

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to terminate the North Broward Resource Recovery Facility electric power purchase agreement with Wheelabrator North Broward, Inc., by Florida Power & Light Company.

DOCKET NO. 150256-EQ  
ORDER NO. PSC-16-0092-PAA-EQ  
ISSUED: March 4, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING TERMINATION OF CONTRACT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

**Case Background**

On December 3, 2015, Florida Power & Light Company (FPL) filed a petition to terminate its purchased power agreement, known as the North Broward Resource Recovery Facility Electric Power Purchase Agreement (PPA), with Wheelabrator North Broward, Inc. (WNB). The North Broward Resource Recovery Facility (Facility) is a 68 MW municipal solid waste generating facility. The PPA is for 11 MW of firm capacity and energy and currently expires on December 31, 2026.

We approved the PPA by Order No. PSC-92-0050-FOF-EQ.<sup>1</sup> However, the Facility has not delivered energy or capacity to FPL's system since August 2015, and on September 9, 2015, WNB advised FPL that the Facility would be shut down due to the economics and the lack of a dedicated waste stream. On November 3, 2015, FPL and WNB entered into an agreement terminating the PPA as of that date.

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<sup>1</sup>Issued on March 11, 1992, in Docket No. 911140-EQ, *In re: Petition for closure of standard offer contract subscription limit, and for approval of cost recovery of payments to be made through two negotiated power purchase agreements with Wheelabrator North Broward, Inc. and Wheelabrator South Broward, Inc. by Florida Power & Light Company.*

We have jurisdiction over this matter pursuant to Sections 366.051, 366.91 and 366.92 Florida Statutes (F.S.).

### **Decision**

FPL and WNB have mutually agreed to terminate the PPA and state that there are no further obligations or liabilities to either company.

Pursuant to Rule 25-17.0836, F.A.C., we reviewed the agreement to terminate for the impact on the general body of ratepayers, including benefits to ratepayers and avoided cost. Termination of the PPA will result in a net loss of 11 MW of firm capacity on FPL's system; however, FPL will retain sufficient generating capacity without the PPA to meet its reserve margin requirements through the current ten-year planning horizon (2015 through 2024). As a result, FPL is not required to construct or purchase replacement capacity to meet seasonal peak demand.

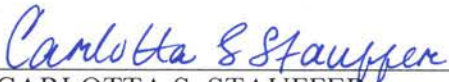
The Facility has not produced energy or capacity since August 2015. No energy or capacity payments from the PPA will be due for recovery through the Fuel and Purchased Power Cost Recovery Clause. Early capacity payments made under the PPA have been repaid over the term of the contract, reaching a zero value in 2003. Upon review, we find there are no projected costs to avoid for replacement capacity resulting from termination of the contract. Such termination will have a *de minimis* impact on the general body of ratepayers with no impact on rates. Therefore, we shall approve FPL's request to terminate the PPA.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request to terminate the North Broward Resource Recovery Facility Electric Power Purchase Agreement is hereby approved. It is further,

ORDERED that if no protest is filed within 21 days of the issuance of this Order, by a person whose substantial interests are affected our decision, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 4th day of March, 2016.



CARLOTTA S. STAUFFER  
Commission Clerk  
Florida Public Service Commission  
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Tallahassee, Florida 32399  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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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 that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 25, 2016.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.