

FLORIDA PUBLIC SERVICE COMMISSION

Item 8

VOTE SHEET

May 8, 2018

FILED 5/8/2018
DOCUMENT NO. 03562-2018
FPSC - COMMISSION CLERK

Docket No. 20170266-EC – Petition to determine need for Seminole combined cycle facility, by Seminole Electric Cooperative, Inc.

Docket No. 20170267-EC – Joint petition for determination of need for Shady Hills combined cycle facility in Pasco County, by Seminole Electric Cooperative, Inc. and Shady Hills Energy Center, LLC.

Issue 1A: Is there a need for the proposed Seminole Combined Cycle Facility, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519(3), Florida Statutes?

Issue 1B: Is there a need for the proposed Shady Hills Combined Cycle Facility, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519(3), Florida Statutes?

Recommendation: Yes. Seminole’s models and forecasts of seasonal peak demand and net energy for load through 2027 are reasonable based on methodological changes which Seminole initiated in 2014 through 2017. With the expiration of existing power purchase agreements (PPAs), staff recommends that Seminole has demonstrated a need for the Shady Hills Facility in 2021 and the Seminole Facility in 2022 to maintain its system reliability and integrity.


APPROVED with oral modification in docket file.


COMMISSIONERS ASSIGNED: **Graham, Polmann, Clark**


COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING







REMARKS/DISSENTING COMMENTS:

Oral Modification, assigned DN 03471-2018, is attached.

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Issue 2A: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Seminole Electric Cooperative, Inc., which might mitigate the need for the proposed Seminole Combined Cycle Facility?

Issue 2B: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Seminole and Shady Hills Energy Center, LLC, which might mitigate the need for the proposed Shady Hills Combined Cycle Facility?

Recommendation: No. Staff recommends that renewable energy resources and conservation measures are incorporated into Seminole's system planning to the extent reasonably available, including the recent addition of 40 MW of summer solar photovoltaic (PV) capacity. As a wholesale provider of electricity, Seminole provides appropriate price signals to encourage conservation.

APPROVED

Issue 3A: Is there a need for the proposed Seminole Combined Cycle Facility, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519(3), Florida Statutes?

Issue 3B: Is there a need for the proposed Shady Hills Combined Cycle Facility, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519(3), Florida Statutes?

Recommendation: Yes. Staff recommends that Seminole's financial, fuel, and environmental cost estimates are reasonable.

APPROVED

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Issue 4A: Is there a need for the proposed Seminole Combined Cycle Facility, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519(3), Florida Statutes?

Issue 4B: Is there a need for the proposed Shady Hills Combined Cycle Facility, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519(3), Florida Statutes?

Recommendation: Staff recommends that the proposed addition of the Seminole Facility and Shady Hills Facility, coupled with the retirement of one of the SGS coal units, will increase Seminole's natural-gas fired winter capacity from 67.4 percent to 81.5 percent. By not equipping the Seminole Facility or Shady Hills Facility with dual-fuel capabilities, Seminole may need to rely on Florida's other electricity generators to meet their needs during natural gas curtailment events. As such, Seminole is taking measures to maintain supply availability to its natural-gas fired generating facilities.

APPROVED

Issue 5A: Will the proposed Seminole Combined Cycle Facility provide the most cost-effective alternative available, as this criterion is used in Section 403.519(3), Florida Statutes?

Issue 5B: Will the proposed Shady Hills Combined Cycle Facility provide the most cost-effective alternative available, as this criterion is used in Section 403.519(3), Florida Statutes?

Recommendation: Yes. The proposed portfolio containing both the Seminole Facility and the Shady Hills Facility is expected to result in NPV savings of approximately \$363 million in comparison to the next least cost portfolio over the study period. Therefore, staff recommends that the Seminole Facility and the Shady Hills Facility will provide Seminole's members with the most cost-effective alternatives available.

