

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: December 26, 2012

TO: Office of Commission Clerk (Cole)

FROM: Office of Industry Development and Market Analysis (Clemence)
Division of Engineering (L'Amoreaux) *MLT*
Office of the General Counsel (Harris) *JDH AC*

RE: Docket No. 120278-EQ – Petition for approval of facility charges to interconnection customer-owned renewable generation of Manatee County, Florida, by Florida Power & Light Company.

AGENDA: 01/08/13 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\IDM\WP\120278.RCM.DOC

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COMMISSION CLERK

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Case Background

On November 2, 2012, Florida Power & Light Company (FPL) petitioned the Commission for approval of charges for the interconnection of a renewable land fill gas-fired generation facility owned by Manatee County (Manatee). The petition seeks the Commission's approval to charge Manatee \$48,500 to cover the costs of system modifications identified by the interconnection study.

On April 7, 2008, Commission amendments to Rule 25-6.065, Florida Administrative Code (F.A.C), relating to interconnection and net metering of customer-owned renewable

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generation, became effective.¹ The purpose of the rule is to promote the development of customer-owned renewable generation up to 2 Megawatts (MW) in size, and to expedite the interconnection of such generation. In addition, the rule permits customers to offset electric consumption through net metering, further mitigating costs associated with self-generation.

The rule requires each investor-owned utility to file standard interconnection agreements and tariffs for Commission approval. On May 7, 2008, FPL filed tariffs as required by the rule. On September 24, 2008, the Commission approved the tariffs filed by FPL.²

The rule defines three tiers of customer-owned renewable generation eligible for expedited interconnection: Tier 1 -10 kW or less; Tier 2 -greater than 10kW and less than or equal to 100 kW; or Tier 3 -greater than 100 kW and less than or equal to 2 MW. The rule also prohibits installations from exceeding 90 percent of the customer's utility distribution service rating. The rule allows a company to conduct an interconnection study to identify any distribution upgrades that may be necessary for a Tier 3 installation. The cost of the study and any necessary upgrades are to be paid by the customer, which ensures that there is no subsidization from other customers.

In this docket, Manatee seeks to interconnect its facilities with FPL using the Tier 3 standard interconnection agreement. The interconnection study conducted pursuant to the rule has identified \$48,500 for interconnection facility costs.

The Commission has jurisdiction pursuant to Section 366.91 Florida Statutes and Rule 25-6.065, Florida Administrative Code.

¹ See Order No. PSC-08-0161-FOF-EI, issued March 19, 2008, Docket No. 070674-EI, In re: Interconnection and Net Metering of Customer-Owned Renewable Generation.

² See Order No. PSC-08-0624-TRF-EI, issued September 24, 2008, Docket No. 080265-EI, In re: Petition for approval of net metering tariff and standard interconnection agreements, by Florida Power & Light Company.

Discussion of Issues

Issue 1: Should FPL be granted approval to recover from Manatee County the proposed facility charges to interconnect customer-owned renewable generation?

Recommendation: Yes. Staff recommends that the Commission approve the recovery of costs proposed in the petition by FPL for the interconnection charges to interconnect the renewable generation facilities from Manatee County. (Clemence)

Staff Analysis: Manatee plans to install 1.6 MW of customer-owned renewable land fill gas-fired generation at its Manatee County Landfill and Wastewater Treatment Plant site. Manatee plans to interconnect and operate the facility in parallel with the FPL system. Manatee, however, intends to use all of the generation on-site and does not intend to export the energy to FPL.

In order for FPL to determine if any transmission or distribution facility upgrades or additions would be required due to the installation of the land fill gas-fired generator in the desired configuration, an Interconnection Study was performed. FPL's petition seeks approval to recover from Manatee the costs associated with the upgrades to interconnection facilities identified by the study.

Interconnection facilities to be installed by FPL include relay protection cabinets, protection and control materials and equipment, and fiber optic cabling. This equipment will ensure that the Manatee generator will be tripped in the event that the source feed from FPL is lost, provide isolation from FPL's system during extended outages, and prevent the flow of energy onto FPL's system. Distribution work includes costs to review transformer fusing and upgrade as needed and to provide assistance/customer disconnect reconnect standby as needed.

Below is a chart that summarizes the charges proposed by FPL. A more detailed list of charges is included as Exhibit A in the petition.

Interconnection Upgrade	Cost
Labor	\$14,255.00
Materials	\$18,360.00
Engineering & Overheads	\$10,885.00
Sub Total for Protection and Control Work	\$43,500.00
Distribution Work	\$5,000.00
Total Charge	\$48,500.00

Manatee has filed a letter in support of FPL's petition. Their letter acknowledges that they are aware of these proceedings and do not dispute the proposed charges. Staff recognizes that the charges proposed by FPL are an estimate. If Manatee believes that the final charge from FPL is unreasonable, staff believes Manatee could petition the Commission for resolution of the disagreement.

Staff recommends that the Commission approve the recovery of costs proposed in the petition by FPL for the interconnection charges to interconnect the renewable generation

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facilities from Manatee County. Staff has reviewed the proposed upgrades and costs and recommends them as reasonable.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action Order within 21 days, the docket may be closed upon issuance of a Consummating Order. (Harris)

Staff Analysis: Yes. If no person whose substantial interests are affected files a protest to the Commission's Proposed Agency Action Order within 21 days, the docket may be closed upon issuance of a Consummating Order.