

Confidential Attachment RSM Bid Ranking Results

This attachment to Sedway Consulting's Independent Evaluation Report provides tables of information concerning all qualifying proposals that were evaluated in FPL's 2001 solicitation for new power supplies.

Base Case Analysis

Table A-1 depicts the results of the RSM ranking. The table is split into two sets of proposals or FPL options – those that offered power in 2005 or earlier and those that commenced in 2006. For each category of resources, the table is sorted on Net Levelized Fixed Price (in \$/kW-month). As described in the main report, this value includes the fixed costs of a resource, accounts for the production cost savings associated with the dispatch of the resource, and normalizes the resulting Net Cost into a value that accounts for the size of the resource. The Net Cost (in millions of dollars) for each resource is also presented in the table and is the Net Cost value used in the portfolio development process that was represented in tables of results in the main report.

All outside firm capacity proposals (i.e., FC 1 through FC 81) are included in the table except for FC 9, which was disqualified as a tolling proposal. All of the FPL self-build options are represent in Table 3 except for FPL's option to develop a 600 MW pet-coke-fired facility. FPL's evaluation team determined that this option was not realistically available for the 2005 or 2006 time frame, given the design, permitting, and construction challenges that the project would face.

Table A-2 provides a list of the FPL self-build options with the corresponding ID number that Sedway Consulting used throughout the RSM evaluation process.

FPL noted that there were 13 self-build options that were evaluated. FPL option #109 in Sedway Consulting's list represented a combined-cycle facility at either the Martin or Manatee generating stations. Although Sedway Consulting's evaluation considered these two FPL options as one option (given that they had similar or identical costs), they actually represented two separate options. Also, the FPL option #101/#121 was modeled under two different assumptions for firm gas transportation costs. The resource was assumed to be able to acquire gas supply from Gulfstream, but a second resource (labeled FPL 101-FGT and FPL 121-FGT) was represented with FGT firm gas supply.

Table A-1
 Final Proposal Ranking - FPL 2001 Resource Solicitation
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Resources with 2004-2005 Start Dates										NPV	NPV	NPV
Bidder #	Capacity MW	Levelized Fixed Price \$/kW-mo	Levelized Prod Cost Savings \$/kW-mo	Net Levelized Fixed Price \$/kW-mo	Levelized Var Price \$/MWh	Heat Rate (Btu/kWh)	Start Year	Term (years)	NPV Fixed Pmts (\$M)	NPV Prod Cost Savings (\$M)	NPV Net Cost (\$M)	
FC 3	465						2005	25			\$220.3	
FPL 108	789						2005	26			\$394.5	
FPL 109	1107						2005	26			\$605.6	
FPL 102	535						2005	26			\$294.4	
FPL 103	901						2005	26			\$552.7	
FPL 101	255						2005	26			\$157.3	
FPL 104	853						2005	26			\$534.7	
FPL 106	853						2005	26			\$537.2	
FPL 105	783						2005	26			\$523.0	
FC 11	150						2005	5			\$100.9	
FC 27	1200						2005	10			\$812.9	
FC 26	1200						2005	10			\$792.3	
FC 25	1200						2005	10			\$772.4	
FC 38	150						2005	3			\$105.9	
FC 8	811						2005	10			\$590.2	
FC 17	811						2005	10			\$590.2	
FC 22	811						2005	10			\$590.2	
FC 19	526						2005	3			\$389.8	
FC 30	1236						2005	7			\$893.2	
FPL 101-FGT	255						2005	26			\$195.0	
FC 16	300						2005	3			\$229.9	
FC 45	900						2005	5			\$690.2	
FC 42	450						2005	3			\$346.6	
FC 2	618						2005	7			\$476.7	
FC 41	300						2005	5			\$234.2	
FC 6	800						2005	3			\$627.2	
FC 43	450						2005	5			\$352.9	
FC 31	811						2005	26			\$637.6	
FC 32	811						2005	26			\$637.6	
FC 46	900						2005	10			\$714.5	
FC 12	576						2005	9			\$462.1	
FC 20	242						2005	5			\$194.7	
FC 23	242						2005	5			\$194.7	
FC 39	300						2005	10			\$242.2	
FC 44	450						2005	10			\$364.9	
FPL 107	1298						2005	26			\$1,089.1	
FC 36	250						2004	3			\$232.0	
FC 34	300						2004	5			\$282.6	
FC 33	811						2005	26			\$698.3	
FC 40	800						2005	10			\$690.3	
FC 37	250						2005	3			\$215.9	
FC 35	300						2005	6			\$269.5	
FC 7	220						2004	10			\$219.6	
FC 13	220						2004	10			\$219.6	
FC 28	257						2005	10			\$237.0	
FC 53	220						2005	10			\$204.2	
FC 54	220						2005	10			\$204.2	
FC 1	712						2005	10			\$667.0	
FC 18	257						2005	25			\$250.6	
FC 21	447						2004	27			\$484.4	
FC 10	220						2005	10			\$225.1	
FC 29	220						2005	25			\$235.5	
FPL 111	214						2005	26			\$291.9	
FPL 112	214						2005	26			\$292.0	
FC 15	224						2005	20			\$345.0	

