



080543

August 13, 2008

Ms. Ann Cole  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

RECEIVED-FPSC  
08 AUG 13 PM 12:42  
COMMISSION  
CLERK

Re: Depreciation Rates for DeSoto and Space Coast Solar Energy Centers

E1802

Dear Ms. Cole:

Florida Power & Light Company (FPL) requests Commission approval to begin depreciating the new technology solar photovoltaic plant sites, DeSoto and Space Coast Solar Energy Centers over a 30-year period effective with the in-service dates of the units. DeSoto and Space Coast Solar Energy Centers are new technology solar generating units authorized in Order No. PSC-08-0491-PAA-EI, issued on August 4, 2008 in Docket No. 080281-EI, for inclusion in the Environmental Cost Recovery Clause.

The DeSoto Next Generation Solar Energy Center will be constructed on FPL-owned property in DeSoto County, Fla. This facility will provide 25 megawatts of photovoltaic solar capacity, making it the world's largest photovoltaic solar facility. The Space Coast Next Generation Solar Energy Center will be constructed on federal land at the Kennedy Space Center and when complete will provide 10 megawatts of photovoltaic (PV) solar capacity. FPL has negotiated a 30 year lease of this federal land with the Kennedy Space Center in order to construct this solar project. The photovoltaic panels for both of these sites are being purchased from SunPower Corporation. Although these facilities may be put into service incrementally, DeSoto is anticipated for full service operation by December 2009, while Space Coast is anticipated to go into full service by July 2010.

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FPL is seeking depreciation rates at this time due to the inclusion of the DeSoto facility in the Environmental Clause for the 2009 period. Although the Space Coast solar project is not scheduled to go into service until July 2010, the technology is the same as the photovoltaic unit being constructed at the Desoto site. Based on SunPower's assessment that they have a "high level of confidence that the proposed PV power plants will generate clean renewable energy for the 30 year system design life..." the company feels that a good estimation of depreciable life should be 30 years. SunPower also warrants that they will replace any PV module(s), or provide monetary

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compensation, "...if, within twenty five (25) years from the date of delivery to the Customer any PV module(s) exhibits a power output less than 80% of the Minimum Peak Power [peak power minus the Peak power tolerance]...due to defects in material or workmanship. The Company does not currently have any comparable units of this size or technology to use as a proxy.

In summary, FPL proposes to apply a 3.33% whole life depreciation rate (30 year average service life with zero net salvage) to each plant account involved in these facilities as they are placed into service (either in increments or as a whole). FPL currently plans to utilize the Other Production function accounts and is currently evaluating the retirement unit structure that it will employ. The company will prepare and file a site-specific depreciation study for each facility as soon as they are unitized.

If you, have any questions or concerns, or would like to discuss our request further, please contact me at (305) 552-2358.

Sincerely,

A handwritten signature in black ink that reads "H. Antonio Cuba". The signature is fluid and cursive, with the first name and last name clearly legible.

H. Antonio Cuba  
Director, Regulatory Accounting

cc: Timothy Devlin  
Ms. Betty Gardner  
Ms. Anne Marsh  
Jeffrey S. Bartel  
R. W. Litchfield

Attachments

# SUNPOWER

## SUNPOWER LIMITED WARRANTY FOR PV MODULES

SPR-315E-xxx-x, SPR-300E-xxx-x, SPR-305-xxx-x, SPR-290-xxx-x, SPR-230-xxx-x, SPR-225-xxx-x, SPR-220-xxx-x, SPR-217-xxx-x, SPR-215-xxx-x, SPR-210-xxx-x, SPR-205-xxx-x, SPR-200-xxx-x, SPR-90-xxx-x ("xxx-x" define product variants)

### 1. Limited Product Warranty – Ten (10) Year Repair, Replacement or Refund Remedy

SunPower Corporation with offices at 3939 North First Street, San Jose, CA 95134 ("SunPower") warrants that for ten (10) years from the date of delivery, its Photovoltaic modules ("PV modules") shall be free from defects in materials and workmanship under normal application, installation, use and service conditions. If the PV modules fail to conform to this warranty, then for a period ending ten (10) years from date of delivery to the original end-customer ("the Customer"), SunPower will, at its option, either repair or replace the product, or refund the purchase price as paid by the Customer ("Purchase Price"). The repair, replacement or refund remedy shall be the sole and exclusive remedy provided under the Limited Product Warranty and shall not extend beyond the ten (10) year period set forth herein. This Limited Product Warranty does not warrant a specific power output, which shall be exclusively covered under clause 2 hereinafter (Limited Power Warranty).

