

FLORIDA PUBLIC SERVICE COMMISSION

Item 7

VOTE SHEET

FILED OCT 02, 2014
DOCUMENT NO. 05606-14
FPSC - COMMISSION CLERK

October 2, 2014

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

Issue 1: Is the proposed Citrus County Plant needed, taking into account the need for electric system reliability and integrity?

Recommendation: Yes. There is no record evidence to indicate that the recession of 2008-2009 has fundamentally altered DEF's expected forecast result for 2018 demand in a manner that casts doubt of the reasonableness of the forecast. Staff recommends the Commission find the results of DEF's load forecast presented in this docket as reasonable for the purposes of determining the need for DEF's proposed Citrus County Plant in 2018. Based on the evidence in the record, if DEF did not construct the proposed Citrus County Plant in 2018, the projected reserve margin could drop as low as 12.3 percent in 2018.

APPROVED as amended, per discussion at Commission Conference this date.

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in blue ink]

REMARKS/DISSENTING COMMENTS:

Oral modification, assigned DN 05404-14, attached.

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

(Continued from previous page)

Issue 2: Is the proposed Citrus County Plant needed, taking into account the need for adequate electricity at a reasonable cost?

Recommendation: Yes. Staff recommends that DEF's assumptions and forecasts in its analysis of the proposed Citrus County Plant are reasonable for evaluation purposes.

APPROVED

Issue 3: Is the proposed Citrus County Plant needed, taking into account the need for fuel diversity and supply reliability?

Recommendation: Yes. Staff recommends that DEF's selection of the proposed Sabal Trail pipeline to serve the Citrus County Plant can reduce fuel cost volatility and provide fuel supply reliability. Furthermore, the supply reliability benefits associated with the Sabal Trail agreement and the Company's existing fleet of dual fuel combined cycle power plants supports the Company's decision to operate the proposed Citrus County Plant on a single fuel source.

APPROVED

Issue 4: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Duke Energy Florida that might mitigate the need for the proposed Citrus County Plant?

Recommendation: No. Staff recommends that DEF's Integrated Resource Planning (IRP) process used to determine its resource needs fully takes into account all projected Demand-Side Management (DSM) benefits based on its existing Commission-approved programs. DEF's ongoing Request for Renewables (RFR) and open-ended 2018 request for proposals did not identify any renewable resources that could possibly mitigate DEF's capacity needs in 2018.

APPROVED

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

(Continued from previous page)

Issue 5: Is the proposed Citrus County Plant the most cost-effective alternative available to meet the needs of Duke Energy Florida and its customers?

Recommendation: Yes. Staff recommends that DEF's analysis of multiple scenarios, including delaying the in-service date of the project, indicate a high likelihood that the proposed project will result in savings for DEF's customers. Based on DEF's analysis the proposed project will result in a savings of \$477 to \$1,218 million when compared to alternatives received through the Company's RFP.

APPROVED

Issue 6: Did Duke Energy Florida reasonably evaluate all alternative scenarios for cost effectively meeting the needs of its customers over the relevant planning horizon?

Recommendation: Yes. Staff recommends that DEF's RFP process, including oversight by an independent monitor, was sufficient to ensure a reasonable evaluation of alternative scenarios.

APPROVED

Issue 7: Based on the resolution of the foregoing issues, should the Commission grant the requested determination of need for the proposed Citrus County Plant?

Recommendation: Yes. Staff recommends that the Commission grant the requested determination of need as the proposed Citrus County Plant represents the optimal resource option to meet the Company's projected need in 2018.

APPROVED

Vote Sheet

October 2, 2014

Item 7

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

(Continued from previous page)

Issue 8: Should this docket be closed?

Recommendation: Yes. The docket should be closed after the time for filing an appeal has run.

APPROVED

Docket No. 140111-EI

Issue A: Does the Commission have jurisdiction in this docket to grant Duke's request for a determination that the proposed ~~Suwannee Simple Cycle Project and~~ Hines Chillers Power Uprate Project ^{is} are the most cost-effective generation alternatives to meet Duke's needs prior to 2018? (Cra)

Recommendation: Yes, under Chapter 366, F.S., the Commission has jurisdiction to grant or deny DEF's petition for a determination of need that the proposed Hines Chillers Power Uprate Project is a cost-effective generation alternative to meet DEF's needs prior to 2018.

APPROVED

Issue 9: Is the Hines Chillers Power Uprate Project needed, taking into account the need for electric system reliability and integrity?

Recommendation: Yes. If DEF did not construct the proposed Hines Project in 2017, the projected reserve margin could fall below 19 percent. Although, the need is relatively small, the record demonstrates that the addition of the Hines Project is cost-effective even when the capacity of the project was not required to meet the reserve margin.

APPROVED

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

(Continued from previous page)

Issue 10: Is the Hines Chillers Power Uprate Project needed, taking into account the need for adequate electricity at a reasonable cost?

Recommendation: Yes. Staff recommends that DEF's assumptions and forecasts in its analysis of the proposed Hines Project are reasonable for evaluation purposes.

APPROVED

Issue 11: Is the Hines Chillers Power Uprate Project needed, taking into account the need for fuel diversity and supply reliability?

