

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for the Orlando/St. Cloud Regional Resiliency Connection 230 kV transmission line project in Orange and Osceola Counties, by Orlando Utilities Commission.

DOCKET NO. 20200107-EM
ORDER NO. PSC-2020-0223-FOF-EM
ISSUED: June 30, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

FINAL ORDER APPROVING DETERMINATION OF NEED
FOR AN ELECTRICAL TRANSMISSION LINE

BY THE COMMISSION:

APPEARANCES:

W. CHRISTOPHER BROWDER, Esquire, Vice President and General Counsel,
Reliable Plaza at 100 West Anderson Street, Orlando FL 32802-3193
On behalf of Orlando Utilities Commission.

ROBERT SCHEFFEL WRIGHT/JOHN T. LAVIA, III, Esquires, Gardner, Bist,
Bowden, Bush, Dee, LaVia, and Wright, PA., 1300 Thomaswood Drive,
Tallahassee FL 32308
On behalf of Orlando Utilities Commission.

CHARLES W. MURPHY/GABRIELLA PASSIDOMO, Esquires, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, Esquire, Deputy General Counsel, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
0850
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, Esquire, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

BACKGROUND

On May 1, 2020, pursuant to Section 403.537, Florida Statutes (F.S.), Chapter 120, F.S., Rules 25-22.075, 25-22.076, and 28-106.201, Florida Administrative Code (F.A.C.), the Orlando Utilities Commission (OUC) filed its Petition for determination of need for the Orlando/St. Cloud Regional Resiliency Connection 230 kV transmission line project in Orange and Osceola Counties, by Orlando Utilities Commission (Petition).

In this docket, the Florida Public Service Commission (Commission) makes that need determination. Separate public hearings will be held before an Administrative Law Judge of the Division of Administrative Hearings to consider environmental and other impacts of the Orlando/St. Cloud Regional Resiliency Connection 230 kV transmission line, as required by the Florida Electric Transmission Line Siting Act, Sections 403.52-403.5365, F.S.

An Order Establishing Procedure, Order No. PSC-2020-0135-PCO-EM, was issued on May 6, 2020, and modified by Order No. PSC-2020-0171-EM, issued on May 29, 2020 (First Order Modifying Procedure), to provide for a remote prehearing and hearing in this docket due to COVID-19. Directions for public attendance at the prehearing and hearing, and public testimony at the hearing were included in the First Order Modifying Procedure and on the Commission's web site www.floridapsc.com under the heading "Hot Topics."

A Prehearing Conference was held on June 9, 2020. The administrative hearing was held on June 18, 2020, and no issue was contested. By our bench decision, we approved the affirmative stipulation of all issues as set forth below.

DECISION

1. Whether there is a need for OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, taking into account the need for electric system reliability and integrity, in accordance with Section 403.537(1)(c), Florida Statutes.

OUC has demonstrated that the proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line (the "Project") is needed, taking into account the need for electric system reliability and integrity, in accordance with Section 403.537(1)(c), Florida Statutes. The record in this case demonstrates that the transmission capacity available to serve the St. Cloud area is limited to approximately 220 MW, and if the Project is not constructed and brought into operation by the Summer of 2025 as proposed by OUC, there will be insufficient capacity to ensure reliable service to St. Cloud under normal weather and load conditions and with all transmission facilities in service.

The record also demonstrates that, assuming normal weather and load conditions, if the Project is not in service as planned, or if an alternate project is not installed, the transmission system serving St. Cloud will experience significant thermal overloads and low voltage conditions under several contingencies.

The record further demonstrates that the Project will provide a second 230 kV line that can carry the entire St. Cloud load at peak by itself and increase the transfer capability into St. Cloud by approximately 50 percent. These improvements also create an additional layer of contingency protection, moving what are first contingency risks to second contingency risks.

2. Whether there is a need for OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, taking into account the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of the state, in accordance with Section 403.537(1)(c), Florida Statutes.

OUC has demonstrated that the proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line is needed, taking into account the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of the state, in accordance with Section 403.537(1)(c), Florida Statutes.

The record in this case further demonstrates that the Project provides the best value to OUC, to OUC's customers, and to the grid. The approximate cost of the Project, with its starting and ending points at OUC's Magnolia Ranch Substation and the St. Cloud East Substation, respectively, has a projected in-service cost (in 2020 dollars) of \$94.5 million, significantly less than the other transmission line options identified and evaluated. The capacitor bank option would have a lower initial cost but was not selected because, while it would satisfy the minimum reliability requirements, it would not increase overall transmission capacity, would not provide flexibility or other benefits as compared to new transmission line construction, and, significantly under the circumstances, would not address the integration of planned new solar generation. The next best transmission line option, a 230 kV line from OUC's Taft Substation to the St. Cloud South Substation is longer and would pass through much more densely developed areas (in and around Kissimmee). It would thus cost more and have significantly greater community impacts. In addition, although technically viable, this second-best option would also entail a more difficult interconnection into the crowded bus at the Taft Substation.

There are new solar generating facilities in development or under construction in the area immediately southeast of Orlando and St. Cloud, and the Project will provide a significant enhancement to the 230 kV backbone transmission system that will facilitate the integration of this new solar capacity into the grid.

3. Whether OUC’s existing Magnolia Ranch substation in Orange County and the St. Cloud East substation in Osceola County are the appropriate starting and ending points of the proposed transmission line.

The record demonstrates that, in its planning analyses over several years, OUC first considered many alternative projects to address transmission reliability for the St. Cloud area, including the addition of a capacitor bank with additional protective relays, upgrading different 69 kV transmission line segments, several different 230 kV line projects with different starting and ending points, and even new fossil generation in St. Cloud. OUC then evaluated five specific projects chosen from the larger set of alternatives on the basis of thermal and voltage performance, contribution to system transfer capability for serving St. Cloud, total system cost, physical congestion of alternative routes, and the ability of each option to support the integration of the significant amount of new solar capacity planned for the area immediately southeast of Orlando and St. Cloud. The record demonstrates that, considering all factors, particularly reliability, cost, routing feasibility in light of physical congestion constraints, and solar support, the best option is the Project, with its starting point at OUC’s existing Magnolia Ranch substation in Orange County and its ending point at the St. Cloud East substation in Osceola County.

4. Whether the PSC should grant OUC’s petition for determination of need for the proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line project.

OUC has demonstrated that the Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line is needed by the Summer of 2025, taking into account the need for system reliability and integrity and the need for the delivery of abundant, low-cost electrical energy to retail customers. In addition, the construction of the Project will facilitate the integration of significant amounts of planned solar generating resources into the Florida grid. Accordingly, the PSC shall grant OUC’s petition determining that this Project is needed.

It is therefore,

ORDERED by the Florida Public Service Commission that there is a need for the Orlando Utilities Commission’s proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, taking into account the need for electric system reliability and integrity, in accordance with Section 403.537(1)(c), Florida Statutes. It is further

ORDERED that there is a need for the Orlando Utilities Commission’s proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, taking into account the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of the state, in accordance with Section 403.537(1)(c), Florida Statutes. It is further

ORDERED that the Orlando Utilities Commission's existing Magnolia Ranch substation in Orange County and the St. Cloud East substation in Osceola County are the appropriate starting and ending points of the proposed transmission line. It is further

ORDERED that the Orlando Utilities Commission's petition for determination of need for the proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line project is hereby granted. It is further

ORDERED that this docket shall be closed after the time for filing an appeal has run.

By ORDER of the Florida Public Service Commission this 30th day of June, 2020.



ADAM J. 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.

CWM

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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:
1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida

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Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.