### 2. Limited Power Warranty

- a) SunPower additionally warrants: If, within twelve (12) years from date of delivery to the Customer any PV module(s) exhibits a power output less than 90% of the Minimum Peak Power<sup>1</sup> as specified at the date of delivery in SunPower's Product datasheet, provided that such loss in power is determined by SunPower (at its sole and absolute discretion) to be due to defects in material or workmanship SunPower will replace such loss in power by either providing to the Customer additional PV modules to make up such loss in power or by providing monetary compensation equivalent to the cost of additional PV modules required to make up such loss in power or by repairing or replacing the defective PV modules, at the option of SunPower
- b) SunPower additionally warrants: If, within twenty five (25) years from date of delivery to the Customer any PV module(s) exhibits a power output less than 80% of the Minimum Peak Power<sup>1</sup> as specified at the date of delivery in SunPower's Product datasheet, provided that such loss in power is determined by SunPower (at its sole and absolute discretion) to be due to defects in material or workmanship SunPower will replace such loss in power by either providing to the Customer additional PV modules to make up such loss in power or by providing monetary compensation equivalent to the cost of additional PV modules required to make up such loss in power or by repairing or replacing the defective PV modules, at the option of SunPower.

### 3. Exclusions and limitations

- a) Warranty claims must in any event be filed within the applicable Warranty period.
- b) Warranty claims may only be made by, or on the behalf of, the original end customer or a person to whom title has been transferred for the PV Modules.
- c) The Limited Warranties do not apply to any of the following:
  1. PV modules which in SunPower's absolute judgment have been subjected to: misuse, abuse, neglect or accident; alteration, improper installation, application or removal (including but not

<sup>1</sup>"Minimum Peak Power" = Peak power minus the Peak power tolerance (as specified in SunPower's Product datasheet). "Peak power" is the power in peak watts that a PV module generates at STC (Standard Test conditions: Irradiance of 1000 W/m<sup>2</sup>, light spectrum AM 1.5g and a cell temperature of 25 degrees C)

#### SunPower Corporation

1.877.SUN.0123 • Email : [customercare@SunPowercorp.com](mailto:customercare@SunPowercorp.com) • [www.SunPowercorp.com](http://www.SunPowercorp.com)

## Appendix K - Module Warranty

limited to installation, application or removal by any party other than a SunPower authorized dealer; non-observance of SunPower's installation, users and/or maintenance instructions; repair or modifications by someone other than an approved service technician of SunPower; power failure surges, lightning, flood, fire, accidental breakage or other events outside SunPower's control.

2. Cosmetic defects stemming from normal wear and tear of PV module materials.
  3. PV modules installed in locations, which in SunPower's absolute judgment may be subject to direct contact with salt water.
- d) The Limited Warranties do not cover any transportation costs for return of the PV modules, or for reshipment of any repaired or replaced PV modules, or cost associated with installation, removal or reinstallation of the PV modules.
- e) When used on a mobile platform of any type, the Limited Power Warranty, applying to any of the PV modules shall be limited to twelve (12) years as per the provisions of clause 2(a) hereof.
- f) Warranty claims will not apply if the type or serial number of the PV modules is altered, removed or made illegible.