Table A-1 - continued
Final Proposal Ranking - FPL 2001 Resource Solicitation
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Resources with 2006 Start Dates											
Bidder #	Capacity MW	Levelized Fixed Price \$/kW-mo	Levelized Prod Cost Savings \$/kW-mo	Net Levelized Fixed Price \$/kW-mo	Levelized Var Price \$/MWh	Heat Rate (Btu/kWh)	Start Year	Term (years)	NPV Fixed Pmts (\$M)	NPV Prod Cost Savings (\$M)	NPV Net Cost (\$M)
FC 65	465						2006	25			\$202.7
FPL 128	789						2006	25			\$374.7
FPL 129	1107						2006	25			\$573.5
FPL 122	535						2006	25			\$281.0
FPL 123	901						2006	25			\$524.2
FPL 121	255						2006	25			\$151.6
FPL 124	853						2006	25			\$507.2
FPL 126	853						2006	25			\$509.5
FC 48	150						2006	5			\$92.4
FC 24	1200						2006	10			\$746.0
FPL 125	783						2006	25			\$495.7
FC 49	150						2006	3			\$98.1
FC 62	811						2006	10			\$542.4
FC 63	811						2006	10			\$542.4
FC 64	811						2006	10			\$542.4
FC 58	526						2006	3			\$364.3
FC 5	690						2006	6			\$479.5
FC 77	900						2006	5			\$644.6
FC 71	300						2006	3			\$215.6
FC 74	450						2006	3			\$325.0
FC 80	811						2006	25			\$587.6
FC 81	811						2006	25			\$587.6
FC 50	800						2006	3			\$582.1
FPL 121-FGT	255						2006	25			\$185.9
FC 73	300						2006	5			\$219.6
FC 75	450						2006	5			\$331.0
FPL 127	1298						2006	25			\$960.1
FC 78	900						2006	10			\$666.5
FC 57	576						2006	9			\$427.2
FC 59	242						2006	5			\$181.9
FC 60	242						2006	5			\$181.9
FC 72	300						2006	10			\$226.8
FC 76	450						2006	10			\$341.7
FC 14	490						2006	10			\$375.1
FC 51	800						2006	10			\$633.4
FC 79	811						2006	25			\$642.9
FC 61	250						2006	3			\$201.0
FC 52	300						2006	6			\$250.1
FC 55	220						2006	10			\$188.0
FC 56	220						2006	10			\$188.0
FC 47	712						2006	10			\$613.3
FC 69	257						2006	10			\$221.6
FC 68	257						2006	25			\$234.3
FC 66	220						2006	10			\$210.4
FC 67	220						2006	25			\$219.5
FC 4	447						2006	20			\$530.7
FPL 131	214						2006	25			\$270.9
FPL 132	214						2006	25			\$271.1
FC 70	224						2006	20			\$318.8

Table A-2 FPL Self-Build Options		
ID numbers for in-service years of:		
2005	2006	
101	121	2-on-1 (Moderate) CC Ft. Myers expansion
102	122	3-on-1 (Moderate) CC Martin expansion
103	123	3-on-1 (Heavy) CC Martin expansion
104	124	3-on-1 (Moderate) CC Martin brownfield
105	125	3-on-1 (Light) CC Martin brownfield
106	126	3-on-1 (Moderate) CC Manatee brownfield
107	127	Two 4-on-1 (Light) CC Port Everglades repowering
108	128	4-on-1 (Moderate) CC Martin expansion
109	129	4-on-1 (Moderate) CC Martin or Manatee brownfield
110	130	Two pet-coke-fired Martin brownfields
111	131	CT at Sanford 4
112	132	CT at Sanford 5

