

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition for rate increase by Florida)
Power & Light Company.)**

DOCKET NO. 20250011-EI

DATED: November 10, 2025

THE FLORIDA RETAIL FEDERATION, INC.'S
POST-HEARING BRIEF IN SUPPORT OF THE SETTLEMENT AGREEMENT

November 10, 2025

TABLE OF CONTENTS

CASE SUMMARY	1
OVERVIEW	4
STATEMENT OF POSITIONS AND ARGUMENT	4
A. SETTLEMENT ISSUE	4
ISSUE: Should the Commission approve the Settlement Agreement as filed as reasonable and in the public interest?	4
B. LEGAL ISSUES	7
ISSUE 1: Whether the following persons have standing to intervene in this proceeding	7
C. MAJOR ELEMENTS	11
ELEMENT 5: Revenue Requirement Allocation	11
ELEMENT 6: Commercial/Industrial Load Control and Demand Reduction Credits	13
CONCLUSION	16

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition for rate increase by Florida
Power & Light Company.**

DOCKET NO. 20250011-EI

DATED: November 10, 2025

THE FLORIDA RETAIL FEDERATION, INC.’S
POST-HEARING BRIEF IN SUPPORT OF THE SETTLEMENT AGREEMENT

The Florida Retail Federation, Inc. (“FRF”), pursuant to Order No. PSC-2025-0075-PCO-EI, *Order Establishing Procedure*, Order No. PSC-2025-0323-PCO-EI, *First Order Revising Order Establishing Procedure*, and Order No. PSC-2025-0345-PCO-EI, *Order Dismissing Customer Majority Parties’ Joint Motion to Approve Stipulation and Settlement Agreement, Denying Motion for Scheduling Order as Moot, and Establishing Major Elements*, hereby files this Post-Hearing Brief in Support of the comprehensive Settlement Agreement dated August 20, 2025 (the “Settlement Agreement”). FRF is a signatory to the Settlement Agreement and strongly supports the Agreement as a complete and carefully balanced package that is in the public interest and produces just and reasonable rates.

CASE SUMMARY

On February 28, 2025, Florida Power & Light Company (“FPL” or “the Company”) filed a petition to increase its base rates for electric service beginning January 1, 2026.¹ In its petition, FPL sought to increase base rates by almost \$1.55 billion in 2026 followed by a second increase of \$927 million in 2027, and submitted minimum filing requirements (“MFRs”) and direct testimony in support of both the 2026 and 2027 test years.² The cumulative effect of the two

¹ Document No. 01170-2025 (Feb. 28, 2025).

² *Id.* at 1.

proposed increases amounted to a nearly 25% increase in base rates compared to current levels. FPL further sought authorization to implement limited base rate increases in 2028 and 2029 to recover costs associated with solar generation and battery energy storage installations entering service during those years, provided that the Company can demonstrate a need for such facilities (i.e., Solar and Battery Base Rate Adjustments or “SoBRAs”).³ In addition to the proposed revenue increases, there are multiple other elements of the FPL rate filing that will affect FPL’s customers. In particular, FPL maintained that it would not file for other base rate relief during that four year period if the core elements of its proposal were approved by the Commission (i.e., the four year commitment).⁴

On June 9, 2025, the Office of Public Counsel (“OPC”) and numerous intervenors, including FRF, submitted expert testimony challenging many aspects of the FPL rate filing, including the level of the proposed revenue increases, a proposed accounting mechanism that FPL asserted was necessary to make its four year commitment, adjustments to FPL’s cost of service study, proposed allocation of revenue increases among customer service classes, proposed changes to existing and proposed new tariffs, and related matters. On July 9, 2025, FPL filed its responsive rebuttal testimony defending or correcting its original filing.

On August 20, 2025, FPL, Florida Industrial Power Users Group (“FIPUG”), FRF, Florida Energy for Innovation Association, Inc. (“FEIA”), Walmart Inc. (“Walmart”), EVgo Services, LLC (“EVgo”), Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac Inc., Wawa, Inc., Electrify America, LLC, Federal Executive Agencies (“FEA”), Armstrong World Industries, Inc., and the Southern Alliance for Clean Energy (“SACE”) jointly requested that the

³ *Id.*

⁴ *Id.* at 9-10.

