



Russell Badders  
Vice President, Associate General Counsel

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FPSC - COMMISSION CLERK

May 1, 2020

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

Re: Docket No. 20200115-EQ – Gulf Power Company’s Amended Response to Staff’s  
First Data Request (No. 4)

Dear Mr. Teitzman:

Attached for electronic filing is Gulf Power Company’s Amended response to Staff’s First Data Request (No. 4) in the above-referenced docket. This amended response is being provided to correct a calculation error in the original response filed April 16, 2020. The calculation error was attributable to a computation of net present value based on an incorrect number of total contract years from the in-service date of the avoided unit. Other capacity rate and payment revisions were made to the “Early Payments” and “Early Levelized Payments” tables in the response. Revised tariff sheets with related corrections are also being filed under separate cover. If you or your staff have any questions regarding this filing, please contact me at (850) 444-6550.

Sincerely,

/s/ Russell Badders  
Russell Badders  
Vice President & Associate General Counsel  
Gulf Power Company

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Attachments

cc: Florida Public Service Commission  
Phillip Ellis, Division of Engineering  
Damian Kistner, Division of Engineering

Gulf Power Company

One Energy Place, Pensacola, FL 32520-0100

**QUESTION:**

Please complete the following table describing payments to a renewable provider based on the proposed tariffs included in the Utility's revised standard offer contract. Please assume a renewable generator with a 50 MW output providing firm capacity with an in-service date of January 1, 2021, operating at the minimum capacity factor required for full capacity payments and a contract duration of 20 years. As part of your answer, please state the capacity factor assumed for the calculations. Please calculate the total Net Present Value (NPV) of all payments in 2021 dollars, and please also explain the method and rate used to calculate the NPV. Please provide the completed table for each of the following scenarios:

- a. As-available energy (energy only payments)
- b. Normal capacity payments
- c. Levelized payments
- d. Early payments
- e. Early levelized payments

Year	Energy (MWh)	Capacity Rate (\$/kw-mo)	Total Capacity Payments (\$)	Energy Rate (\$/MWh)	Total Energy Payments (\$)	Total Payments (\$)
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
Total (nominal)						
Total (NPV)						

**RESPONSE:**

Please see amended Attachment No.1 to this response.

2030 CC Avoided Unit

Committed Capacity (MW) 50  
Capacity Factor (%) 94%  
Payment Type: Energy Only

	Energy (MWh)	Capacity Rates (\$/kW-mo)	Total Capacity Payments (\$)	Energy Rates (\$/MWh)	Total Energy Payments (\$)	Total Payments (\$)
2021	411,720	-	-	16.78	6,907,723	6,907,723
2022	411,720	-	-	16.84	6,933,146	6,933,146
2023	411,720	-	-	19.52	8,038,156	8,038,156
2024	412,848	-	-	21.10	8,709,204	8,709,204
2025	411,720	-	-	23.43	9,647,516	9,647,516
2026	411,720	-	-	24.80	10,211,574	10,211,574
2027	411,720	-	-	25.84	10,639,030	10,639,030
2028	412,848	-	-	27.90	11,517,085	11,517,085
2029	411,720	-	-	28.03	11,540,461	11,540,461
2030	411,720	-	-	28.23	11,624,651	11,624,651
2031	411,720	-	-	28.93	11,910,458	11,910,458
2032	412,848	-	-	30.41	12,555,929	12,555,929
2033	411,720	-	-	31.24	12,862,180	12,862,180
2034	411,720	-	-	32.56	13,404,283	13,404,283
2035	411,720	-	-	31.66	13,034,993	13,034,993
2036	412,848	-	-	31.73	13,101,617	13,101,617
2037	411,720	-	-	30.05	12,370,154	12,370,154
2038	411,720	-	-	29.33	12,076,085	12,076,085
2039	411,720	-	-	33.59	13,828,144	13,828,144
2040	<u>412,848</u>	-	-	32.97	<u>13,612,518</u>	<u>13,612,518</u>
Total	8,240,040		-		224,524,906	224,524,906
<b>Total NPV @6.95% Discount Rate</b>					<b>111,166,000</b>	<b>111,166,000</b>

