

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to determine need for)
Seminole combined cycle facility, by) DOCKET NO. 20170266-EC
Seminole Electric Cooperative, Inc.)
)
In re: Joint petition for determination)
of need for Shady Hills combined cycle) DOCKET No. 20170267-EC
facility in Pasco County, by Seminole)
Electric Cooperative, Inc. and Shady) FILED: March 5, 2018
Hills Energy Center, LLC.)
_____)

INTERVENORS' PREHEARING STATEMENT

Michael Tulk, Patrick Daly, and Quantum Pasco Power, L.P.
("Intervenors"), pursuant to the Order Establishing Procedure in
this docket, Order PSC-2018-0018-PCO-EC, issued January 5, 2018,
hereby submit their Prehearing Statement.

APPEARANCES:

Robert Scheffel Wright
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On behalf of Intervenors, Michael Tulk, Patrick Daly, and
Quantum Pasco Power, L.P.

1. **WITNESSES:**

The Intervenors intend to call the following witness, who
will address the issues indicated next to the witness's name.

<u>Witness</u>	<u>Issues</u>
Paul M. Sotkiewicz, Ph.D.	1A-B, 3A-B, 4A-B, 5A-B, 6, 7A, 7B

Subject Matter: Load forecasts, need for proposed projects for reliability purposes, economic need for proposed projects, most cost-effective alternative, uneconomic duplication of facilities, risks to customers, fuel diversity.

2. EXHIBITS:

PAUL M. SOTKIEWICZ, Ph.D.

- PS-1 Resumé of Paul M. Sotkiewicz, Ph.D.
- PS-2 Summary of Seminole's Winter Peak Forecast Errors,
2005-2016
- PS-3 Summary of Seminole's Summer Peak Forecast Errors,
2005-2016
- PS-4 Summary of Seminole's Total Energy Requirements
Forecast Errors, 2005-2016
- PS-5 Seminole Gap Chart (Seminole Exhibit JAD-2)
- PS-6 Peak Load, Energy, and Number of Customers History and
Forecast Tables from Seminole's Ten Year Site Plans,
2005-2016
- PS-7 Seminole's Existing Generating Facilities and Purchased
Power Resources, Excerpt from Seminole's 2017 Ten Year
Site Plan
- PS-8 Seminole's Revised Economic Analysis Results of
Portfolios (Seminole Exhibit JAD-6)

- PS-9 Specifications of FPL's Proposed Dania Beach Clean Energy Center, Schedule 9 from FPL's 2017 Ten Year Site Plan
- PS-10 Seminole's 2017 Specifications for Planned Combined Cycle Facilities as stated in Seminole's 2017 Ten Year Site Plan, Schedule 9 for SGS CC Unit 1 and Unnamed Generating Station CC Unit 2
- PS-11 Combined Cycle Costs for 2010-2016, U.S. Energy Information Administration, contained in presentation by Paul M. Sotkiewicz, Ph.D. to Harvard Electricity Policy Group, March 31, 2017
- PS-12 FPL Specifications and Escalation Rates associated with a 1,163 MW Combined Cycle Unit with In-Service Date of June 1, 2022, FPL Tariff Sheets No. 10.311 and No. 10.311.1

3. STATEMENT OF BASIC POSITION:

Intervenors Michael Tulk, Patrick Daly, and Quantum Pasco Power, L.P., urge the Commission to deny both the need petition for the Seminole Combined Cycle Facility ("SCCF") and the need petition for the Shady Hills Combined Cycle Facility ("SHCCF"). Mr. Tulk and Mr. Daly are end-use customers - "member-consumers" of Withlacoochee River Electric Cooperative ("WREC"), and as such, they will be on the hook for whatever Seminole bills to WREC. In