Florida Public Service Commission (“Commission”) review and approve a 2025 Stipulation and Settlement Agreement (“Settlement Agreement”) submitted as a full and complete resolution of all matters pending in this docket.⁵ On August 22, 2025, the Pre-Hearing Officer issued Order No. PSC-2025-0323-PCO-EI, *First Order Revising Order Establishing Procedure*, which revised the schedule in the proceeding to allow for discovery on the Settlement Agreement, established dates for the submission of supporting, opposing and rebuttal testimony regarding the Settlement Agreement, and re-set hearing dates for the consideration of all testimony filed in this matter.

Next, in Order No. PSC-2025-0345-PCO-EI, issued September 12, 2025, the Prehearing Officer dismissed a motion by non-signatory parties that requested that the Commission further revise the amended schedule to provide for parallel consideration of an alternative settlement postulated by those parties. In that Order, the Prehearing Officer deemed the alternative proposal to effectively serve as a position paper on disputed issues, and, with respect to the August 20 Settlement Agreement, listed 29 Major Elements that had been identified by the Commission Staff.⁶ The hearing began on October 6, 2025 and concluded on October 16.

With respect to post-hearing briefs, parties were instructed to focus their arguments to address:

1. Whether the August 20 Settlement Agreement, taken as a whole, reasonably resolves the disputed issues in the case and would result in fair, just and reasonable rates.
2. The five legal issues specified in Order No. PSC-2025-0298-PHO-EI, the Commission’s August 7, 2025 Prehearing Order.
3. The 29 Major Elements of the Settlement Agreement listed in Order No. PSC-2025-0345-PCO-EI.

⁵ Section 120.57(4), Florida Statutes, permits informal disposition of any proceeding by stipulation, agreed settlement, or consent order unless precluded by law.

⁶ Order No. PSC-2025-0345-PCO-EI at 3-4 (Mar. 14, 2025).

OVERVIEW

In this brief, FRF explains with respect to the ultimate question that the Settlement Agreement successfully strikes a careful balance among a host of complex interrelated issues. Overall, in today's environment and with FPL's demonstrated recent actual and expected continued rate base growth, some level of base rate increases is inescapable. The substantially reduced level of increases contained in the Settlement Agreement and the predictability of a four year base rate plan provide, in FRF's judgement, a superior pathway for Florida consumers and businesses compared to two consecutive yearly increases followed by new FPL rate cases.

Next, FRF's discussion of the legal issues is confined to the basic question of intervenor standing, and we explain that FRF is unquestionably entitled to participate as an intervenor party, as it has in similar dockets involving FPL and other Florida utilities for decades.

Finally, FRF provides its perspective on some of the core Major Elements of the Settlement Agreement that illustrate the reasonableness of the balances reached in the Settlement Agreement.

STATEMENT OF POSITIONS AND ARGUMENT

A. SETTLEMENT ISSUE

ISSUE: **Should the Commission approve the Settlement Agreement as filed as reasonable and in the public interest?**

FRF: *Yes. The Commission should determine that the Settlement Agreement is a fair and balanced package that reasonably resolves all disputed issues, will result in base rates that are just, reasonable and in the public interest, and it should approve and adopt the Settlement Agreement as filed and without modification.*

Settlement agreements among parties are a common and often preferred method for resolving contested matters, including in particular those presented in the context of administrative

proceedings before the Commission.⁷ The Commission has historically encouraged and given “great weight and deference” to settlement agreements.⁸ Consistent with the Florida Supreme Court’s findings in *Floridians Against Increased Rates v. Clark*,⁹ the Commission’s process in reviewing a contested proposed settlement is to address core legal and factual issues, and following findings on those matters, assess whether the proposed Settlement Agreement, taken as a whole, establishes fair, just, and reasonable rates and is in the public interest.¹⁰

The Settlement Agreement in this proceeding, taken as a whole, meets that threshold. Consistent with the basic requirements of Section 366.06(1), Florida Statutes, the Settlement Agreement takes into account conflicting testimony regarding the level of proposed revenue increases, reflects a reasoned compromise approach concerning the allocation of revenue increases among customer service classes as well as numerous related questions concerning tariff rates, conditions and terms of service. To get to that point, the signatory parties negotiated in good faith to resolve a series of subordinate revenue, cost, cost allocation, resource planning and tariff questions that are captured in the listed Major Elements. The net result is a comprehensive package that yields proposed rates that are fair, just and reasonable for all FPL customers based on the record before the Commission.

Fourteen active parties are signatories. The signatories comprise a diverse group of stakeholders with interests covering a broad swath of FPL customer service classes. The

⁷ See *Ameristeel Corp. v. Clark*, 691 So.2d 473, 478 (Fla. 1997), quoting *Utilities Comm’n cf New Smyrna Beach v. Fla. Pub. Serv. Comm’n*, 469 S0.2d, 732 (Fla. 1985) (“The legal system favors the settlement of disputes by mutual agreement between the contending parties. This agreement applies with equal force in utility service agreements.”).