FPL options #108 and #109 are the two facilities included in the All-FPL portfolio. As can be seen from Table 3, they are the second and third highest ranked resources after FC 3. The same is true in the 2006 ranking – where FPL options #128 and #129 are the 2006 versions of the Martin and Manatee projects and FC 65 is the 2006 version of FC 3. The FC 3/65 outside bid entailed a 25-year power purchase agreement (PPA) for 465 MW of CT capacity and energy. Although the proposal’s capacity cost was rather competitive, the energy price was very high (with a levelized value of approximately [REDACTED] and Sedway Consulting believes that the proposal’s economic costs were probably underestimated in the evaluation. In some regions of the country, such a resource is referred to as “paper capacity” and is occasionally acquired by utilities to satisfy short-term monthly capacity reserve requirements. Usually, such transactions are for a year or less. They are purchased by a utility for insurance purposes to cover short-term circumstances (e.g., an unexpected major outage of a large generating plant) but are rarely called on, because of their high dispatch costs. Sedway Consulting does not know of any circumstances where a utility has acquired such capacity for a term of 25 years.

In addition, although the capacity price for the FC 3/65 proposal was rather competitive (with a levelized price of less [REDACTED]), there is one important caveat. As was noted in the main report, the evaluation team decided to evaluate this bid without adding any firm gas transportation costs for the facility. All other gas-fired resources in the evaluation were assumed to incur firm gas transportation costs. It is important to note that this proposal did not offer a facility with back-up fuel and represented a questionable fuel supply arrangement from an unannounced, yet-to-be-developed pipeline. Had the evaluation team added firm gas transportation costs to this bid, it would have increased the proposal’s cost by \$285 million (present value) or more than \$6/kW-month of

equivalent capacity cost. That would have placed the bid near the bottom of the ranking. Because of this favorable firm gas transportation assumption, this FC 3/65 proposal ended up in virtually all top-ranked combination portfolios and outside portfolios. Because of this proposal's very high dispatch cost and the overly favorable assumptions concerning gas transportation, Sedway Consulting does not believe that this proposal represents a reliable and beneficial addition to FPL's total system supply portfolio. Given that, Sedway Consulting focused its efforts on attempting to identify competitive portfolios of FPL options and outside proposals that represented low-cost, reliable portfolios. Sedway Consulting was unable to find any other combinations of reliable options that were less expensive than the recommended All-FPL portfolio.

Sensitivity Analysis

As discussed in the main report, Sedway Consulting performed a sensitivity analysis to examine the impact of lower future resource costs (i.e., similar to Manatee's) as a filler assumption for new capacity following the expiration of short-term contracts. The proposal ranking from the RSM is depicted in Table A-3, which provides the same information for this sensitivity analysis as is provided in Table A-1 for the base case analysis.

Table A-3
Manatee Filler Sensitivity Proposal Ranking - FPL 2001 Resource Solicitation
Confidential

