

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of Big Bend Clean Water Act Section 316(b) study, for cost recovery through the environmental cost recovery clause, by Tampa Electric Company.

DOCKET NO. 20250149-EI
ORDER NO. PSC-2026-0072-PAA-EI
ISSUED: March 23, 2026

The following Commissioners participated in the disposition of this matter:

GABRIELLA PASSIDOMO SMITH, Chairman
GARY F. CLARK
MIKE LA ROSA
BOBBY PAYNE
ANA ORTEGA

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TAMPA ELECTRIC COMPANY'S
BIG BEND CLEAN WATER ACT SECTION 316(b) STUDY FOR COST RECOVERY
THROUGH THE ENVIRONMENTAL COST RECOVERY CLAUSE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On December 29, 2025, Tampa Electric Company (TECO or Company) petitioned this Commission for approval of its Big Bend Clean Water Act Section 316(b) Study (Study) for cost recovery through the Environmental Cost Recovery Clause (ECRC). TECO states that the Study is required to comply with Section 316(b) of the Clean Water Act. TECO expects the Study to be completed by March 2029.

The U.S. Environmental Protection Agency (EPA) adopted a rule pursuant to Section 316(b) of the Clean Water Act on September 7, 2004, establishing requirements to reduce mortality of aquatic organisms caused by cooling water intake structures (CWIS) at existing power plants. In 2004, TECO requested our approval for cost recovery through the ECRC for a Comprehensive Demonstration Study, which was needed to comply with the new EPA

regulation. TECO's ability to seek cost recovery for that study was authorized by us in Docket No. 20041300-EI.¹

The 2004 Section 316(b) rule changes were challenged and the EPA published a final rule regarding Section 316(b) (EPA Rule or Rule) on August 15, 2014, which outlined the requirements for CWIS at existing facilities.² The EPA Rule requires that the best technology available be applied to the design and operation of CWIS to minimize adverse impacts to aquatic life. In 2018, TECO petitioned this Commission for cost recovery through the ECRC for its Big Bend Unit 1 Section 316(b) Impingement Mortality Project in order to comply with the EPA Rule, which we approved.³ TECO explains that even though its National Pollutant Discharge Elimination System (NPDES) permit was administratively continued in 2018, the Company decided to go ahead with the Impingement Mortality Project as part of its ongoing Big Bend Modernization Project.

On August 27, 2025, the Florida Department of Environmental Protection (DEP) issued a final NPDES permit for TECO's Big Bend Power Station (Big Bend), which contained conditions for compliance with the EPA Rule. TECO states the primary focuses of the Study are to confirm that its Big Bend Mortality Project meets the requirements of Section 316(b) and to provide the DEP with information it will use to determine compliance requirements in TECO's next NPDES permit. TECO is requesting approval of its Study in order to comply with the conditions outlined in its NPDES permit.

Pursuant to Section 366.8255, Florida Statutes (F.S.), the Florida Legislature authorized the recovery of environmental compliance costs prudently incurred by investor-owned electric utilities through the ECRC. The method for cost recovery for such costs was first established by Order No. PSC-94-0044-FOF-EI, issued on January 12, 1994. We have jurisdiction over this matter pursuant to Section 366.8255, F.S.

Decision

The EPA Rule establishes requirements for CWIS at existing facilities. The Rule requires that the best technology available be applied to the design and operation of CWIS to minimize impingement mortality⁴ and entrainment⁵ of aquatic life. The Rule allows for seven different approaches for impingement mortality compliance. For entrainment compliance, the Rule requires the evaluation of closed-cycle cooling, alternative water supplies, and fine mesh screens for a site-specific determination by the DEP Director.

¹ Order No. PSC-05-0164-PAA-EI, issued February 10, 2005, in Docket No. 20041300-EI, *In re: Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause, by Tampa Electric Company.*

² Federal Register, Volume 79, No. 158, pp. 48300–48439, codified at Title 40, Part 125, Subpart J, Code of Federal Regulations.

³ Order No. PSC- 2018-0594-FOF-EI, issued December 20, 2018, in Docket No. 20180007-EI, *In re: Environmental cost recovery clause.*

⁴ Impingement mortality occurs when aquatic life is pinned against the CWIS screens.

⁵ Entrainment occurs when small aquatic life passes through the CWIS screens and enter the cooling system.

In its petition, TECO states that it must complete several studies and reports, including the Big Bend Clean Water Act Section 316(b) Study, by February 27, 2030, which is 180 days before its NPDES permit expires on August 26, 2030. The focuses of the Study are to confirm that the Big Bend Impingement Mortality Project meets the EPA's Rule requirements for Section 316(b) of the Clean Water Act, to obtain information that the DEP will use to select the best technology available for entrainment, and develop requirements that will be included in TECO's next Big Bend NPDES permit. To accomplish these goals, the Study will:

- Review background, source water, and biological data;
- Evaluate current plant configuration characteristics;
- Evaluate the method of compliance with impingement mortality best technology available;
- Study existing entrainment performance; and
- Review feasibility and cost estimates for available technologies.

Due to the nature of this Study, TECO used an internal preferred source process to select Environmental Consulting & Technology as the contractor to perform the work. The Company stated that the contractor was selected due to its experience, knowledge of Big Bend, and experience completing similar studies at TECO's Bayside Power Station. TECO estimates it will incur approximately \$1,178,300 in operation and maintenance (O&M) expenses associated with the Study. TECO expects the Study to be completed by March 2029.

Our criteria for ECRC recovery relevant to this docket, established by Order No. PSC-94-0044-FOF-EI, are:

- (1) The activities are legally required to comply with a governmentally imposed environmental regulation that was enacted, became effective, or whose effect was triggered after the company's last test year upon which rates are based; and
- (2) None of the expenditures are being recovered through some other cost recovery mechanism or through base rates.

We find that the Study proposed in TECO's petition meets these criteria. The described Study is necessary for the Company to comply with governmentally imposed environmental regulations. The compliance activities were required as a result of the August 27, 2025, DEP issuance of the updated standards of the NPDES permit for Big Bend, which contained conditions for compliance with the EPA Rule. TECO states that the primary focuses of the Study are to confirm that its Big Bend Mortality Project meets the requirements of Section 316(b) and to provide the DEP with information it will use to determine compliance requirements in TECO's next NPDES permit. In addition, the costs of the proposed compliance Study are not currently being recovered through some other cost recovery mechanism or through base rates.

We note that the reasonableness and prudence of individual expenditures related to the Study will be subject to our continuing review in future ECRC proceedings. Accordingly, our

finding here that the costs of this Study are eligible for the ECRC does not mean that any future costs associated with any implementation of the Study are pre-approved for recovery. Nor does it mean that any future costs or activities associated with any implementation of the Study will be deemed to be prudent as a result of our decision in this docket.

Thus we hereby conclude that TECO's Big Bend Clean Water Act Section 316(b) Study is necessary to comply with the EPA's Rule. Consistent with prior ECRC orders, O&M costs associated with the Study shall be allocated to appropriate rate classes on an energy basis.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tampa Electric Company's Petition for Approval of Big Bend Clean Water Act Section 316(b) Study, for cost recovery through the Environmental Cost Recovery Clause, is GRANTED. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 23rd day of March, 2026.



ADAM TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this Order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 13, 2026.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.