⁸ Docket No. 050045-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-05-0902-S-EI, 6 (Sept. 14, 2005).

⁹ See *Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 910-11 (Fla. 2023).

¹⁰ See, e.g., Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-2024-0078-FOF-EI (Mar. 25, 2024); *Sierra Club v. Brown*, 243 So.3d 903, 909-911 (Fla. 2018); *Citizens v. Fla. Pub. Serv. Comm’n*, 146 So. 3d 1143, 1149 (Fla. 2014).

signatories filed expert testimony on numerous issues and took differing positions on an array of issues. The Settlement Agreement sorts through those competing positions in a fair and balanced manner. The Settlement Agreement also includes provisions that are responsive to positions advocated by parties that are not signatories.

FRF is aware that the non-signatory parties have suggested, through discovery requests and pleadings subsequent to the filing of the Settlement Agreement, that they likely will argue that the signatory parties do not represent residential and small business customers that constitute the vast majority of FPL customer accounts, and that this circumstance in their view constitutes a basic impediment to approval of the Settlement Agreement.¹¹ The short answer is that this premise is factually inaccurate. In response to those discovery requests, Settlement signatories FEA, FEIA and SACE maintained that they or their members receive service under FPL's residential rate.¹² FRF and signatories EVgo, FEA, Walmart and Electrify America all responded to OPC requests to admit by stating that they or their members' interests extend to small business and commercial customers.¹³ Hence, the non-FPL signatory parties' substantial interests cover the full range of FPL customer rate classifications, including residential and small businesses.

In sum, the Settlement Agreement is the product of extensive negotiations and reflects compromises from pre-filed positions among the signatories. Taken in its entirety, the Settlement Agreement establishes rates that are fair, just, reasonable, and in the public interest. Accordingly, the Commission should approve the Settlement Agreement as filed and with no modifications.

¹¹ See Document No. 08308-2025 (Aug. 26, 2025).

¹² See Exhibits 1408 (FEA), 1409 (FEIA), and 1413 (SACE).

¹³ See Exhibits 1411 and also 1415 (FRF), 1407 (EVgo), 1408 (FEA), 1414 (Walmart), and 1406 (Electrify America). Note that the RFAs were fashioned in the negative (i.e., requesting parties to admit that none of the non-FPL signatories represented small business and commercial customers), hence a denial of the RFA constitutes an affirmative statement of that party's interests. In most cases, the party supplemented the denial with an affirmative statement of its interests.

B. LEGAL ISSUES

FRF's position below is limited to Issue #1 (standing to intervene). FRF generally supports the standing of all signatory parties, but specifically addresses here only its standing to participate fully in this proceeding.

ISSUE 1: Whether the following persons have standing to intervene in this proceeding:

- a. League of United Latin American Citizens of Florida
- b. Environmental Confederation of Southwest Florida, Inc.
- c. Florida Riding, Inc.
- d. Florida Industrial Power Users Group
- e. Federal Executive Agencies
- f. Southern Alliance for Clean Energy
- g. EVgo Services, LLC
- h. Electrify America, LLC
- i. Florida Retail Federation
- j. Walmart, Inc.
- k. Florida Energy for Innovation Association
- l. Floridians Against Increased Rates, Inc.
- m. Americans for Affordable Clean Energy, Inc.
- n. Wawa, Inc.
- o. RaceTrac, Inc.
- p. Circle K Stores, Inc.
- q. Armstrong World Industries, Inc.

FRF: *FRF has clearly established on the record its standing to fully participate as an active party in this proceeding. FRF has met the requirements under Florida law for associational standing and has complied with all applicable procedural requirements.^{14*}

Rule 28-106.205 of the Florida Administrative Code ("F.A.C.") provides the procedural and substantive requirements applicable to petitions to intervene in Commission proceedings. In brief, persons whose substantial interests may be affected by the relief sought in a pending proceeding are entitled to participate in that proceeding as active parties. Such intervenor parties may submit discovery, offer testimony, conduct cross-examination, take positions, stipulate to any

¹⁴ See 28-106.205, Florida Administrative Code("F.A.C."); Order No. PSC-2025-0075-PCO-EI (Mar. 14, 2025).

or all issues, file post-hearing briefs, participate in oral arguments, and engage in all other respects as an active party.