summary, the Commission should deny both petitions because the proposed SCCF and SHCCF are not needed for reliability, nor are they needed for adequate electricity at a reasonable cost, and they are not the most cost-effective alternatives available to Seminole to meet the needs of its Member Cooperatives, including WREC, and the end-use member-consumers who depend on Seminole for their power supply. Further, adding the SCCF and the SHCCF will in fact reduce fuel diversity in Peninsular Florida and uneconomically duplicate other available capacity. Seminole's proposed plan will add dramatic amounts of debt, plus thirty years of fixed cost obligations to Shady Hills Energy Center, LLC, pursuant to the Tolling Agreement, to an already massive debt load and will thus impose significant additional risks on the member-consumers who depend on Seminole for their power supply. In short, at best, Seminole's petitions are ten years too early for a need that probably does not exist. The Commission should deny both petitions.

Reliability Need

Seminole bases its claims regarding reliability need on its load forecasts. Its forecasts have, for the past twelve years, been consistently and dramatically biased in overstating loads vs. the loads that were actually served. Seminole's criticisms of the testimony of Dr. Paul Sotkiewicz are flawed; Dr. Sotkiewicz relied on statements in Seminole's Ten Year Site Plans in preparing his analyses, and even if one looks at only the forecasts for 2014,

2015, and 2016, all of which were made when Seminole knew that it would not have to serve the loads of Lee County Electric Cooperative in those years, the data shows that Seminole's load forecasts were still substantially biased in overstating forecasted values vs. actuals. Seminole now claims to have updated its forecasting methodology, but at best, that forecasting methodology is unproven.

Moreover, Peninsular Florida reserve margins are projected to be entirely adequate to meet all reliability criteria through at least 2026 without either the SCCF or the SHCCF. The cost savings available from the All-PPA Portfolio are based on Seminole's probably-overstated forecasts, such that, to the extent that the forecasts are in fact overstated, even greater savings would accrue. These savings should lead the Commission, in protecting consumers' best interests, to deny Seminole's petitions so that customer savings can appropriately be realized while the risks of Seminole's questionable, historically biased, forecasting (and of its unproven new forecasting methodology) are minimized.

Most Cost-Effective Alternative & Need for Adequate Electricity
at a Reasonable Cost

Seminole's own analyses show that the All-PPA Portfolio would be \$136 Million more cost-effective than Seminole's proposed/preferred plan through 2027. (Seminole's proposed last-minute "corrections" to its filed analyses are discussed briefly at the end of this section.) Further, Seminole and its portfolio

evaluator and witness, Alan Taylor, used escalation rates (1.0% to approximately 2.5%) that are significantly below Seminole's discount rate of 6 percent: this tells the Commission that delay will improve the Cumulative Present Value Revenue Requirements ("CPVRR") of delaying the need for the SCCF and the SHCCF, even if they were to be needed. Of course, delay also avoids the risks associated with these long-long-term commitments.

Seminole did not properly evaluate the All-PPA Portfolio as compared to its chosen SCCF/SHCCF plan. Of significance in this regard, of all the portfolios evaluated, Seminole only gave its chosen SCCF/SHCCF portfolio cost savings benefits for closing one of the SGS coal units. These savings are several hundred million dollars. Even knowing that significant savings were available from the All-PPA Portfolio over the first ten years of the analysis period, neither Seminole nor Mr. Taylor ever even analyzed an All-PPA Portfolio that would likewise have enabled Seminole to close one of its coal units. This is a clear bias in Seminole's and Mr. Taylor's analyses, obviously in favor of the SCCF/SHCCF plan, and evidence of imprudence by Seminole.