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Issue 5C: Did Seminole Electric Cooperative, Inc. accurately and appropriately evaluate reasonable alternative scenarios for cost-effectively meeting the needs of its customers over the relevant planning horizon for the Seminole Combined Cycle Facility?

Issue 5D: Did Seminole Electric Cooperative, Inc. accurately and appropriately evaluate reasonable alternative scenarios for cost-effectively meeting the needs of its customers over the relevant planning horizon for the Shady Hills Combined Cycle Facility?

Recommendation: Yes. As discussed in Issues 5A and 5B, Seminole solicited RFPs to fulfill its capacity need and hired an independent evaluator to ensure that it selected the best overall alternatives.

APPROVED

Issue 6A: Based on the resolution of the foregoing issues and other matters within its jurisdiction which it deems relevant, should the Commission grant Seminole Electric Cooperative, Inc.'s petition to determine the need for the proposed Seminole Combined Cycle Facility?

Issue 6B: Based on the resolution of the foregoing issues and other matters within its jurisdiction which it deems relevant, should the Commission grant Seminole and Shady Hills Energy Center, LLC's joint petition to determine the need for the proposed Shady Hills Combined Cycle Facility?

Recommendation: Yes.

APPROVED

Issue 7A: Should Docket No. 20170266-EC be closed?

Issue 7B: Should Docket No. 20170267-EC be closed?

Recommendation: Yes. Upon issuance of an order on Seminole's petition to determine the need for the proposed Seminole Combined Cycle Facility and the Petitioners' petition to determine the need for the proposed Shady Hills Combined Cycle Facility, these dockets should be closed after the time for filing an appeal has run.

APPROVED

Brandy Butler

From: Kate Hamrick
Sent: Friday, May 04, 2018 8:58 AM
To: Braulio Baez; Mark Futrell; Apryl Lynn; CLK - Agenda Staff; Tom Ballinger; Mary Anne Helton; Keith Hetrick; Cindy Muir; Commissioner Fay & Staff; Takira Thompson; Doug Wright; Phillip Ellis; Laura King; Rachael Dziechciarz; Charles Murphy
Subject: APPROVED: Request to make oral modification to Item # 8 (20170266-EC) of the May 8, 2018 Commission Conference

Please see the approved oral modification for Item 8 (20170266-EC) below.

Thanks!

Kate Hamrick
Executive Assistant to
Mark Futrell
Deputy Executive Director: Technical
Florida Public Service Commission
850-413-6304

From: Braulio Baez
Sent: Friday, May 04, 2018 8:54 AM
To: Tom Ballinger
Cc: Mark Futrell; Kate Hamrick; Greg Shafer; Andrew Maurey; Takira Thompson; Charles Murphy; Rachael Dziechciarz
Subject: Re: Request to make oral modification to Item # 8 of the May 8, 2018 Commission Conference

