

State of Florida



Public Service Commission

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COMMISSION
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DATE: January 11, 2012

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Analysis (Garl, Brown) *RG*
Division of Economic Regulation (A. Roberts) *AR*
Office of the General Counsel (Robinson) *PERC AT*

RE: Docket No. 110312-EQ – Petition for approval of renewable energy tariff and standard offer contract by Florida Power & Light Company.

AGENDA: 01/24/12 – Regular Agenda – Tariff Suspension – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 01/26/12 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\RAD\WP\110312.RCM.DOC

Case Background

On March 12, 2007, the Commission's adopted amendments to Rule 25-17.0832, Florida Administrative Code (F.A.C.), and new Rules 25-17.200 through 25-17.310, F.A.C., relating to renewable generating facilities became effective. The new rules require each investor-owned utility (IOU) to file with the Commission by April 1 of each year a standard offer contract for the purchase of firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. Florida Power & Light Company (FPL) filed the required standard offer contract by the April 1, 2011 deadline, which was approved by the

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Commission.¹ The standard offer contract was based on a 2016 Port Everglades project as the next avoidable unit.

Rule 25-17.250(2), F.A.C., requires that approved standard offer contracts remain open until the utility files a petition for a need determination, and should not be closed until a new standard offer contract is approved. FPL filed a petition for a need determination on November 21, 2011, for modernization of its Port Everglades Energy Center.² The Company then submitted a new standard offer contract for Commission approval in the instant docket on November 28, 2011.

The Commission has jurisdiction over these contracts pursuant to Sections 366.04 and 366.91, Florida Statutes (F.S.).

¹ See Order No. PSC-11-0466-TRF-EQ, issued October 13, 2011, in Docket No. 110091-EQ, In re: Petition for approval of renewable energy tariff and standard offer contract by Florida Power & Light Company.

² See Docket No. 110309-EI, In re: Petition to determine need for modernization of Port Everglades Plant by Florida Power & Light Company.

Discussion of Issues

Issue 1: Should the Commission suspend the revised renewable energy tariff filed by FPL?

Recommendation: Yes. The Commission should suspend the revised renewable energy tariff filed by FPL. (Garl, Brown, A. Roberts)

Staff Analysis: Pursuant to Rule 25-17.250, F.A.C., FPL filed a petition for a revised renewable energy tariff and standard offer contract on November 28, 2011. Section 366.06(3), F.S., requires the Commission to take action upon this rate schedule within 60 days after filing, or it will automatically go into effect. Staff recommends that the proposed tariff be suspended to allow staff sufficient time to review the petition, gather all pertinent information, and to present an informed recommendation on the tariff proposal to the Commission.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes the reason stated above is good cause consistent with the requirement of Section 366.06(3), F.S.

Therefore, staff recommends that the Commission suspend FPL's revised renewable energy tariff.

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Issue 2: Should this docket be closed?

Recommendation: No. If the Commission approves Issue 1, this docket should remain open to allow staff adequate time to review the petition and make a recommendation to the Commission on the merits of the petition. (Robinson)

Staff Analysis: If the Commission approves Issue 1, this docket should remain open to allow staff adequate time to review the petition and make a recommendation to the Commission on the merits of the petition.