On February 28, 2018, notwithstanding that Seminole had a team of several professionals and experts working on, and presumably vetting thoroughly, its testimony and exhibits throughout the Fall of 2017, leading up to filing its case on December 21, 2017, apparently in answering a Staff interrogatory, Seminole discovered

an error in the calculations for the All-PPA Portfolio. Seminole now proposes to change its testimony and exhibits to show that the first-ten-years savings are \$69 Million in CPVRRs as opposed to the \$136 Million in CPVRRs in its case as filed. This change does not change the conclusion that the All-PPA Portfolio is still better over the first ten years of the analysis period, nor does it change the Intervenors' concerns and positions regarding load forecasting inadequacies discussed above, nor does it change the Intervenors' profound concerns regarding the risks that Seminole's decisions would impose on member-consumers, imprudently and unnecessarily in the Intervenors' view, as discussed below. The fact that Seminole spent many person-months of effort preparing its testimony and exhibits and failed to discover this error also leaves the Intervenors wondering what other errors may yet lie in Seminole's analyses. The Commission should not expose the customers who depend on Seminole for their power supply to the risks that Seminole's plan would impose upon them.

Fuel Diversity

Seminole's proposed SCCF/SHCCF plan would reduce fuel diversity by increasing Seminole's and the State's dependence on natural gas, and by doing so with two new single-fuel units: neither the SCCF nor the SHCCF has dual fuel capability. The Quantum Pasco Power Plant does have dual-fuel capability.

Seminole's decision to close a coal unit plant should be made independently, based on an apples-to-apples, level playing field comparison of all options on a comparable basis. Here, that means evaluating an All-PPA Portfolio with the opportunity for Seminole to close a coal unit but replace that unit's capacity and energy with PPAs. The SCCF/SHCCF plan was assigned several hundred million dollars in benefits from closing a coal unit, but Seminole didn't even bother to look at whether an expanded All-PPA Portfolio might provide similar benefits, in addition to the first-ten-years benefits shown in Seminole's analyses. Again, Seminole's decision not to perform that analysis is evidence of imprudent management: Seminole did not perform the analyses that it should have in order to ensure the customers who depend on it that they are getting the best deal.

Other Matters Within the Commission's Jurisdiction

Uneconomic Duplication of Facilities. Seminole obviously had enough proposals based on PPAs to know that using PPAs for the first ten years would save approximately \$136 Million, based on its analyses done throughout its 2017 planning and decision-making processes. To the extent that Seminole would still, if it were given its way, add approximately 1,700 MW of additional capacity to its - and the State's - fleet, given the fact that a lower-cost option is available through 2027, is prima facie evidence of uneconomic duplication of facilities. Moreover, where Seminole's

discount rate exceeds its assumed escalation rates, delay in committing to these long-term obligations (ownership of the SCCF and the Tolling Agreement for the SHCCF) will only benefit member-consumers by reducing CPVRRs.

Customers' Best Interests and the Public Interest. The member-consumers who depend on Seminole for their power supply have only one opportunity to be protected from a bad decision, and this is their opportunity: to ask the Commission to deny the petitions. After that, all affected consumers will be at the mercy of Seminole to properly manage its processes prudently.

Seminole alleges that its proposal to add 1,700 MW of new gas-fired combined cycle capacity is the best risk-managed portfolio for the member-consumers whose needs Seminole is responsible for serving. These allegations are false. Contrary to its claims, Seminole is poised to impose higher costs and tremendous additional risks on the member-consumers of Seminole's Member Cooperatives who depend on Seminole.

The most troubling aspect of Seminole's plan is that it would ignore lessons that Seminole should have learned from its own experience:

1. The risks of long-term, major capital obligations; and
2. The benefits of shorter-term PPAs with optionality running in favor of Seminole.

Regarding the risks of long-term capital commitments, Seminole already has massive debt obligations: according to its 2017 annual

report, Seminole had approximately \$1.35 Billion in debt and capital lease obligations as of the end of 2016. Several hundred million dollars of that debt is attributable to Seminole's 1984 vintage coal-fired power plants, referred to as SGS 1 and SGS 2 in its Ten Year Site Plans and other documents. These units came into service in 1984, yet they still account for several hundred million dollars - a majority- of Seminole's debt. Worse, those units are probably worthless today: two younger coal-fired units, the St. Johns River Power Park units owned by FPL and JEA, have recently been shut down, as recognized in recent Commission proceedings.

