

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 9, 2018
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Takira Thompson, Engineering Specialist, Division of Engineering *TT poE*
RE: Docket No. 20180000-OT - Undocketed filings for 2018. *W*

Please file the attached, "DEF – TYSP Staff's Supplemental Data Request #2," in the above mentioned docket file.

Thank you.

TT/pz

Attachment

COMMISSIONERS:
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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

August 9, 2018

Mr. Bobby Pickels
Duke Energy Florida
robert.pickels@duke-energy.com

VIA EMAIL

Dear Mr. Pickels:

Re: Review of the 2018 Ten-Year Site Plans for Florida's Electric Utilities Supplemental Data Request #2

Please electronically file all responses to the attached Staff's Supplemental Data Request #2, no later than Wednesday, September 5, 2018, via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please reference 20180000-OT (Undocketed filings for 2018). In addition, please email responses to Takira Thompson at tthomps@psc.state.fl.us.

If you have any questions, please contact Takira Thompson by phone at (850) 413-6592 or at the email address provided above, or contact Phillip Ellis by phone at (850) 413-6626 or by email at pellis@psc.state.fl.us.

Sincerely,

A handwritten signature in blue ink that reads "Takira Thompson".

Takira Thompson
Engineering Specialist
Division of Engineering

TT:pz

Enclosure

cc: Office of Commission Clerk (20180000-OT – Undocketed filings for 2018)

1. Please refer to Duke Energy Florida's (DEF) responses to staff's Supplemental Data Request #1, No. 70.
 - a. Please identify the specific sources and dates of the 2018-2027 fuel price forecast presented in this response.
 - b. Please discuss the decreases in fuel prices of coal, natural gas, and distillate oil (of -38 percent, -25 percent, and -25 percent respectively) from 2017 actuals, to the 2018 projected values. As in, what are/were the drivers of the price differences?
2. Please refer to DEF's 2018-2027 Ten-Year Site Plan (TYSP), pages 3-35. Please further elaborate on the methodology used in developing DEF's forecasted fuel prices.
3. Please refer to DEF's response to staff's Supplemental Data Request #1, No. 2 (Excel files). Please explain why DEF did not develop high and low case scenarios of forecasted fuel prices.
4. Please refer to DEF's 2018 TYSP, Schedules 2.1.1-3, 2.2.1-3, located on pages 2-4 through 2-9 and page 2-31.
 - a. Please explain, with specificity, how DEF forecasts its expected (base case) population and number of customers by class for 2018-2027.
 - b. Please explain, with specificity, how DEF developed its high and low case scenarios of expected population and number of customers by class for 2018-2027.
5. On page 2-34, DEF's 2018 TYSP states "this forecast does consider policies laid out in the first six months of the Trump administration, but this does not include the recently passed tax reduction plan." With regards to the national economic assumptions for the forecast, please specify which major policies are taken into account.
6. On page 2-34, DEF's 2018 TYSP states that while "DEF continues to plan for the eventual regulation of GHG emissions," the current forecast excluded the projected onset of the regulations until 2025. However, in the 2017 TYSP, the forecast is said to include the "phased-in impact upon DEF electric prices from the US EPA proposed Clean Power Plan beginning in 2022." With regards to state economic forecast assumptions, do DEF's 2018 TYSP forecasts take into account the same impact upon electric prices due to the EPA proposed Clean Power Plan that was alluded to in the 2017 TYSP? Please quantify all such differences.

7. On page 2-39, DEF's 2018 TYSP states that "the historical values of [retail monthly net peak demand] are constructed to show the size of DEF's retail net peak demand assuming no utility activated load control had ever taken place." In DEF's 2017 TYSP, the size of DEF's retail net peak demand assumes "no utility activated load control or energy efficiency reductions . . ." Why was this changed assumption in DEF's historical retail net peak demand (it appears that energy efficiency reductions are now no longer an assumption in the context of determining retail net peak demand) made and what are the impacts of the change on DEF's peak demand models and forecast?
8. According to Schedule 2.2.1, column (8), DEF experienced a decline in total energy sales to ultimate consumers, from 38,774 gigawatt hours (GWh) in 2016, to 38,023 GWh in 2017. DEF then forecasts growth from 2018-2027.
 - a. Please explain the observed decline in energy sales in 2017.
 - b. Why does DEF not expect that decline to persist after 2017?
9. Please provide a comparison of DEF's 2017 and 2018 TYSPs, identifying any notable differences.
10. Please explain why the Osprey CC Unit 1 transmission upgrades in-service year is now anticipated to be 2024 instead of 2023 as noted in DEF's 2017 TYSP.
11. Please explain whether DEF considers the nameplate or summer firm capacity to contribute to the 700 megawatt cap for solar additions, mentioned in its settlement agreement.
 - a. For solar additions with planned in-service dates after 2021, please explain whether or not DEF plans to file for cost recovery with the Commission.
12. Please explain why DEF plans to add solar additions beginning in 2018 although they are not necessary to meet DEF's reserve margin requirements.
13. Please refer to DEF's responses to staff's Supplemental Data Request #1, No. 36. Please indicate whether or not DEF plans to pursue any of these projects. If so, please identify which and provide the status of these proposed projects.
14. Please explain how DEF calculates solar degradation.
 - a. Please discuss whether or not DEF accounts for solar degradation in cost-effectiveness evaluations.
 - b. Please identify the possible causes of solar degradation.