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July 28, 2025

-VIA ELECTRONIC FILING-

Adam Teitzman Division of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Re: Docket No. 20250007-EI

Dear Mr. Teitzman:

Attached for electronic filing in the above docket is the prepared testimony of Florida Power & Light Company ("FPL") witness Michael Sole. This testimony is submitted in support of FPL's Petition for Approval of Environmental Cost Recovery Clause Actual/Estimated True-Up for 2025.

Sincerely,

Please feel free to contact me with any questions regarding this filing.

s/ Maria Jose Moncada

Maria Jose Moncada

Attachments

cc: Counsel for Parties of Record (w/ attachments)

Florida Power & Light Company

CERTIFICATE OF SERVICE

Docket No. 20250007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic service on this 28th day of July 2025 to the following:

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s/Maria Jose Moncada
Maria Jose Moncada

1		BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2		FLORIDA POWER & LIGHT COMPANY
3		TESTIMONY OF MICHAEL SOLE
4		DOCKET NO. 20250007- EI
5		JULY 28, 2025
6		
7	Q.	Please state your name and address.
8	A.	My name is Michael Sole and my business address is 700 Universe Boulevard, Juno
9		Beach, Florida 33408.
10	Q.	By whom are you employed and in what capacity?
11	A.	I am employed by NextEra Energy, Inc. as Vice President of Environmental Services.
12	Q.	Please describe your educational background and professional experience.
13	A.	I received a Bachelor of Science degree in Marine Biology from the Florida Institute
14		of Technology in 1986. I served as an Officer in the United States Marine Corps from
15		1985 through 1990, attaining the rank of Captain. I was employed by the Florida
16		Department of Environmental Protection ("FDEP") in multiple roles from 1990 to
17		2010 and served as the Secretary of the FDEP from 2007 through 2010. I was
18		employed by NextEra Energy, Inc. ("NEE") or its subsidiary Florida Power & Light
19		Company ("FPL" or the "Company") from 2010 through 2023. From 2016 through
20		2023 I served as the Vice President of Environmental Services for NEE and resumed
21		that role in May 2025. As Vice President of Environmental Services, I am
22		responsible for FPL's environmental licensing and compliance efforts for the
23		Company.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain the reasons for significant variances in costs associated with operation and maintenance ("O&M") expenses and capital investments included in FPL's ECRC actual/estimated true-up for the period of January 2025 through December 2025. This is based on five months of actual data and seven months of estimated data.

Variance Explanations

- Q. How do the actual/estimated project O&M and capital revenue requirements for January 2025 through December 2025 compare with original projections for the same period?
- A. Form 42-4E shows that the variance in total project O&M was \$4.6 million, or 9.8%, higher than projected, and Form 42-6E shows that the variance in total revenue requirements associated with the project capital investments (depreciation, amortization, income taxes and return on capital investments) were \$3.5 million, or 0.9%, higher than projected. Individual project variances are provided on Forms 42-4E and 42-6E. Revenue requirements for each capital project for the period January 2025 through December 2025 are provided on Form 42-8E. The calculation of revenue requirements is sponsored by FPL witness Richard L. Hume.

- Q. Please explain the reasons for the significant variances in project O&M expenses
 and capital revenue requirements.
- A. The significant variances in FPL's 2025 actual/estimated O&M expenses and capital revenue requirements from original projections are associated with the following projects:

O&M Variance Explanations

Project 1. Air Operating Permit Fees

Project expenses are estimated to be \$76,609, or 56.75%, lower than projected. The variance is due to a change in FPL's accrual process for tracking project expenses, whereby FPL now records the amount of the permit invoice when received instead of recording a monthly accrual. The change in the way these costs were recorded caused the total estimated costs to be lower.

Project 3. Continuous Emission Monitoring Systems

Project expenses are estimated to be \$94,055, or 12.35%, higher than projected. The variance is due to increased contractor costs associated with annual certification of the Pea Ridge Continuous Emission Monitoring System ("CEMS"), having to test on more days than originally projected, and additional purchases of CEMS protocol gases used to calibrate emissions monitoring equipment at Plant Manatee.

Project 37. DeSoto Next Generation Solar Energy Center

Project expenses are estimated to be \$318,460, or 64.28%, higher than projected. The variance is primarily due to increased contractor and materials expenditures for additional field work and major component maintenance and repairs necessary to maintain the reliability and performance of aging assets at the Desoto Solar Energy Center.

Project 38. Space Coast Next Generation Solar Energy Center

Project expenses are estimated to be \$110,291, or 37.46%, higher than projected. The variance is primarily due to the rescheduling of component replacements for solar inverters and control systems. The work originally planned for 2024 was deferred to 2025, impacting the timing of expenditures.

Project 50. Steam Electric Effluent Guidelines Revised Rules

Project expenses are estimated to be \$3,779,894, or 53.51%, higher than projected. The variance is primarily due to Plant Scherer Effluent Limitations Guidelines ("ELG") compliance project costs associated with FPL Unit 4's share of the plant's common costs. On May 9, 2024, the United States Environmental Protection Agency published final revisions to the agency's 2020 ELG rule establishing more stringent wastewater discharge standards for coal-fired power plants, including flue gas desulfurization wastewater and combustion residual leachate. Now that final revisions to the rule are in effect, contract negotiations are ongoing for items with long lead times for the Scherer ELG wastewater treatment system. The referenced

variance reflects updated contract terms for the engineering and procurement scope of the wastewater treatment system. The project timing and cost estimates have been refined to reflect the latest project information available.

Project 124. Miami Dade Clean Water Recovery Center

Project expenses are estimated to be \$1,225,529, or 35.58%, higher than projected. The increase is due to higher operating costs than projected, including more payroll expense and facility chemical usage than originally estimated.

Project 430. General Solid and Hazardous Waste

Project expenses are estimated to be \$240,138, or 32.55%, higher than projected. The variance is due primarily to higher than projected non-polychlorinated biphenyls (non-PCB) mineral oil leaks associated with substations in the areas of Pensacola and Panama City. An increase in leaks required additional contract resources to respond to the cleanups.

Capital Variance Explanations

Project 23. SPCC - Spill Prevention, Control, and Countermeasures

Project revenue requirements are estimated to be \$441,143, or 10.71%, lower than projected. The decrease is primarily due to project delays for the Oily Waste Separator Tank Replacement, which have resulted in lower than projected revenue requirements. At the time of FPL's 2025 ECRC Projection filing in Docket No.

20240007-EI, FPL anticipated the project to be completed in 2024. It was not until later in 2024 that it was determined the project would be completed in 2025.

Project 34. St. Lucie Cooling Water System Inspection & Maintenance

Project revenue requirements are estimated to be \$111,243, or 13.49%, higher than projected due to a scope of work change associated with the Turtle Deterrent project. Specifically, FPL incurred additional costs for work to resolve test tank integration issues and to replace the aging electrical system.

Project 123. The Protected Species Project

Project revenue requirements for the Ft. Myers sawfish barrier project are estimated to be \$54,306, or 46.98%, lower than projected due to schedule adjustments that pushed the planned May 2025 initiation date to November 2025. Permitting activities are expected to be completed by November 2025, followed by bid and award completion in early February 2026, material ordering in March 2026, and in-water installation beginning in April 2026. This revised timeline accommodates regulatory approval processes, avoids in-water work during manatee season, and mitigates risks associated with material cost escalation and storm season storage requirements.

Q. Does this conclude your testimony?

21 A. Yes.