In the face of, and with knowledge of, these risks, Seminole would now ask its Member Cooperatives, and the member-consumers that they serve, to step up to an additional \$650 Million or more in debt for the SCCF, and to take on the long-term fixed cost obligations of the Tolling Agreement for the SHCCF. This is questionable enough standing on its own, but to put forth this proposal in light of Seminole's experience with the massive debt on its aged coal plants and in light of the lower-cost All-PPA Portfolio (over at least the first ten years of the analysis period), this proposal is facially imprudent.

Seminole's imprudence is compounded and underscored by the fact that it did not even evaluate scenarios in which it would defer the SCCF or the SHCCF for several years, thereby realizing consumer savings until 2027 or so, and that it did not even present

the All-PPA Portfolio to its Board of Trustees in its final decision process. This imprudence is further compounded by the fact that Seminole's multi-member evaluation team never analyzed an expanded All-PPA Portfolio that would have been given credit for the hundreds of millions of dollars in savings from closing one of its coal units, as the SCCF/SHCCF plan was given in Seminole's decision-making processes.

Further, Seminole should know the benefits of shorter-term PPAs from its first-hand experience with its PPA for the output of the Osprey Energy Center. The Commission approved that project in 2002, based on a minimum 5-year PPA between Osprey and Seminole, and the project and the PPA served Seminole well. The Intervenors believe that Seminole should have learned another valuable lesson from the Osprey experience, namely that short-term PPAs with optionality in favor of Seminole are beneficial, yet Seminole now wants to put consumers on the hook for 30 years' of SHCCF fixed costs under the Tolling Agreement. Again, Seminole's actions here are simply imprudent.

Summary

In summary, Seminole does not need 1,700 MW of new capacity in 2021 and 2022. Seminole's analyses are deeply flawed and biased against the All-PPA Portfolio, which Seminole developed, and which would save customers. Delaying commitments to the SCCF and the SHCCF benefits customers by saving money using PPAs in the next

several years and by improving CPVRRs if Seminole later determines that adding new owned capacity is the best option in the mid-2020s. It also greatly reduces the risks that Seminole would otherwise impose on the member-consumers who depend on Seminole for power supply. Allowing Seminole to go forward with its proposed SCCF/SHCCF plan is contrary to consumers' best interests. These consumers are depending on the Commission to make the right decision, and the Commission should accordingly protect consumers by denying both petitions.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS:

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?

Intervenors: No. Seminole's load forecasts have historically been consistently and systematically biased toward overstating forecast values as compared to the actual values later observed. Seminole's new load forecasting methodology is at best unproven. Accordingly, Seminole's need forecasts are not reliable. Moreover, even if Seminole's need forecasts were to turn out to be accurate, Seminole can more cost-effectively meet those (probably overstated) needs using power purchase agreements, as reflected in the All-PPA Portfolio developed by Seminole.

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?

Intervenors: No. Seminole's load forecasts have historically been consistently and systematically biased toward overstating forecast values as compared to the actual values later observed. Seminole's new load forecasting methodology is at best unproven. Accordingly, Seminole's need forecasts are not reliable. Moreover, even if Seminole's need forecasts were to turn out to be accurate, Seminole can more cost-effectively meet those (probably overstated) needs using power purchase agreements, as reflected in the All-PPA Portfolio developed by Seminole.

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?

