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February 27, 2020

VIA: ELECTRONIC FILING

Mr. Adam Teitzman, Director
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: [New Docket] Petition by Tampa Electric Company for a limited proceeding to approve Fourth SoBRA effective January 1, 2021; Docket No. 2020 ____-EI

Notice of Intent to Seek Approval of Fourth SoBRA

Dear Mr. Teitzman:

On September 27, 2017, Tampa Electric Company (the “company”), the Office of Public Counsel (“OPC” or “Citizens”), the Florida Industrial Power Users Group (“FIPUG”), the Florida Retail Federation (“FRF”), the Federal Executive Agencies (“FEA”), and the WCF Hospital Utility Alliance (“HUA”) (collectively, the “Consumer Parties”) entered into the 2017 Amended and Restated Stipulation and Settlement Agreement (“2017 Agreement”). The Commission approved the 2017 Agreement by Order No. PSC-2017-0456-S-EI, issued on November 27, 2017 in Docket Nos. 20170210-EI and 20160160-EI.

Paragraph 6 of the 2017 Agreement includes a Solar Base Rate Adjustment (“SoBRA”) mechanism by which the company may build and seek cost recovery of approximately 550 MW of utility scale solar generation (plus an additional 50 MW), subject to a cost effectiveness test, a per-project cost cap and other requirements. The company has petitioned for and received Commission-approval of the first three tranches of solar generation specified in the agreement totaling approximately 550 MW.

The 2017 Agreement also addresses the circumstances under which the company may seek cost recovery through a SoBRA of an additional 50 MW of solar generation effective no earlier than January 1, 2021 (“2021 Tranche”). Pursuant to paragraph 6(c), the 2021 Tranche can be included in and its costs recovered under the SoBRA mechanism if the projects constituting the 2018 and 2019 Tranches (i.e., First and Second SoBRA) were “in-service and operating per design specifications as of December 31, 2019, and were constructed at an average capital cost of no more than \$1,475 per kW_{ac},” and satisfy the

general cost cap (\$1,500 per kW_{ac}) and cost effectiveness tests (CPVRR) for all SoBRA projects. The agreement also states that Tampa Electric shall make a filing with the Commission by February 28, 2020, reflecting whether it has met the requirements to qualify for the 2021 SoBRA Tranche.

By filing this letter, Tampa Electric is notifying the Commission and Consumer Parties to the 2017 Agreement that it has met the requirements to qualify for the 2021 SoBRA Tranche and intends in July 2020 to petition for approval of its Fourth SoBRA totaling 45.7 MW with an effective date of January 1, 2021. In support of this filing, the company advises the Commission and the Consumer Parties that:

1. The seven projects constituting the 2018 and 2019 Tranches (i.e., First and Second SoBRAs) and their respective capacities and actual installed costs per kW_{ac} are:

<u>Project Name</u>	<u>MW</u>	<u>Actual Cost (000)</u>	<u>Cost per kW_{ac}</u>
First SoBRA:			
Balm	74.4	\$109,963	\$1,478
Payne Creek	<u>70.3</u>	<u>94,360</u>	<u>1,342</u>
Total First SoBRA	<u>144.7</u>	<u>\$204,323</u>	<u>\$1,412</u>
Second SoBRA			
Lithia	74.5	\$110,365	\$1,481
Grange Hall	61.1	87,347	1,430
Peace Creek	55.4	81,944	1,479
Bonnie Mine	37.5	56,103	1,496
Lake Hancock	<u>31.8</u>	<u>46,403</u>	<u>1,459</u>
Total Second SoBRA	<u>260.3</u>	<u>382,161</u>	<u>1,468</u>
First and Second SoBRA (wtd avg)	<u>405</u>	<u>\$586,484</u>	<u>\$1,448</u>

2. The seven projects in the First and Second SoBRAs total 405 MW of capacity and were constructed at a total cost of \$586,484,000, which computes to a weighted average cost of \$1,448 per kW_{ac}.

3. The simple average of the average cost of each of the seven projects in the First and Second SoBRA is \$1,452 per kW_{ac}.

4. The weighted average cost of the projects in the First and Second SoBRAs calculated by SoBRA, are \$1,412 and \$1,468 per kW_{ac}, respectively.

5. Average actual costs of the First and Second SoBRAs calculated under each of the three approaches set forth above are lower than the \$1,475 per kW_{ac}, eligibility threshold for seeking approval of the 2021 Tranche.

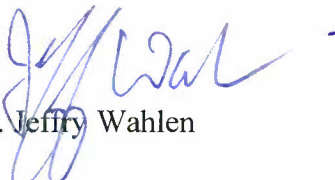
6. The seven projects in the First and Second SoBRAs were in-service and operating per design specifications as of December 31, 2019.

Tampa Electric is not seeking Commission approval of SoBRA cost recovery of its proposed 2021 Tranche at this time, but rather, intends to file a petition for approval of its Fourth SoBRA and supporting direct testimony on or before July 31, 2020. The company also intends to file a petition to true up its First and Second SoBRAs for actual costs and in-service dates in late March or early April 2020. The company proposes to address and prove the facts stated in paragraphs 1 through 6, above, when it files its petition for approval of its Fourth SoBRA and supporting testimony or in the true-up docket, whichever is most efficient for the Commission and consumer parties, and will discuss this with them before filing.

The company does, however, request that the Commission open a docket for a limited proceeding to approve Fourth SoBRA effective January 1, 2021, so that this letter may be filed in it and the company can use the docket number when it files its petition for approval of its Fourth SoBRA and supporting testimony.

Please contact me if there are questions regarding this filing.

Sincerely,



J. Jeffrey Wahlen

cc: Paula Brown, Tampa Electric Regulatory
J.R. Kelly and Charles J. Rehwinkel (OPC)
Jon Moyle (FIPUG)
Schef Wright (FRF)
Thomas Jernigan (FEA)
Kenneth Wiseman and Mark Sundback (HUA)