Procedurally, a party may move for leave to intervene in a Commission proceeding at least twenty days prior to the final hearing.¹⁵ The Rule requires parties in the proceeding seeking to oppose that intervention to file a response to the petition within seven days of service of the motion.¹⁶

The standards applied to determine whether to grant a petition to intervene are well-established. A person claiming a substantial interest in the proceeding must plead sufficient facts to demonstrate an injury in fact of sufficient immediacy to entitle them to an evidentiary hearing, and the injury must be of a type or nature that the proceeding is designed to protect.¹⁷ An association representing its members' substantial interests must demonstrate that it meets the three prongs established in *Florida Home Builders Association v. Department of Labor and Employment Security*: (1) the interests of a substantial number of its members that otherwise would have standing to intervene in their own right may be substantially affected by the Commission determinations in the proceeding; (2) the subject matter of the proceeding is within the association's general scope of interest and activity; and (3) the relief requested is of a type appropriate for an association to obtain on behalf of its members.¹⁸ The Florida Retail Federation readily satisfies all of these requirements, as it has for decades.

¹⁵ 28-106.205(1), F.A.C.

¹⁶ *Id.*

¹⁷ *Agrico Chem. Co. v. Dep't of Env't Regul.*, 406 So. 2d 478, 481-82 (Fla. 1st DCA 1981).

¹⁸ *Florida Home Builders Ass'n v. Dep't of Labor and Employment Security*, 412 So.2d 351, 353-54 (Fla. 1982). *Florida Home Builders Association* involved a challenge to a rule under section 120.56(1), F.S. The standing requirements for associations as set forth in *Florida Home Builders* extend to section 120.57(1) proceedings. *Farmworker Rights Organization, Inc. v. Department of Health and Rehabilitative Services*, 417 So. 2d 753, 754 (Fla. 1st DCA 1982). A "substantial number" of members for associational standing does not require a set percentage or specific number. *Hillsborough Cty. v. Fla. Rest. Ass'n, Inc.*, 603 So. 2d 587, 589 (Fla. 2d DCA 1992).

On March 31, 2025, FRF filed its timely petition to intervene in this proceeding.¹⁹ In that petition, FRF explained that it is an established association serving the interests of retail enterprises throughout Florida, and that many of its members are retail electric customers of FPL.²⁰ These members operate businesses of all sizes and types and purchase electricity from FPL under thousands of customer accounts pursuant to various rate schedules.²¹ In preparing its petition, FRF conferred with the parties of record at the time, and no party opposed FRF's petition.²² After FRF filed its petition to intervene, no party filed a timely response in opposition. Indeed, no party has at any time throughout this proceeding raised a substantive claim at all regarding FRF's participation in this rate case. Given FRF's decades of participation in Commission proceedings on behalf of its members, there could be no reasoned basis for any such claim.²³

On April 16, 2025, the Commission issued an order finding that FRF's allegations in its petition to intervene were sufficient to support all elements of associational standing under *Florida Home Builders*.²⁴ Accordingly, the Commission granted FRF's petition to intervene, but, as it did with other intervenor petitions to intervene, qualified that such standing was subject to proof of standing or stipulations that there are sufficient facts to support all elements of standing.²⁵

FRF subsequently fully established sufficient facts on the record to support all elements of its associational standing in this proceeding. FRF presented the Direct Testimony of Tony Georgis, in which Mr. Georgis supplied the requisite facts to support FRF's standing. Mr. Georgis explained

¹⁹ Document No. 02426-2025 (Mar. 31, 2025).

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

²³ See Order No. PSC-2025-0369-PCO-EI (Oct. 6, 2025) (listing representative prior Commission orders granting FRF intervention in FPL rate cases).

²⁴ Order No. PSC-2025-0130-PCO-EI (Apr. 16, 2025).

²⁵ *Id.*

that FRF is an established association of more than 1,500 members in Florida, many of whom are retail electric customers of FPL.²⁶ He testified that FRF's members purchase electricity pursuant to various FPL rate schedules that are subject to Commission review and approval.²⁷ No party contested Mr. Georgis' testimony in this regard. It is, therefore, undisputed that FRF members include customers of FPL whose substantial interests will be affected by the Commission's determinations in this case. These uncontested facts readily satisfy the first prong of *Florida Homebuilders*.