Intervenors: Yes. Seminole received numerous proposals totaling more than 3,000 MW of solar generating capacity, including at least one proposal that included battery storage with the PV system proposed. Thus, there are renewable energy options that are at least "reasonably available" to Seminole in the same time frame as the chosen self-build SCCF and the long-term Tolling Agreement with Shady Hills. At least as significantly, it is well-known that the costs of solar are declining, and that the costs of storage systems to accompany solar facilities are expected to decline, but Seminole completely failed to examine declining costs of solar and potential improvements in solar-plus-storage technologies in its evaluations proffered in this case. In view of Seminole's knowledge that the All-PPA Portfolio has projected lower costs to its Members and the end-use member-consumers that they serve over the first ten years of Seminole's analysis period, and in view of the fact that Peninsular Florida is projected to have winter peak reserve margins greater than 35 percent through 2026 (and greater than 25 percent through 2026 even if all demand response and energy efficiency-conservation impacts are excluded from the analysis), Seminole should prudently have solicited additional PPAs to fill its needs (if any) through the mid-2020s, thereby enabling it to take advantage of anticipated improvements

in the economics of solar and solar-plus-storage technologies.

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

Intervenors: Yes. Seminole received numerous proposals totaling more than 3,000 MW of solar generating capacity, including at least one proposal that included battery storage with the PV system proposed. Thus, there are renewable energy options that are at least "reasonably available" to Seminole in the same time frame as the chosen self-build SCCF and the long-term Tolling Agreement with Shady Hills. At least as significantly, it is well-known that the costs of solar are declining, and that the costs of storage systems to accompany solar facilities are expected to decline, but Seminole completely failed to examine declining costs of solar and potential improvements in solar-plus-storage technologies in its evaluations proffered in this case. In view of Seminole's knowledge that the All-PPA Portfolio has projected lower costs to its Members and the end-use member-consumers that they serve over the first ten years of Seminole's analysis period, and in view of the fact that Peninsular Florida is projected to have winter peak reserve margins greater than 35 percent through 2026 (and greater than 25 percent through 2026 even if all demand response and energy efficiency-conservation impacts are excluded from the analysis), Seminole should prudently have solicited additional PPAs to fill its needs (if any) through the mid-2020s, thereby enabling it to take advantage of anticipated improvements in the economics of solar and solar-plus-storage technologies.

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?

Intervenors: No. The SCCF is not the most cost-effective alternative available to Seminole to meet its needs and the needs of the ultimate member-consumers who would be required to pay for the SCCF's construction costs, other capital costs, operation and maintenance costs, fuel costs, and other costs, and accordingly, the SCCF is not needed to meet the need for adequate electricity at a reasonable cost. Other alternatives are available that will meet all the power supply needs of Seminole and those it serves at lower costs.

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?

Intervenors: No. The SHCCF is not the most cost-effective alternative available to Seminole to meet its needs and the needs of the ultimate member-consumers who would be required to pay for the costs of the SHCCF and the SHCCF's operations pursuant to the 30-year Tolling Agreement, and accordingly, the SHCCF is not needed to meet the need for adequate electricity at a reasonable cost. Other alternatives are available that will meet all the power supply needs of Seminole and those it serves at lower costs.

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?

Intervenors: No. Seminole's proposed "Clean Power Plan-Combined Cycle" Portfolio, including the SCCF, will actually reduce fuel diversity by increasing the State's dependence on natural gas as a generating fuel. The SCCF lacks dual-fuel capability.

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?

Intervenors: No. Seminole's proposed "Clean Power Plan-Combined Cycle" Portfolio, including the SHCCF, will actually reduce fuel diversity by increasing the State's dependence on natural gas as a generating fuel. The SHCCF lacks dual-fuel capability.

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?

Intervenors: No. More cost-effective alternatives are available, including a portfolio consisting of PPAs, such as the All-PPA Portfolio developed and specified by Seminole, over the first ten years of the planning period, to be followed by resource options that are most cost-effective when evaluated in light of conditions in the mid-2020s - e.g., actual load growth and then-current costs for CT and CC capacity, solar, and solar with storage. Because Seminole and its evaluator, Mr. Taylor, assume escalation rates that are significantly less than Seminole's discount rate, delay will improve the CPVRRs for member-consumers while reducing or minimizing the risks inherent in major long-term financial commitments and obligations, which in this instance include the additional debt for the SCCF and the 30 years' of fixed cost commitments under the Tolling Agreement with SHCCF.