Approved. Thanks

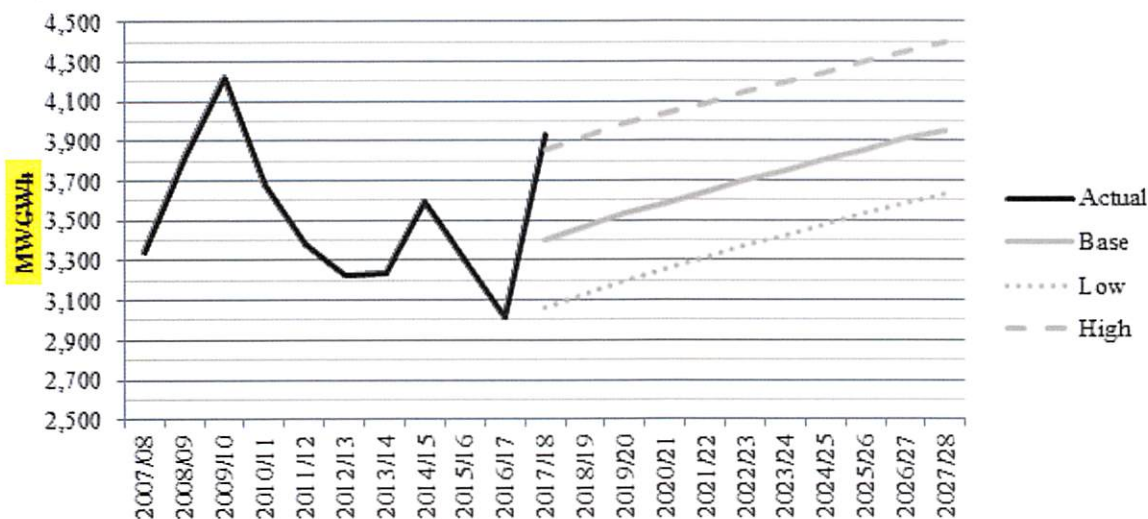
Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Tom Ballinger <TBallig@PSC.STATE.FL.US>
Date: 5/4/18 8:49 AM (GMT-05:00)
To: Braulio Baez <BBaez@PSC.STATE.FL.US>
Cc: Mark Futrell <MFutrell@PSC.STATE.FL.US>, Kate Hamrick <KHamrick@psc.state.fl.us>, Greg Shafer <GShafer@PSC.STATE.FL.US>, Andrew Maurey <AMaurey@PSC.STATE.FL.US>, Takira Thompson <tthompso@psc.state.fl.us>, Charles Murphy <cmurphy@PSC.STATE.FL.US>, Rachael Dziechciarz <RDziehc@psc.state.fl.us>
Subject: Request to make oral modification to Item # 8 of the May 8, 2018 Commission Conference

Subsequent to filing the above mentioned recommendation, staff identified a few typographical errors. Therefore, staff requests approval to make an oral modification to Item 8 (Docket No. 20170266-EC - Petition to determine need for Seminole combined cycle facility and Docket No. 20170267-EC - Joint Petition for determination of need for Shady Hills combined cycle facility) scheduled for the May 8, 2018 Commission Conference. The requested modifications affect issues 1A, 1B, 5A, and 5B and does not impact staff's recommendations for these issues. The modifications appear below in type/strike format.

**Figure 1-1
Winter Peak Demand**



Source: EXH 3; TR 340; TR 354

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16.9 percent error rate for its forecasts prepared three-years out, which was the 2015-2016 winter season) despite a large increase in heating degree days compared to the prior winter season, 2014-2015. (EXH 66, EXH 79). This is an indication that the issue of high historical load forecast errors for Seminole may not be fully attributed to the impacts of the Great Recession, which officially ended in June 2009. (TR 648)

Page 26, last paragraph

Witness Mathur stated that the Shady Hills Facility will be located on Shady Hills' existing site in Shady Hills, Florida, allowing it to take advantage of existing transmission and water resource infrastructure. (TR 25) This facility is expected to begin commercial operation in December 2021. (TR 25) Witness Mathur stated that the Shady Hills Facility will be supported by a 30-year tolling agreement with Seminole, allowing Seminole to have the right to schedule the dispatch of the plant, provide fuel for such scheduled operation, and receive all of the power produced. (TR 22) He further stated that Seminole will make fixed payments related to the demonstrated capacity of the Shady Hills Facility, and make variable payments when the plant is dispatched per Seminole's schedules. (TR 22) Witness Mathur testified that the terms of the tolling agreement provide Seminole with security of power supply at a competitive price for 30 years. (TR 22) Witness Mathur further testified that General Electric Energy Financial Services has a long history of developing and investing in combined cycle power plants, and is confident in its ability to meet the projected milestones and specifications of the Shady Hills Facility. (TR 20) Similar to the Seminole Facility, staff recommends that the Shady Hills Facility has an economic

Please let me know if you approve of these modifications or if you need any additional information.

Tom Ballinger
Director, Division of Engineering

Florida Public Service Commission
(850) 413-6680