Resources with 2004-2005 Start Dates											
Bidder #	Capacity MW	Levelized Fixed Price \$/kW-mo	Levelized Prod Cost Savings \$/kW-mo	Net Levelized Fixed Price \$/kW-mo	Levelized Var Price \$/MWh	Heat Rate (Btu/kWh)	Start Year	Term (years)	NPV Fixed Pmts (\$M)	NPV Prod Cost Savings (\$M)	NPV Net Cost (\$M)
FC 3	465						2005	25			\$219.5
FPL 108	789						2005	26			\$394.5
FPL 109	1107						2005	26			\$605.6
FPL 102	535						2005	26			\$294.4
FC 11	150						2005	5			\$91.9
FPL 103	901						2005	26			\$552.7
FPL 101	255						2005	26			\$157.3
FPL 104	853						2005	26			\$534.7
FPL 106	853						2005	26			\$537.2
FC 38	150						2005	3			\$95.3
FC 27	1200						2005	10			\$765.7
FC 26	1200						2005	10			\$745.0
FC 25	1200						2005	10			\$725.1
FPL 105	783						2005	26			\$523.0
FC 19	526						2005	3			\$352.7
FC 8	811						2005	10			\$558.3
FC 17	811						2005	10			\$558.3
FC 22	811						2005	10			\$558.3
FC 16	300						2005	3			\$208.7
FC 42	450						2005	3			\$314.8
FC 30	1236						2005	7			\$829.8
FC 45	900						2005	5			\$635.8
FC 6	800						2005	3			\$570.7
FC 41	300						2005	5			\$216.0
FC 2	618						2005	7			\$445.0
FC 43	450						2005	5			\$325.7
FC 20	242						2005	5			\$180.0
FC 23	242						2005	5			\$180.0
FC 46	900						2005	10			\$679.0
FC 12	576						2005	9			\$437.2
FPL 101-FGT	255						2005	26			\$195.0
FC 39	300						2005	10			\$230.4
FC 44	450						2005	10			\$347.2
FC 36	250						2004	3			\$212.9
FC 31	811						2005	26			\$637.6
FC 32	811						2005	26			\$637.6
FC 37	250						2005	3			\$198.2
FC 34	300						2004	5			\$263.0
FC 40	800						2005	10			\$658.8
FPL 107	1298						2005	26			\$1,089.1
FC 35	300						2005	6			\$252.7
FC 33	811						2005	26			\$698.3
FC 7	220						2004	10			\$210.1
FC 13	220						2004	10			\$210.1
FC 28	257						2005	10			\$226.9
FC 53	220						2005	10			\$195.5
FC 54	220						2005	10			\$195.5
FC 1	712						2005	10			\$639.0
FC 18	257						2005	25			\$250.2
FC 10	220						2005	10			\$216.4
FC 21	447						2004	27			\$484.4
FC 29	220						2005	25			\$235.2
FPL 111	214						2005	26			\$291.9
FPL 112	214						2005	26			\$292.0
FC 15	224						2005	20			\$342.5

Table A-3 - continued
Manatee Filler Sensitivity Proposal Ranking - FPL 2001 Resource Solicitation
Confidential

Resources with 2006 Start Dates											
Bidder #	Capacity MW	Levelized Fixed Price \$/kW-mo	Levelized Prod Cost Savings \$/kW-mo	Net Levelized Fixed Price \$/kW-mo	Levelized Var Price \$/MWh	Heat Rate (Btu/kWh)	Start Year	Term (years)	NPV Fixed Pmts (\$M)	NPV Prod Cost Savings (\$M)	NPV Net Cost (\$M)
FC 65	465						2006	25			\$202.7
FPL 128	789						2006	25			\$374.7
FPL 129	1107						2006	25			\$573.5
FPL 122	535						2006	25			\$281.0
FC 48	150						2006	5			\$84.1
FPL 123	901						2006	25			\$524.2
FC 24	1200						2006	10			\$703.0
FC 49	150						2006	3			\$88.3
FPL 121	255						2006	25			\$151.6
FPL 124	853						2006	25			\$507.2
FPL 126	853						2006	25			\$509.5
FC 58	526						2006	3			\$329.9
FC 62	811						2006	10			\$513.4
FC 63	811						2006	10			\$513.4
FC 64	811						2006	10			\$513.4
FPL 125	783						2006	25			\$495.7
FC 5	690						2006	6			\$444.1
FC 71	300						2006	3			\$195.9
FC 74	450						2006	3			\$295.5
FC 77	900						2006	5			\$594.4
FC 50	800						2006	3			\$529.8
FC 73	300						2006	5			\$202.9
FC 75	450						2006	5			\$305.9
FC 59	242						2006	5			\$168.4
FC 60	242						2006	5			\$168.4
FC 57	576						2006	9			\$404.5
FC 78	900						2006	10			\$634.2
FC 72	300						2006	10			\$216.1
FC 76	450						2006	10			\$325.6
FC 80	811						2006	25			\$587.6
FC 81	811						2006	25			\$587.6
FPL 121-FGT	255						2006	25			\$185.9
FC 14	490						2006	10			\$357.6
FC 61	250						2006	3			\$184.6
FPL 127	1298						2006	25			\$960.1
FC 51	800						2006	10			\$604.8
FC 52	300						2006	6			\$234.7
FC 79	811						2006	25			\$642.9
FC 55	220						2006	10			\$180.2
FC 56	220						2006	10			\$180.2
FC 47	712						2006	10			\$587.9
FC 69	257						2006	10			\$212.4
FC 68	257						2006	25			\$234.3
FC 66	220						2006	10			\$202.6
FC 67	220						2006	25			\$219.5
FC 4	447						2006	20			\$526.7
FPL 131	214						2006	25			\$270.9
FPL 132	214						2006	25			\$271.1
FC 70	224						2006	20			\$316.8