Recommendation: Yes. Staff recommends that the Hines Project will increase the overall efficiency of DEF's generation fleet. Staff recommends that the increased efficiency will reduce fuel costs and will provide benefits with respect to mitigating the impacts of fuel cost volatility.

APPROVED

Issue 12: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Duke Energy Florida, Inc. that might mitigate the need for the Hines Chillers Power Uprate Project?

Recommendation: No. Staff recommends that DEF's IRP process used to determine its resource needs, fully takes into account all projected DSM benefits based on its existing Commission-approved programs. DEF's ongoing RFR did not identify any renewable resources that could possibly mitigate DEF's capacity prior to 2018.

APPROVED

Vote Sheet

October 2, 2014

Item 7

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

(Continued from previous page)

Issue 13: Is the Hines Chillers Power Uprate Project in 2017 the most cost-effective alternatives available to meet the needs of Duke Energy Florida, Inc. and its customers?

Recommendation: Yes. Staff recommends that the proposed Hines Project is the most cost-effective option for DEF to satisfy part of its need prior to 2018. Staff recommends that DEF's analysis of multiple scenarios indicate a high likelihood that the proposed project will result in savings for DEF's customers. Based on DEF's analysis, the Hines Project could provide a savings of \$90 to \$140 million.

APPROVED

Issue 14: Did Duke Energy Florida, Inc. reasonably evaluate all alternative scenarios for cost effectively meeting the needs of its customers over the relevant planning horizon?

Recommendation: Yes. Staff recommends that DEF used reasonable assumptions in its evaluation that determined that the Hines Project will result in savings to customers.

APPROVED

Issue 15: Based on the resolution of the foregoing issues, should the Commission grant the requested determination that the proposed Hines Project is the most cost-effective generation alternative to meet Duke's needs prior to 2018?

Recommendation: Yes. Staff recommends that the Commission grant DEF's petition as the proposed Hines Project represents the optimal resource option to meet the Company's projected need prior to 2018.

APPROVED

Vote Sheet

October 2, 2014

Item 7

Docket No. 140110-EI – Petition for determination of need for Citrus County Combined Cycle Power Plant, by Duke Energy Florida, Inc.

Docket No. 140111-EI – Petition for determination of cost effective generation alternative to meet need prior to 2018, by Duke Energy Florida, Inc.

(Continued from previous page)

Issue 16: Should this docket be closed?

Recommendation: Yes. The docket should be closed after the time for filing an appeal has run.

APPROVED

Angela Charles

From: Selena Chambers
Sent: Thursday, September 25, 2014 2:39 PM
To: Commissioners & Staffs; Braulio Baez; Apryl Lynn; Lisa Harvey; Tom Ballinger; Curt Kiser
Cc: Jacqueline Moore; Kate Hamrick; Robert Graves; Mary Anne Helton; Michael Lawson; CLK - Agenda Staff; Terri Fleming
Subject: FW: Request to make oral modification to Item # 7 on the October 2, 2014 Agenda Conference, Docket Nos. 140110-EI and 140111-EI

Importance: High

Greetings,

Please see that the below request was approved.

Thank you,
Selena

From: Braulio Baez
Sent: Thursday, September 25, 2014 2:12 PM
To: Tom Ballinger
Cc: Lisa Harvey; Kate Hamrick; Selena Chambers; Curt Kiser; Mary Anne Helton; Terri Fleming; Carlotta Stauffer
Subject: RE: Request to make oral modification to Item # 7 on the October 2, 2014 Agenda Conference, Docket Nos. 140110-EI and 140111-EI

Approved. Thanks.

From: Tom Ballinger
Sent: Thursday, September 25, 2014 11:58 AM
To: Braulio Baez
Cc: Lisa Harvey; Kate Hamrick; Selena Chambers; Curt Kiser; Mary Anne Helton; Terri Fleming; Carlotta Stauffer
Subject: Request to make oral modification to Item # 7 on the October 2, 2014 Agenda Conference, Docket Nos. 140110-EI and 140111-EI

After filing the above recommendation, staff has identified a few typographical errors that should be corrected. The corrections are described below:

Page 4 under the recommendation header – There is no record evidence to indicate that the recession of 2008-2009 has fundamentally altered DEF’s expected forecast result for 2018 demand in a manner that casts doubt ~~of~~ on the reasonableness of the forecast.

Page 12, last full sentence - There is no record evidence to indicate that the recession of 2008-2009 has fundamentally altered DEF’s expected forecast result for 2018 demand in a manner that casts doubt ~~of~~ on the reasonableness of the forecast.

Page 32, Table 3 – Remove negative sign from the number 13 in the second row of table.

Page 40, Issue A – Does the Commission have jurisdiction in this docket to grant Duke’s request for a determination that the proposed ~~Suwannee Simple Cycle Project and the Hines Chillers Power Upate Project~~ are ~~is~~ the most cost-effective generation alternatives to meet Duke’s needs prior to 2018?

These changes do not alter staff’s overall recommendation in the above dockets. Please let me know if you approve.

Tom Ballinger
Director, Division of Engineering
Florida Public Service Commission
(850) 413-6680