

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Petition for determination of need for ) DOCKET NO. 150196-EI  
Okeechobee Clean Energy Center Unit 1 )  
By Florida Power & Light Company )  
\_\_\_\_\_)

**ENVIRONMENTAL CONFEDERATION OF SOUTHWEST FLORIDA'S  
PREHEARING STATEMENT**

The Environmental Confederation of Southwest Florida, Inc. ("ECOSWF"), by and through its undersigned counsel, and pursuant to Order No. PSC-15-0394-PCO-EI, Order Establishing Procedure, hereby submits its Prehearing Statement.

**A. Appearances**

Bradley Marshall  
Alisa Coe  
David Guest  
Earthjustice  
111 S. Martin Luther King Jr. Blvd.  
Tallahassee, Florida 32301

**B. Witnesses**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issue Nos.</u>
Karl Rábago 62 Prospect Street White Plains, NY 10606	Lack of demonstration of need for Okeechobee power plant, reserve margin, loss of load probability, generation only reserve margin, system reliability, demand response, cost, and all other matters addressed in direct testimony.	1-7, Proposed Issues 8-12

All witnesses listed or presented by any other party or intervenor

Impeachment and rebuttal witnesses as needed

Any witness revealed through continuing discovery or other investigation

Authentication witnesses or witnesses necessary to lay a predicate for the admissibility of evidence as needed

Standing witnesses as needed

**C. Prefiled Exhibits**

ECOSWF will sponsor the direct exhibits as set out below. However, ECOSWF reserves the right to use other exhibits during cross examination of any other party's or intervenor's witnesses, and will file a notice in accordance with the orders governing procedure identifying any documents that Florida Power & Light ("FPL") claims to be confidential which ECOSWF may use during cross examination.

Exh. Number	Sponsoring Witness	Description
KRR-1	Karl Rábago	Resume of Karl Rábago
KRR-2	Karl Rábago	Table of Previous Testimony by Karl Rábago
KRR-3-A	Karl Rábago	FPL 2001-2010 Ten Year Site Plan
KRR-3-B	Karl Rábago	FPL 2002-2011 Ten Year Site Plan
KRR-3-C	Karl Rábago	FPL 2003-2012 Ten Year Site Plan
KRR-3-D	Karl Rábago	FPL 2004-2013 Ten Year Site Plan
KRR-3-E	Karl Rábago	FPL 2005-2014 Ten Year Site Plan
KRR-3-F	Karl Rábago	FPL 2006-2015 Ten Year Site Plan
KRR-3-G	Karl Rábago	FPL 2007-2016 Ten Year Site Plan
KRR-3-H	Karl Rábago	FPL 2008-2017 Ten Year Site Plan
KRR-3-I	Karl Rábago	FPL 2009-2018 Ten Year Site Plan
KRR-3-J	Karl Rábago	FPL 2010-2019 Ten Year Site Plan
KRR-3-K	Karl Rábago	FPL 2011-2020 Ten Year Site Plan
KRR-3-L	Karl Rábago	FPL 2012-2021 Ten Year Site Plan
KRR-3-M	Karl Rábago	FPL 2013-2022 Ten Year Site Plan

KRR-3-N	Karl Rábago	FPL 2014-2023 Ten Year Site Plan
KRR-3-O	Karl Rábago	FPL 2015-2024 Ten Year Site plan
KRR-4	Karl Rábago	Order No. PSC-13-0505-PAA-EI, In re: Petition for Prudence Determination Regarding New Pipeline System by Florida Power & Light Company.
KRR-5-A	Karl Rábago	FPL LOLP Table with and without 10% Generation Only Reserve Margin from Docket No. 130199-EI
KRR-5-B	Karl Rábago	Affidavit of Steven R. Sim
KRR-5-C	Karl Rábago	Interrogatory Answer from Docket No. 130199-EI
KRR-6	Karl Rábago	Chance of Meteor Strike
KRR-7	Karl Rábago	The Economic Ramifications of Resource Adequacy, January 2013, Eastern Interconnection States' Planning Council
KRR-8	Karl Rábago	Order No. PSC-99-2507-S-EU, In re: Generic Investigation into the Aggregate Electric Utility Reserve Margins Planned for Peninsular Florida

All exhibits listed or introduced into evidence by any other party or intervenor

Standing documents as needed

Impeachment exhibits

Rebuttal exhibits

Exhibits determined necessary by ongoing discovery

All deposition transcripts, and exhibits attached to depositions

All documents produced in discovery

Blow ups or reproductions of any exhibit

Demonstrative exhibits

All pleadings, orders, interrogatory answers, or other filings

All document or data needed to demonstrate the admissibility of exhibits or expert opinion

Maps and summary exhibits

**D. Statement of Basic Position**

There is no need for the proposed Okeechobee Power plant pursuant to 403.519(3), Florida Statutes. The proposed plant will lead to increases in customers' bills which are several times the increases that were contemplated with high energy efficiency goals in the FEECA proceedings. There is no need for these increases, as FPL's generating system is already over-built. FPL's own reliability projections show that system reliability will in no way be compromised by saving over 1 billion dollars of ratepayer money by not building another unneeded power plant. Instead of investing in Florida's clean energy future, FPL wants to double-down on natural gas, a fuel which FPL already over-relies on.

FPL advocates for special treatment in this proceeding, adding a generation-only reserve margin reliability criterion which no other utility gets, in order to justify additional over-building. FPL argues that this additional criterion because energy efficiency and demand response are not reliable, an argument which is demonstrably false.

