

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for Dania Beach Clean Energy Center Unit 7, by Florida Power & Light Company

DOCKET NO.: 20170225-EI

FILED: January 2, 2018

PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2017-0426-PCO-EI, issued November 6, 2017, hereby submit this Prehearing Statement.

APPEARANCES:

Patricia A. Christensen
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
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On behalf of the Citizens of the State of Florida

1. **WITNESSES:**

None.

2. **EXHIBITS:**

None.

3. **STATEMENT OF BASIC POSITION**

FPL is proposing to retire its existing Lauderdale Units 4&5 and replace them with a new

2-on-1 advanced CC unit called the Dania Beach Clean Energy Center sited at the existing Lauderdale plant site in Broward County, Florida in June, 2022. The proposed Dania Unit 7 will produce 1,163 MW, which is an additional 279 MW beyond the current Lauderdale units. FPL alleges this proposal is \$337 million cumulative present value of revenue requirements (CPVRR) less expensive than keeping the existing units and \$1,288 million CPVRR less expensive than the equivalent amount of firm capacity in Southeast Florida supplied by solar and batteries sited in the Southeast. However, a review of the testimony and exhibits submitted by FPL demonstrates FPL has not meet its burden to show a need for the Dania Unit in 2022.

First, the FPL's 2016 Ten Year Site plan did not project a need to add new resources to its system until 2024 to meet system reliability. Moreover, according to the 2017 Projection of FPL's Resource Needs, FPL's 2024 Summer Total Reserve Margin will be 19.8%, which is only 54 MW below a full 20% margin reserve. Furthermore, the addition of the Corbett-Sugar-Quarry (CSQ) 500 kV line in mid-2019 provides a transmission import ability of approximately 1,200 MW which addresses the Southeast regional needs through 2030. Assuming the retirement of Lauderdale Units 4&5 in late 2018 and the installation of the CSQ line in mid-2019, FPL's analysis and projections do not show a regional imbalance until 2025. Thus, FPL's own supporting documentation demonstrates that there is no need for a new unit before 2024.

Second, FPL's analysis to support its proposals relies on the assumption that a 4 year period between the retirement of the Lauderdale Units 4&5 and its replacement power is necessary and that all 1,163 MW of firm capacity must be replaced. However, FPL has not supported its reliance on either of these assumptions. While FPL supposedly considered scenarios of a one and two year delay, these scenarios included the unsupported "4 year" period between retirement and replacement of its current units to conclude the delays were uneconomic. Yet, FPL has not

demonstrated that retiring the Lauderdale Units 4&5 in late 2018 with a delay in replacement power until 2024 is not more economical than FPL's proposed Dania replacement in 2022. Moreover, since FPL's scenarios rely on matching the replacement of MW with the same timing as the Dania proposal, FPL failed to consider replacing the MW based on the need to meet margin reserves at the least cost possible.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

ISSUE 1: Is there a need for the proposed Dania Beach Clean Energy Center Unit 7, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519(3), Florida Statutes?

OPC: No. FPL's own analysis demonstrates that there is no need for a new unit before 2024.

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 Dania Beach Clean Energy Center Unit 7?

OPC: FPL has not adequately evaluated whether solar and battery storage might be used to meet FPL's 20% margin reserve needs in 2024.

ISSUE 3: Is there a need for the proposed Dania Beach Clean Energy Center Unit 7, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519(3), Florida Statutes?

OPC: No. FPL's own analysis demonstrates that there is no need for a new unit before 2024.

ISSUE 4: Is there a need for the proposed Dania Beach Clean Energy Center Unit 7, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519(3), Florida Statutes?

OPC: No. FPL's own analysis demonstrates that there is no need for a new unit before 2024. Further, the proposed Dania Unit 7 uses natural gas and would replace the Lauderdale Units 4&5 that use natural gas.

ISSUE 5: Will the proposed Dania Beach Clean Energy Center Unit 7 provide the most cost-effective alternative available, as this criterion is used in Section 403.519(3), Florida Statutes?

OPC: No. FPL has not demonstrated that retiring the Lauderdale Units 4&5 in late 2018 with a delay in replacement power until 2024 is not more economical than FPL's proposed Dania replacement in 2022.

ISSUE 6: Based on the resolution of the foregoing issues and other matters within its jurisdiction which it deems relevant, should the Commission grant Florida Power & Light's petition to determine the need for the proposed Dania Beach Clean Energy Center Unit 7?

OPC: No, not at this time.

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

OPC: Yes

5. STIPULATED ISSUES:

None at this time.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR
CONFIDENTIALITY:

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

None at this time.

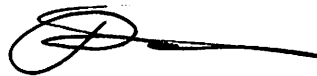
9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 2nd day of January, 2018

Respectfully submitted,

J.R. Kelly
Public Counsel



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CERTIFICATE OF SERVICE
Docket No. 20170225-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 2nd day of January, 2018, to the following:

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