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?

Intervenors: No. More cost-effective alternatives are available, including a portfolio consisting of PPAs, such as the All-PPA Portfolio developed and specified by Seminole, over the first ten years of the planning period, to be followed by resource options that are most cost-effective

when evaluated in light of conditions in the mid-2020s - e.g., actual load growth and then-current costs for CT and CC capacity, solar, and solar with storage. Because Seminole and its evaluator, Mr. Taylor, assume escalation rates that are significantly less than Seminole's discount rate, delay will improve the CPVRRs for member-consumers while reducing or minimizing the risks inherent in major long-term financial commitments and obligations, which in this instance include the additional debt for the SCCF and the 30 years' of fixed cost commitments under the Tolling Agreement with SHCCF.

Issue 6: Did Seminole Electric Cooperative accurately and appropriately evaluate all reasonable alternative scenarios for cost-effectively meeting the needs of its customers over the relevant planning horizon?

Intervenors: No. Seminole did not accurately or appropriately evaluate all reasonable alternative power supply options for meeting the needs of its Member Cooperatives and the member-consumers who will have to pay for power supplied to the Member Cooperatives by Seminole. Specifically, even when Seminole's own analyses showed that the All-PPA Portfolio would save approximately \$136 Million in CPVRR terms over the first ten years of Seminole's planning horizon, i.e., from 2018 through 2027, Seminole did not:

- A. Investigate, examine, or evaluate the possibility of deferring the in-service dates of either the SCCF or the SHCCF while meeting near-term needs with PPAs;
- B. Consider possible advances, over the next 5 to 10 years, in CT and CC technology;
- C. Consider possible reductions in CT and CC costs over the next 5 to 10 years;
- D. Consider potential improvements in solar technology and reductions in solar power costs over the next 5 to 10 years; or

- E. Consider potential improvements in, and reductions in costs of, solar-with-storage over the next 5 to 10 years.

The changed testimony of Ms. Diazgranados, which was only revealed to the Intervenors on February 28, 2018, does not change these conclusions. Seminole's load forecasting track record should have led Seminole, acting prudently to meet the needs of its Member Cooperatives and the member-consumers who depend upon and will have to pay for Seminole's decisions, to carefully evaluate all potential alternative power supply scenarios that could produce lower CPVRRs for the Member Cooperatives and their end-use member-consumers. Seminole did none of this. Seminole did not even allow its planning software (System Optimizer) to consider any other in-service dates for the SCCF or the SHCCF.

This failure to evaluate such economically attractive alternatives is not prudent management, and it is not prudent planning to meet the needs of the end-use customers who depend on Seminole (and the Commission) to meet their needs most cost-effectively.

Further, Seminole's team of several employees and experts spent approximately two calendar months and many hours preparing Seminole's testimony and exhibits for these dockets, yet the team did not discover the error that led to the testimony changes until after filing Seminole's rebuttal testimony (and then only after it was called to their attention by Staff discovery). At best, this failure of Seminole's supposedly extensive vetting process in preparing its case between October and December 2017 casts serious doubt as to whether any other errors remain in the analyses presented by Seminole in this case.

Issue 7A: 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?

Intervenors: No. The evidence in this case clearly demonstrates that Seminole's proposed CPP-CC Portfolio, including the

SCCF and the SHCCF, is not the most cost-effective option available to Seminole and that the CPP-CC Portfolio proposed by Seminole is not in the best interests of the member-consumers (i.e., the retail customers) served by Seminole and its Member Cooperatives. Moreover, the evidence clearly shows that Seminole's load forecasting methodology has historically been consistently and systematically biased to overstate projected peak demands and energy requirements.

In short, it is highly probable that Seminole's proposals for the SCCF and the SHCCF are ten years too early for a need that doesn't exist in 2021 or 2022, and may not exist even in 2027, 2028, or later years.