FRF plainly meets the second and third prongs of *Florida Homebuilders* as well. The subject matter of this docket fits squarely within FRF's established scope of interest and activity. FRF has been appearing on behalf of its members in regulatory proceedings involving FPL and other utilities for decades.²⁸ FRF's intervention and active participation in FPL rate proceedings over the past twenty years demonstrate that the subject matter of this proceeding is well within the general scope of FRF's interest and activity. Finally, the relief that FRF seeks in this case, i.e., the lowest rates consistent with applicable laws and rules, is appropriate relief for it to obtain on behalf

²⁶ See Tr. at 3705:11–16.

²⁷ In addition, Walmart stated in its pre-hearing statement in this docket that it is a member of FRF. See Order No. PSC-2025-0298-PHO-EI at 46. Also, FRF provided the name of an additional member of FRF that is served by multiple FPL accounts in response to a discovery request. Exhibit 1432 (FRF Supplemental Response to FEL First INTs).

²⁸ The Commission has granted FRF intervention in several FPL rate proceedings over the past twenty years. See Order No. PSC-2025-0369-PCO-EI (Oct. 6, 2025), in which the Commission recognized the following orders granting FRF intervention in previous FPL rate proceedings: Docket No. 050045-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-05-0495-PCO-EI (May 5, 2005); Docket No. 080677-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-09-0217-PCO-EI (Apr. 9, 2009); Docket No. 160021-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-16-0181-PCO-EI (May 4, 2016); and Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-2021-0134-PCO-EI (Apr. 16, 2021).

of its members.²⁹ FRF requests that the Commission find that it has demonstrated its standing to intervene in this proceeding.

C. MAJOR ELEMENTS

Below we discuss the disparate positions taken and how the Settlement Agreement reasonably resolves questions regarding cost of service, the allocation of revenue increases among customer classes, and the CILC/CDR interruptible service credits using the Major Element number for each listed in Order No. PSC-2025-0345-PCO-EI.

ELEMENT 5: Revenue Requirement Allocation

Section 366.06(1), F.S. requires that, when setting rates, the Commission consider, among other factors, the cost of providing service to customer service classes. As required, FPL's MFRs include a fully allocated embedded cost of service study, but multiple aspects of that filing and FPL's resultant proposed revenue allocation and rate design were contested by intervenor expert testimony.

FRF witness Georgis identified errors relating to the allocation of production costs to non-firm loads (FPL excludes non-firm loads from its net firm demand calculations used in determining its reserve margins and generation needs) as well as the inadequacy of FPL's attempt to correct that error through a partial offset.³⁰ Mr. Georgis also identified issues relating to the functionalization of costs, incorrect classification of production and battery storage expenses, production O&M cost allocation errors, the study's failure to take into account the shifting net peak demands between the historic year used in the cost of service study (2024) and the 2026 and

²⁹ The Commission has found that an association seeking lower rates for its member customers is appropriate relief under the third prong of *Florida Home Builders*. See, e.g., Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*, Order No. PSC-2021-0446-S-EI, 8 (Dec. 2, 2025).

³⁰ Tr. at 3743:10-3747:9.

2027 test years, and the allocation method for production and transmission plant generally.³¹ FIPUG witnesses Pollock and Ly similarly recommended changes in FPL's allocation of production and transmission plant, the allocation factors applied to various rate base and net income operating costs, corrections to production cost allocation to non-firm loads, proposed that a portion of distribution network costs be classified as customer related, and proposed corrections to FPL's gradualism calculation for revenue allocation purposes.³² FEA witness Gorman identified a similar need to correct the gradualism adjustment when determining revenue allocation.³³ In rebuttal, FPL contested these criticisms of its cost of service model and proposed revenue allocation. In short, there were very substantial disputes among parties regarding the cost of service approach, allocation methods and calculations that significantly alter the estimated cost to serve all customer classes.

A negotiated revenue allocation is commonplace in rate proceedings precisely because the goal is to fairly allocate the revenue increases rather than to pick a preferred cost of service among competing interests. As FPL witness Cohen correctly explained, cost of service studies serve as a guide for revenue allocation and rate design.³⁴ Here, the number of areas of disputes relating to cost of service would yield a considerable range of customer class parity³⁵ results and recommended revenue allocation and rate design. Consequently, the parties negotiated a revenue allocation approach that adopts a modified equal percentage system average increase tied to the settlement revenue increases for the 2026 and 2027 test years, except that the increases for

³¹ *Id.* at 3723-3743:9 and 3747:10-3748:18.

³² *Id.* at 3487:1-3514:10 (Direct Testimony of Jeffry Pollock) and 3795:1-3803:12 (Direct Testimony of Jonathan Ly).