2030 CC Avoided Unit

Committed Capacity (MW) 50  
Capacity Factor (%) 94%  
Payment Type: Normal

	Energy (MWh)	Capacity Rates (\$/kW-mo)	Total Capacity Payments (\$)	Energy Rates (\$/MWh)	Total Energy Payments (\$)	Total Payments (\$)
2021	411,720	-	-	16.78	6,907,723	6,907,723
2022	411,720	-	-	16.84	6,933,146	6,933,146
2023	411,720	-	-	19.52	8,038,156	8,038,156
2024	412,848	-	-	21.10	8,709,204	8,709,204
2025	411,720	-	-	23.43	9,647,516	9,647,516
2026	411,720	-	-	24.80	10,211,574	10,211,574
2027	411,720	-	-	25.84	10,639,030	10,639,030
2028	412,848	-	-	27.90	11,517,085	11,517,085
2029	411,720	-	-	28.03	11,540,461	11,540,461
2030	411,720	5.34	3,205,474	27.40	11,279,658	14,485,132
2031	411,720	5.45	3,272,755	26.90	11,075,125	14,347,881
2032	412,848	5.57	3,341,462	27.39	11,309,068	14,650,530
2033	411,720	5.69	3,411,623	27.89	11,481,176	14,892,799
2034	411,720	5.81	3,483,272	28.35	11,671,763	15,155,035
2035	411,720	5.93	3,556,438	28.78	11,849,746	15,406,184
2036	412,848	6.05	3,631,156	29.18	12,048,167	15,679,323
2037	411,720	6.18	3,707,457	29.55	12,168,233	15,875,690
2038	411,720	6.31	3,785,377	29.90	12,308,698	16,094,075
2039	411,720	6.44	3,864,949	30.21	12,436,565	16,301,514
2040	<u>412,848</u>	6.58	<u>3,946,209</u>	30.49	<u>12,586,305</u>	<u>16,532,514</u>
Total	8,240,040		39,206,172		214,358,400	253,564,572
<b>Total NPV @6.95% Discount Rate</b>			<b>14,433,000</b>		<b>107,338,000</b>	<b>121,772,000</b>

2030 CC Avoided Unit

Committed Capacity (MW) 50  
Capacity Factor (%) 94%  
Payment Type: Levelized

	Energy (MWh)	Capacity Rates (\$/kW-mo)	Total Capacity Payments (\$)	Energy Rates (\$/MWh)	Total Energy Payments (\$)	Total Payments (\$)
2021	411,720	-	-	16.78	6,907,723	6,907,723
2022	411,720	-	-	16.84	6,933,146	6,933,146
2023	411,720	-	-	19.52	8,038,156	8,038,156
2024	412,848	-	-	21.10	8,709,204	8,709,204
2025	411,720	-	-	23.43	9,647,516	9,647,516
2026	411,720	-	-	24.80	10,211,574	10,211,574
2027	411,720	-	-	25.84	10,639,030	10,639,030
2028	412,848	-	-	27.90	11,517,085	11,517,085
2029	411,720	-	-	28.03	11,540,461	11,540,461
2030	411,720	5.86	3,515,038	27.40	11,279,658	14,794,697
2031	411,720	5.86	3,515,038	26.90	11,075,125	14,590,164
2032	412,848	5.86	3,515,038	27.39	11,309,068	14,824,107
2033	411,720	5.86	3,515,038	27.89	11,481,176	14,996,215
2034	411,720	5.86	3,515,038	28.35	11,671,763	15,186,801
2035	411,720	5.86	3,515,038	28.78	11,849,746	15,364,784
2036	412,848	5.86	3,515,038	29.18	12,048,167	15,563,206
2037	411,720	5.86	3,515,038	29.55	12,168,233	15,683,271
2038	411,720	5.86	3,515,038	29.90	12,308,698	15,823,737
2039	411,720	5.86	3,515,038	30.21	12,436,565	15,951,603
2040	<u>412,848</u>	5.86	<u>3,515,038</u>	30.49	<u>12,586,305</u>	<u>16,101,343</u>
Total	8,240,040		38,665,423		214,358,400	253,023,823
<b>Total NPV @6.95% Discount Rate</b>			<b>14,433,000</b>		<b>107,338,000</b>	<b>121,772,000</b>

