropped.

<ins>CLEO/VS ISSUE G</ins>: This issue has been dropped.

<ins>CLEO/VS ISSUE H:</ins> Has FPL established fair, just and reasonable rates and charges, taking into consideration the cost of providing service to the class, as well as the rate history, value of service, and experience of FPL; the consumption and load characteristics of the various classes of customers; and public acceptance of rate structures, in compliance with F.S. 366.05(1)(a), 366.06(1) and (2)?

VS/CLEO: No. FPL's rates and charges are not fair, just or reasonable with respect to low-income customers who are struggling to pay their bills. The Commission should require FPL to adopt customer protections against disconnections during emergencies (e.g., when preparing for or recovering from major storms), and when temperatures are hazardous. FPL should also commit to developing discounted rates for low-income customers who are unable to afford electric bill payments, similar to those adopted by other states.

Further, FPL does not offer sufficient rate options to assist customers who are in need of emergency back-up power. FPL should start by implementing a tariffed program designed to improve resilience at schools, such as through expanded energy efficiency offerings, solar plus storage solutions, and school bus vehicle-to-grid pilots that could provide back-up power. (Whited)

<ins>FIPUG ISSUE I:</ins> Are the proposed SOBRA additions in years 2024 and 2025 piecemeal ratemaking?

CLEO/VS: No position.

ISSUE J: If so, how should the proposed SOBRA additions in years 2024 and 2025 be addressed?

CLEO/VS: With respect to 2024-2025 and FPL's proposed SoBRA mechanism, FPL has demonstrated that the SoBRA projects themselves are reasonable and prudent investments. The Commission should deem these future solar additions to be reasonable and prudent, as long as they are within the kilowatt cost caps proposed by FPL.

Concerning cost recovery, if the Commission finds that these additions represent piecemeal ratemaking, the Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

WALMART
ISSUE K: If the Commission determines that it will not approve unified rates for FPL and Gulf, should Gulf's legacy customers be provided access to FPL's Commercial/Industrial Demand Reduction Rider (CDR)?

CLEO/VS: No position.

## F. STIPULATED ISSUES:

CLEO/ Vote Solar: None at this time.

## G. MOTIONS:

CLEO/ Vote Solar: None at this time.

## H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY:

CLEO/ Vote Solar: None at this time.

## I. OBJECTIONS TO A WITNESS'S QUALIFICATION AS AN EXPERT:

CLEO / Vote Solar: None at this time.

## J. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

CLEO / Vote Solar: The CLEO Institute and Vote Solar complied with all requirements in the Order Establishing Procedure.

Respectfully submitted this 14th day of July, 2021.

/s/ Katie Chiles Ottenweller
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*Attorney for The CLEO Institute Inc.*

**CERTIFICATE OF SERVICE**
**Docket No. 20210015-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 14th day of July, 2021, to the following:

| | |
|---|---|
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**/s/ William C. Garner**
**Attorney for The CLEO Institute Inc.**