FPL is likely to point to the January 11, 2010 high load event to show that high reserves are needed. The weather on January 11, 2010 was unprecedented. FPL sold Duke 500 MW during the height of the event, and was still able to meet all firm load. People lose power all the time from transmission wires or substations being down, often due to weather. During a hurricane, people can lose power for several days due to transmission failures. We do not overbuild our transmission lines to the extent that they can withstand a Category 5 hurricane, and neither should we overbuild our generating system to withstand any possible event. Extreme weather can cause power disruptions. Solely focusing on whether there is enough generating capacity for all extreme weather events is not a helpful exercise, because even if there is enough

generating capacity in a Category 5 hurricane to meet all demand, having that capacity is not useful if the power lines are down. Nor should we be trying to build our electric system to withstand such a weather event. The cost simply outweighs the benefit. When driving down the highway, people do not pay to have a chase car full of parts and mechanics follow them in case they break down. In the unlikely event their car breaks down, they simply go through the inconvenience of calling a tow truck, and having a mechanic fix the car. Similarly, in the event of an extreme weather event like the one that took place on January 11, 2010, some small risk of failure to meet all firm demand, a risk that is far smaller than that of a hurricane taking down transmission lines for more than a day, is acceptable if the cost is too much. The cost of the proposed plant is too much for FPL customers. FPL is overbuilding its generating capacity in order to guarantee its own profits, at the cost of a small fortune to its customers. The cost-benefit analysis of building generation to withstand freak weather events should be treated the same as the cost-benefit analysis of over-building transmission to withstand hurricanes. Demand response is the true safety valve for freak weather events. To the extent FPL has any additional need to cover peak load requirements, FPL should expand its investments in energy efficiency, clean energy, and demand response and load management programs.

**E. Statement of Issues and Positions**

**ISSUE 1:** Is there a need for the proposed Okeechobee Clean Energy Center Unit 1, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519(3), Florida Statutes?

**POSITION:** No. FPL's system will meet appropriate reliability and integrity standards without the proposed unit.

**ISSUE 2:** Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Florida Power & Light, which might mitigate the need for the proposed Okeechobee Clean Energy Center Unit 1?

POSITION: Yes, renewable energy and conservation measures could obviate whatever need would be met by the proposed unit.

**ISSUE 3:** Is there a need for the proposed Okeechobee Clean Energy Center Unit 1, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519(3), Florida Statutes?

POSITION: No. The unnecessary unit will simply add an unnecessary cost to FPL customers.

**ISSUE 4:** Is there a need for the proposed Okeechobee Clean Energy Center Unit 1, taking into account the need for fuel diversity, as this criterion is used in Section 403.519(3), Florida Statutes?

POSITION: No. The proposed unit will increase FPL's over-reliance on natural gas when FPL should be investing in clean energy to diversify its fuel portfolio.

**ISSUE 5:** Will the proposed Okeechobee Clean Energy Center Unit 1 provide the most cost-effective alternative, as this criterion is used in Section 403.519(3), Florida Statutes?

POSITION: No. Energy efficiency, clean energy, demand response and load management, and not over-building are more cost-effective alternatives.

**ISSUE 6:** Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light's petition to determine the need for the proposed Okeechobee Clean Energy Center Unit 1?

POSITION: No. The Commission should deny the petition.

**ISSUE 7:** Should this docket be closed?

POSITION: Yes.

**ECOSWF PROPOSED ISSUE 8:**

What reserve margin criterion should be used to determine FPL's need?

POSITION: A 15% reserve margin should be applied, because coupled with the Loss of Load Probability criterion, system reliability is ensured.

**ECOSWF PROPOSED ISSUE 9:**

Should the Commission apply reserve margin criterion to FPL that are not applied to other utilities?

POSITION: No. The Commission should reject FPL's request to add the generation-only reserve criterion.

**ECOSWF PROPOSED ISSUE 10:**

Is demand response significantly cheaper than new power plants?

POSITION: Yes. As a consequence, FPL should be expanding demand response in order to maintain reliability during freak weather events, not spending ratepayer money on an unneeded power plant.

**ECOSWF PROPOSED ISSUE 11:**

Has the reduction in payments by FPL to customers for participation in demand response programs artificially reduced demand for demand response?

POSITION: Yes. By reducing payments, FPL has artificially reduced the number of customers who would volunteer to participate in demand response programs.

**ECOSWF PROPOSED ISSUE 12:**

Should FPL follow the 15% reserve margin recommended by the North American Electric Reliability Corporation?

POSITION: Yes. The 15% reserve margin, coupled with the Loss of Load Probability criterion, ensures adequate reliability.

**F. Stipulated Issues**

ECOSWF has not stipulated to any issues at this time.

**G. Pending Motions or Other Matters**

ECOSWF has no pending motions or other matters at this time.

**H. Pending Requests or Claims for Confidentiality**

ECOSWF has no pending confidentiality requests or claims.

**I. Objections to Witness' Qualifications as an Expert**

None at this time.

**J. Compliance with Order Establishing Procedure**

ECOSWF has complied with all applicable requirements of the order establishing procedure in this docket.

Respectfully submitted this 3rd day of November, 2015.

/s/ Bradley Marshall  
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*Counsel for Intervenor  
Environmental Confederation of  
Southwest Florida*



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served on  
this 3rd day of November, 2015 via electronic mail on:

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