³³ *Id.* at 3927:1-3931:9.

³⁴ *Id.* at 2618:7-8.

³⁵ "Parity" in this context refers generally to the calculated customer class rate of return relative to the system average return for the studied period.

residential service (“RS”) are capped at 95% of the settlement system average increase for both years.³⁶ FPL witness Cohen explains that this approach provides substantial savings to residential customers while producing moderate increased rate levels to all other customer classes that are fair and reasonable.³⁷ It also closely approximates the approach approved by the Commission in the most recent Duke Energy Florida, LLC base rate case.³⁸

ELEMENT 6: Commercial/Industrial Load Control and Demand Reduction Credits

The Commercial/Industrial Load Control and Demand Reduction credits rider programs (“CILC/CDR”) have long served as the success-story backbone of FPL’s demand side management (“DSM”) programs, allowing FPL both to avoid the construction of hundreds of megawatts of generation over decades that would otherwise already be in rate base, and today providing more than 900 MW of reliable demand reduction capability on short notice whenever and wherever on its system FPL finds it has a need.³⁹ In its 2024 DSM goals filing last year, FPL proposed, and the Commission approved, continuation of the CILC/CDR programs.⁴⁰

In this case, FPL did not propose any changes to the terms, conditions, or performance requirements of the CILC/CDR programs, but it proposed in its initial filing to reduce the current participation incentive credit from \$8.76/kW-month to \$6.22/kW-month.⁴¹ In designing its DSM goals and programs, FPL has recently relied on both its Rate Impact Measure (“RIM”) and Total

³⁶ See 2025 Stipulation and Settlement Agreement, 5 (Aug. 20, 2025); Tr. at 4632:22-4633:7.

³⁷ Tr. at 4634:4-9.

³⁸ Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC*, Order No. PSC-2024-0472-AS-EI, 13-14 (Nov. 12, 2024).

³⁹ Tr. at 994:16-17.

⁴⁰ See Docket No. 20250048-EG, *In re: Petition for approval of proposed demand-side management plan, by Florida Power & Light Company*, Order No. PSC-2025-0292-PAA-EG, 3-4 (July 29, 2025) & Order No. PSC-2025-0315-CO-EG, *Consummating Order* (Aug. 20, 2025).

⁴¹ Tr. at 968:15–16, 995:3–4, and 1000:14–16.

Resource Cost (“TRC”) cost-effectiveness tests.⁴² The initial FPL proposed 30% reduction in the credit would have produced a RIM benefit-to-cost ratio of 1.49 and a TRC score of 40.058, which collectively meant that the lowered incentive FPL proposed would be significantly below the value provided to FPL’s system.⁴³ FPL did not propose to apply this program design approach to any other approved DSM measure.

FRF witness Georgis and FIPUG witness Ly in their respective testimonies both described the exacting short notice (one hour or less) performance requirements required of CILC/CDR participants when FPL activates a curtailment event.⁴⁴ They explained that FPL’s own calculations showed the programs currently carried a RIM score above 1.0 and a TRC score above 40, and that there was no reasoned basis for setting a target RIM score for the programs (and only these programs) at 1.5x.⁴⁵ Both Mr. Georgis and Mr. Ly further explained that the CILC/CDR programs were substantially under-valued at the current incentive level and the credit should be increased rather than decreased. Mr. Georgis described the on-going embedded cost value the programs have provided to the system and all FPL customers by allowing FPL to avoid constructing generation to serve this lesser quality service that is ignored in DSM program design.⁴⁶ Further, based on his analysis of capacity cost growth rates in the Southeast, Mr. Georgis calculated that the CILC/CDR credit was substantially under-valued compared to the current cost of incremental reliable capacity, and recommended that the credit be increased 10% to \$9.63/kW-month.⁴⁷ Mr. Ly similarly

⁴² Docket No. 20250048-EG, *In re: Petition for approval of proposed demand-side management plan by Florida Power & Light Company*, Order No. PSC-2025-0292-PAA-EG, 5 (July 29, 2025).

⁴³ Tr. at 1000:16-18; Exhibit 439.

⁴⁴ *Id.* at 3751:8-3752:5 (Direct Testimony of Tony Georgis) and 3804:1-3807:4 (Direct Testimony of Jonathan Ly).

⁴⁵ *Id.* at 3760:8-11 (Direct Testimony of Tony Georgis) and 3808:1-3809:4 (Direct Testimony of Jonathan Ly).