### 4. Limitation of Warranty Scope

SUBJECT TO THE LIMITATIONS UNDER APPLICABLE LAW, THE LIMITED WARRANTIES SET FORTH HEREIN ARE EXPRESSLY IN LIEU OF AND EXCLUDE ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR PARTICULAR PURPOSE, USE, OR APPLICATION, AND ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF SUNPOWER, UNLESS SUCH OTHER WARRANTIES, OBLIGATIONS OR LIABILITIES ARE EXPRESSLY AGREED TO IN WRITING SIGNED AND APPROVED BY SUNPOWER. SUNPOWER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR DAMAGE OR INJURY TO PERSONS OR PROPERTY OR FOR OTHER LOSS OR INJURY RESULTING FROM ANY CAUSE WHATSOEVER ARISING OUT OF OR RELATED TO THE PRODUCT, INCLUDING, WITHOUT LIMITATION, ANY DEFECTS IN THE MODULE, OR FROM USE OR INSTALLATION. UNDER NO CIRCUMSTANCES SHALL SUNPOWER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, HOWSOEVER CAUSED. LOSS OF USE, LOSS OF PROFITS, LOSS OF PRODUCTION, LOSS OF REVENUES ARE THEREFORE SPECIFICALLY BUT WITHOUT LIMITATION EXCLUDED.

SUNPOWER'S AGGREGATE LIABILITY, IF ANY, IN DAMAGES OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE PAID TO SUNPOWER BY THE CUSTOMER, FOR THE UNIT OF PRODUCT OR SERVICE FURNISHED OR TO BE FURNISHED, AS THE CASE MAY BE, WHICH GAVE RISE TO THE WARRANTY CLAIM.

SOME STATES DO NOT ALLOW LIMITATIONS ON IMPLIED WARRANTIES OR THE EXCLUSION OF DAMAGES SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU.

### 5. Obtaining Warranty Performance

If you feel you have a justified claim covered by this Limited Warranty, immediately notify the (a) Installer, who sold the PV-modules, or (b) any authorized SunPower distributor, of the claim in writing, or (c) send such notification to SunPower Corporation, 3939 North First Street, San Jose, CA 95134, directly. In addition, please enclose evidence of the date of delivery of the PV module. If applicable, your installer or distributor will give advice on handling the claim. If further assistance is required, please write to SunPower for instructions. The return of any PV-modules will not be accepted unless prior written authorization has been given by SunPower.

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**SunPower Corporation**

1.877.SUN.0123 • Email : [customer@SunPowercorp.com](mailto:customer@SunPowercorp.com) • [www.SunPowercorp.com](http://www.SunPowercorp.com)

Document#: 001-03266 Rev \*D

August 7, 2008

Buck Martinez  
Florida Power and Light  
Via: E-Mail

Dear Mr. Martinez:

This letter is to confirm the useful system life of the proposed PV power plant systems to be built in Florida by SunPower and Florida Power and Light.

SunPower has a high level of confidence that the proposed PV power plants will generate clean renewable energy for the 30 year system design life and beyond. Specifically:

- Silicon PV Panel – SunPower solar panels are constructed with high-efficiency monocrystalline silicon solar cells. Silicon solar cells and panels have the longest operating history of any solar cell technology. Studies on the performance of silicon PV panels show only 4 percent degradation after 23 years of outdoor exposure. This real world experience provides a high level of confidence in making future performance predictions. These data indicates that panel life may extend further than the 30 years design life. SunPower provides a 25 year manufacturer warranty that the panels will generate at least 80% of their rated power output at the end of the 25 year period.
- SunPower Tracking System – SunPower trackers are the most installed tracking systems globally with over 250 megawatts to be installed by the end of 2008. SunPower has sites as old as nine years which demonstrate reliable, autonomous, and low maintenance performance. SunPower trackers are made with standard galvanized steel materials and the design specifications call for the material to maintain its structural integrity for the 30 year design life and beyond. SunPower employs wind tunnel testing and works with leading corrosion experts to insure the long-term integrity of the structure. SunPower tracking systems have been audited for design quality on behalf of investors by world class institutions such as the Fraunhofer Institute of Germany.

We look forward to bringing these ground breaking solar photovoltaic power plants to Florida in partnership with FP&L. Please contact me if you have any questions.

Sincerely,



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Senior Product Manager  
Ground Mounted Systems  
SunPower Corporation  
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