2030 CC Avoided Unit

Committed Capacity (MW) 50  
Capacity Factor (%) 94%  
Payment Type: Early

	Energy (MWh)	Capacity Rates (\$/kW-mo)	Total Capacity Payments (\$)	Energy Rates (\$/MWh)	Total Energy Payments (\$)	Total Payments (\$)
2021	411,720	-	-	16.78	6,907,723	6,907,723
2022	411,720	-	-	16.84	6,933,146	6,933,146
2023	411,720	-	-	19.52	8,038,156	8,038,156
2024	412,848	-	-	21.10	8,709,204	8,709,204
2025	411,720	-	-	23.43	9,647,516	9,647,516
2026	411,720	3.28	1,965,002	24.80	10,211,574	12,176,577
2027	411,720	3.34	2,004,303	25.84	10,639,030	12,643,332
2028	412,848	3.41	2,044,389	27.90	11,517,085	13,561,473
2029	411,720	3.48	2,085,276	28.03	11,540,461	13,625,737
2030	411,720	3.54	2,126,982	27.40	11,279,658	13,406,640
2031	411,720	3.62	2,169,521	26.90	11,075,125	13,244,647
2032	412,848	3.69	2,212,912	27.39	11,309,068	13,521,980
2033	411,720	3.76	2,257,170	27.89	11,481,176	13,738,346
2034	411,720	3.84	2,302,314	28.35	11,671,763	13,974,077
2035	411,720	3.91	2,348,360	28.78	11,849,746	14,198,106
2036	412,848	3.99	2,395,327	29.18	12,048,167	14,443,494
2037	411,720	4.07	2,443,234	29.55	12,168,233	14,611,466
2038	411,720	4.15	2,492,098	29.90	12,308,698	14,800,797
2039	411,720	4.24	2,541,940	30.21	12,436,565	14,978,505
2040	<u>412,848</u>	4.32	<u>2,592,779</u>	30.49	<u>12,586,305</u>	<u>15,179,084</u>
Total	8,240,040		33,981,607		214,358,400	248,340,007
<b>Total NPV @6.95% Discount Rate</b>			<b>14,433,000</b>		<b>107,338,000</b>	<b>121,772,000</b>

2030 CC Avoided Unit

Committed Capacity (MW) 50  
Capacity Factor (%) 94%  
Payment Type: Early Levelized

	Energy (MWh)	Capacity Rates (\$/kW-mo)	Total Capacity Payments (\$)	Energy Rates (\$/MWh)	Total Energy Payments (\$)	Total Payments (\$)
2021	411,720	-	-	16.78	6,907,723	6,907,723
2022	411,720	-	-	16.84	6,933,146	6,933,146
2023	411,720	-	-	19.52	8,038,156	8,038,156
2024	412,848	-	-	21.10	8,709,204	8,709,204
2025	411,720	-	-	23.43	9,647,516	9,647,516
2026	411,720	3.68	2,210,457	24.80	10,211,574	12,422,031
2027	411,720	3.68	2,210,457	25.84	10,639,030	12,849,487
2028	412,848	3.68	2,210,457	27.90	11,517,085	13,727,542
2029	411,720	3.68	2,210,457	28.03	11,540,461	13,750,918
2030	411,720	3.68	2,210,457	27.40	11,279,658	13,490,116
2031	411,720	3.68	2,210,457	26.90	11,075,125	13,285,583
2032	412,848	3.68	2,210,457	27.39	11,309,068	13,519,526
2033	411,720	3.68	2,210,457	27.89	11,481,176	13,691,633
2034	411,720	3.68	2,210,457	28.35	11,671,763	13,882,220
2035	411,720	3.68	2,210,457	28.78	11,849,746	14,060,203
2036	412,848	3.68	2,210,457	29.18	12,048,167	14,258,625
2037	411,720	3.68	2,210,457	29.55	12,168,233	14,378,690
2038	411,720	3.68	2,210,457	29.90	12,308,698	14,519,156
2039	411,720	3.68	2,210,457	30.21	12,436,565	14,647,022
2040	<u>412,848</u>	3.68	<u>2,210,457</u>	30.49	<u>12,586,305</u>	<u>14,796,762</u>
Total	8,240,040		33,156,858		214,358,400	247,515,258
<b>Total NPV @6.95% Discount Rate</b>			<b>14,433,000</b>		<b>107,338,000</b>	<b>121,772,000</b>