⁴⁶ *Id.* at 3755:9-3760:14 (DSM program design assesses incremental participation costs and benefits. Existing program participation is assumed to be static for that purpose).

⁴⁷ *Id.* at 3760:11-13.

maintained that FPL understates both the amount of reliable firm capability and the benefits that the programs provide.⁴⁸ Looking to the value of FPL battery storage investments (its current avoided capacity resource) avoided or deferred by the programs, Mr. Ly maintained that the credit should be increased to \$12.32/kW-month.⁴⁹

The Settlement Agreement maintains the CILC/CDR terms and conditions and increases the credit moderately to \$9.75/kW-month for the test years.⁵⁰ The proposed settlement credit level clearly reflects a compromise among the competing FIPUG, FPL and FRF positions. FEL witness Marcelin opposed the increase to the CILC/CDR credit, arguing that the Settlement Agreement would “increase the credit levels even beyond that which is cost-effective under the Rate Impact Measure (“RIM”) test.”⁵¹ However, Mr. Marcelin agreed that FPL’s currently approved DSM programs, including the CILC/CDR, were premised upon consideration of both RIM and TRC economic-cost benefit tests, and that he had no idea what TRC score FPL calculated for the settlement level credit.⁵² More broadly, he did not appear to have a basic understanding of the FPL system benefits provided by the CILC/CDR programs, the performance requirements of the programs, or the costs customers may incur to participate.⁵³ Ms. Cohen’s settlement testimony explained that FPL’s updated cost effectiveness assessment for the proposed credit in the Settlement included a RIM of nearly 1.0 (0.96) and a TRC of 105.79.⁵⁴ Considering both cost-

⁴⁸ *Id.* at 3812:9-3815:24.

⁴⁹ *Id.*

⁵⁰ 2025 Stipulation and Settlement Agreement at 5 (Aug. 20, 2025). Consistent with established rate design practice, to the extent that SoBRA increases are authorized during the four year term of the proposed rate plan, CILC and CDR credits will be increased by an equal percentage contemporaneously. *Id.* at 18.

⁵¹ Tr. at 5025:16-20.

⁵² *Id.* at 5129:3-5132:13.

⁵³ *Id.* at 5132:14-5135:5.

⁵⁴ *Id.* at 5209:6-11.

effectiveness test results reveals a program that is effective and highly beneficial at the proposed settlement credit level.

In sum, the proposed CILC/CDR credits in the Settlement Agreement reflect a balanced compromise among competing positions for a program that provides material system benefits and should be continued and expanded. The proposed adjusted credit levels are fully justified and should be approved.

CONCLUSION

For the reasons stated above, FRF urges the Commission to find that the Settlement Agreement, taken as a whole, is fairly balanced and will produce rates that are just, reasonable and in the public interest. The Commission should approve and adopt the Settlement Agreement as submitted and with no modifications.

Respectfully submitted,

/s/ James W. Brew

James W. Brew

Laura Wynn Baker

Joseph R. Briscar

Sarah B. Newman

Stone Mattheis Xenopoulos & Brew, PC

1025 Thomas Jefferson St, NW

Suite E-3400

Washington, D.C. 20007

(202) 342-0800 (phone)

(202) 342-0807 (fax)

jbrew@smxblaw.com

lwb@smxblaw.com

jrb@smxblaw.com

sbn@smxblaw.com

Attorneys for the Florida Retail Federation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 10th day of November 2025, to the following:

Office of Public Counsel
Walt Trierweiler/ Mary A. Wessling / Patricia
A. Christensen/ Octavio Ponce/ Austin A.
Watrous
c/o The Florida Legislature
111 W. Madison Street, Suite 812
Tallahassee FL 32399
Trierweiler.walt@leg.state.fl.us
wessling.mary@leg.state.fl.us
christensen.patty@leg.state.fl.us
ponce.octavio@leg.state.fl.us
watrous.austin@leg.state.fl.us

Florida Power & Light Company
John T. Burnett/ Maria Jose Moncada/
Christopher T. Wright / William P. Cox/ Joel
T. Baker
700 Universe Boulevard
Juno Beach FL 33408-0420
maria.moncada@fpl.com
john.t.burnett@fpl.com
christopher.wright@fpl.com
will.p.cox@fpl.com
joel.baker@fpl.com

Floridians Against Increased Rates, Inc.
Gardner, Bist, Bowden, Dee, LaVia, Wright,
Perry & Harper, P.A.
Robert Scheffel Wright
John T. LaVia, III
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Florida Power & Light Company
Kenneth A. Hoffman
134 West Jefferson Street
Tallahassee FL 32301-1713
ken.hoffman@fpl.com

