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Subject: Electronic Filing: Docket No. 120015-EI - Algenol Biofuels Inc.'s Post-Hearing Statement of Issues and Positions

Attachments: 20120921143649628.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

a. The name, address, telephone number, and e-mail for the person responsible for this filing is:

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b. This filing is made in Docket No. 120015-EI (In Re: Petition for Increase in Rates by Florida Power & Light Company).

c. Document being filed on behalf of Algenol Biofuels Inc.

d. There are a total of 6 pages.

e. The document attached for electronic filing is Algenol Biofuels Inc.'s Post-Hearing Statement of Issues and Positions.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

9/21/2012

Thank you for your attention and assistance in this matter.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by
Florida Power & Light Company

Docket No. 120015-EI

Filed: September 21, 2012

ALGENOL BIOFUELS INC.'S
POST-HEARING STATEMENT OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-12-0143-PCO-EI, issued March 26, 2012 (Order Establishing Procedure), as amended by Order No. PSC-12-0439-PCO-EI, issued August 27, 2012, and Order No. PSC-12-0428-PHO-EI, issued August 17, 2012 (Prehearing Order), Algenol Biofuels Inc. ("Algenol") hereby files its Post-Hearing Statement of Issues and Positions.

On August 17, 2012, Algenol filed a Notice of Support for the Settlement Agreement of Florida Power & Light Company ("FPL") and other parties, which the Florida Public Service Commission (the "Commission") is scheduled to consider on September 27-28, 2012, after the deadline for filing post-hearing statements and briefs. A decision will not be reached on approval of the Stipulation and Settlement (dated August 15, 2012) before the post-hearing briefing deadline. As a result, Algenol restates and supports certain litigation positions in this filing but wishes to state that it continues to support approval of the Settlement Agreement as an appropriate resolution.

INTRODUCTION

This case concerns a base rate petition filed by FPL on March 19, 2012. Algenol adopts and restates here, in principal part, the issues and positions as set forth in Algenol's Prehearing Statement dated August 3, 2012.

Algenol, which was founded in 2006, has over 150 employees and operates laboratories in Ft. Myers, Florida and Berlin, Germany. Algenol currently occupies a state-of-the-art 50,000-

square foot research and development facility and will begin operation this year of a 36-acre integrated biorefinery in the Ft. Myers area.

STATEMENT OF BASIC POSITION

Algenol's primary interest in this case concerns its intent to construct one of its first commercial facilities in Florida, contingent on several factors, including the cost of electricity and the ability to work with carbon dioxide ("CO₂") emitters to purchase large quantities of CO₂, to utilize CO₂ as part of Algenol's process, and to recycle CO₂ into a valuable commodity. In order to commercialize Algenol's Direct to Ethanol[®] technology, Algenol needs CO₂ with stable input costs. Algenol's commercialization will create jobs and benefit Florida's economy.

Algenol's plan is to purchase CO₂ at a price that takes into account the cost of CO₂ capture and delivery. In purchasing large amounts of CO₂, part of this revenue could offset electricity rates and reduce CO₂ emissions. CO₂ capture technology exists and can be cost-effective in providing both revenue and environmental benefits. Because there is a revenue-generating opportunity available for FPL from CO₂ capture and reuse, revenue-generating alternatives should be evaluated and considered in this case.

ISSUES AND POSITIONS

ISSUE 62: Has FPL maximized the sources of net jurisdictional revenue that are projected to be reasonably available and technically viable for the 2013 test year? If not, what action, if any, should the Commission take in setting FPL's rates in this case? (For purposes of this issue, "net jurisdictional revenue" may include net revenue related to the supply of CO₂ captured from an FPL facility.)

ALGENOL: *Algenol believes that there are revenue-generating alternatives and opportunities that should be considered and that the technology to capture and deliver CO₂ exists.*

ISSUE 64: What are the appropriate projected amounts of other operating revenues for the 2013 projected test year?

ALGENOL: *The appropriate projected amounts of other operating revenues for the 2013 test year should reflect the sources of available revenue that are projected to be reasonably available and technically viable.*

ISSUE 65: Is FPL's projected level of Total Operating Revenues of \$4,407,253,000 (\$4,505,007,000 system) for the 2013 projected test year appropriate?

ALGENOL: *The projected level of total operating revenues for the 2013 test year should reflect the sources of available revenue that are projected to be reasonably available and technically viable.*

ISSUE 127: What economic impact will FPL's request for a rate increase have on customers, businesses and communities in Florida, including economic development activities and raising capital in Florida?

ALGENOL: *There are revenue-generating opportunities that may have less economic impact on the parties described and technology to capture and deliver CO₂ exists. However, there are benefits from improvements in plants and cheaper fuel sources. Conversion to natural gas fired plants also provides a better source of CO₂ for Algenol's process.*

ISSUE 193: Should this docket be closed?

ALGENOL: *Yes, once all of the pending items before the Commission are considered and concluded.*

Respectfully submitted this 21st day of September 2012.

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**CERTIFICATE OF SERVICE
DOCKET NO. 120015-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing Post-Hearing Statement of Issues and Positions was served electronically this 21st day of September 2012 to the following:

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