With respect to other matters within the Commission's jurisdiction, neither the SCCF nor the SHCCF is needed for reliability within the Peninsular Florida bulk power supply grid. Adding either or both of these facilities, in the times and with the capacities proposed by Seminole would be uneconomically duplicative of generating resources in Peninsular Florida.

Most significantly allowing Seminole to proceed with its SCCF/SHCCF plan is contrary to the best interests of the customers - the member-consumers of Seminole's Member Cooperatives - who depend on Seminole for their power supply. Seminole's plan would impose unreasonable and unnecessary risks on these consumers, and accordingly, the Commission should deny both petitions.

Issue 7B: 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. and Shady Hills Energy Center, LLC's joint petition to determine the need for the proposed Shady Hills Combined Cycle Facility?

Intervenors: No. The evidence in this case clearly demonstrates that Seminole's proposed CPP-CC Portfolio, including the SCCF and the SHCCF, is not the most cost-effective option available to Seminole and that the CPP-CC Portfolio proposed by Seminole is not in the best interests of the member-consumers (i.e., the retail customers) served by Seminole and its Member Cooperatives. Moreover, the

evidence clearly shows that Seminole's load forecasting methodology has historically been consistently and systematically biased to overstate projected peak demands and energy requirements.

In short, it is highly probable that Seminole's proposals for the SCCF and the SHCCF are ten years too early for a need that doesn't exist in 2021 or 2022, and may not exist even in 2027, 2028, or later years.

With respect to other matters within the Commission's jurisdiction, neither the SCCF nor the SHCCF is needed for reliability within the Peninsular Florida bulk power supply grid. Adding either or both of these facilities, in the times and with the capacities proposed by Seminole would be uneconomically duplicative of generating resources in Peninsular Florida.

Most significantly allowing Seminole to proceed with its SCCF/SHCCF plan is contrary to the best interests of the customers - the member-consumers of Seminole's Member Cooperatives - who depend on Seminole for their power supply. Seminole's plan would impose unreasonable and unnecessary risks on these consumers, and accordingly, the Commission should deny both petitions.

Issue 8A: Should Docket No. 20170266-EC be closed?

Intervenors: Yes. Docket No. 20170266-EC should be closed when the Commission's order denying Seminole's petition for determination of need for the SCCF becomes final and no longer subject to appeal.

Issue 8B: Should Docket No. 20170267-EC be closed?

Intervenors: Yes. Docket No. 20170267-EC should be closed when the Commission's order denying Seminole's and Shady Hills' joint petition for determination of need for the SHCCF becomes final and no longer subject to appeal.

5. STIPULATED ISSUES:

The Intervenors are not aware of any stipulated issues at this time.

6. PENDING MOTIONS:

None at this time. However, in light of Seminole's communication on Tuesday, February 28, that it would be changing the testimony and exhibits of Ms. Julia Diazgranados and Mr. Michael Ward, and the subsequent deposition of Ms. Diazgranados on March 2, 2018, in which the changes were explained to Intervenors, the Intervenors will likely file a motion for leave to present brief supplemental testimony addressing these late-discovered and late-noticed changes.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

The Intervenors do not expect to challenge the qualifications of any witness to testify, although the Intervenors reserve all rights to question witnesses regarding their qualifications as related to the credibility and weight to be accorded their testimony.

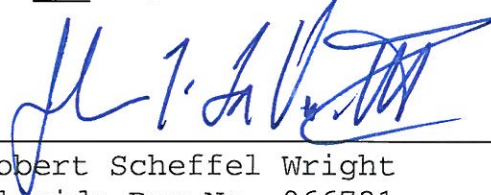
9. STATEMENT REGARDING SEQUESTRATION OF WITNESSES:

The Intervenors do not intend to invoke the rule requiring the sequestration of witnesses.

10. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Intervenors cannot comply.

Respectfully submitted this 5th day of March, 2018.



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Attorneys for Intervenors

CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished to the following by electronic mail on this 5th day of March 2018.

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