Florida Rising, Inc./ League of United Latin
American Citizens of Florida/ Environmental
Confederation of Southwest Florida, Inc.
Earthjustice
Danielle McManamon
4500 Biscayne Boulevard, Suite 201
Miami, FL 33137
dmcmanamon@earthjustice.org

Florida Industrial Power Users Group
Moyle Law Firm, P.A.
Jon C. Moyle, Jr./ Karen A. Putnal
118 North Gadsden Street
Tallahassee FL 32301
jmoyle@moylelaw.com
mqualls@moylelaw.com
kputnal@moylelaw.com

EVgo Services, LLC
Keyes & Fox LLP
Nikhil Vijaykar
Yonatan Moskowitz
580 California Street, 12th Floor
San Francisco CA 94104
nvijaykar@keyesfox.com
ymoskowitz@keyesfox.com

Southern Alliance for Clean Energy
Law Office of William C. Garner, PLLC
William C. Garner
3425 Bannerman Road
Tallahassee FL 32312
bgarner@wcglawoffice.com

Federal Executive Agencies
L. Newton/ A. George/ T. Jernigan/ J. Ely/ M.
Rivera/ E. Payton/M. Vonderasek
139 Barnes Drive, Suite 1
Tyndall AFB FL 32403
Ashley.George.4@us.af.mil
ebony.payton.ctr@us.af.mil
Leslie.Newton.1@us.af.mil
Michael.Rivera.51@us.af.mil
Thomas.Jernigan.3@us.af.mil
James.ely@us.af.mil
Matthew.Vondrasek.1@us.af.mil

Office of the General Counsel
S. Stiller/ T. Sparks
2540 Shumard Oak Boulevard
Tallahassee FL 32399
sstiller@psc.state.fl.us
tsparks@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Electrify America, LLC
Duane Morris LLP
Robert E. Montejo
201 S. Biscayne Boulevard, Suite 3400
Miami, FL 33131-4325
REMontejo@duanemorris.com

Florida Energy for Innovation Association
Holland & Knight LLP
D. Bruce May
Kevin W. Cox
Kathryn Isted
315 South Calhoun St., Suite 600
Tallahassee, FL 32301
bruce.may@hklaw.com
kevin.cox@hklaw.com
kathryn.isted@hklaw.com

Walmart Inc.
Spilman Thomas & Battle, PLLC
Stephanie U. Eaton
110 Oakwood Drive, Suite 500
Winston-Salem NC 27103
seaton@spilmanlaw.com

Florida Rising, Inc./ League of United Latin
American Citizens of Florida/ Environmental
Confederation of Southwest Florida, Inc.
Earthjustice
Bradley Marshall/Jordan Luebkekmann
111 S. Martin Luther King Jr. Boulevard
Tallahassee FL 32301
bmarshall@earthjustice.org
jluebkekmann@earthjustice.org
flcaseupdates@earthjustice.org

Electrify America, LLC
Stephen Bright/Jigar J. Shah
1950 Opportunity Way, Suite 1500
Reston VA 20190
Steve.Bright@electrifyamerica.com
Jigar.Shah@electrifyamerica.com

EVgo Services, LLC
Katelyn Lee/ Lindsey Stegall
1661 E Franklin Avenue
El Segundo, CA 90245
Katelyn.Lee@evgo.com
Lindsey.Stegall@evgo.com

Americans for Affordable Clean Energy, Inc./
Circle K Stores, Inc./ RaceTrac, Inc./ WaWa,
Inc.
Berger Singerman, LLP
Floyd R. Self
Ruth Vafek
313 North Monroe Street, Suite 301
Tallahassee, FL 32301
fself@bergersingerman.com
rvafek@bergersingerman.com

Walmart Inc.
Spilman Thomas & Battle, PLLC
Steven W. Lee
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg PA 17050
slee@spilmanlaw.com

Armstrong World Industries, Inc.
Duane Morris LLP
Alexander W. Judd
100 Pearl Street, 13th Floor
Hartford, CT 06103
AJudd@duanemorris.com

Armstrong World Industries, Inc.
Brian A. Ardire
2500 Columbia Avenue
Lancaster, PA 17603
baardire@armstrongceilings.com

Armstrong World Industries, Inc.
Duane Morris LLP
Robert E. Montejo
201 S. Biscayne Boulevard, Suite 3400
Miami, FL 33131-4325
REMontejo@duanemorris.com

/s/ Laura W. Baker