



Maria Jose Moncada
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5795
(561) 691-7135 (Facsimile)
E-mail: maria.moncada@fpl.com

October 16, 2020

VIA ELECTRONIC FILING

Mr. Adam Teitzman
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20200209-EI

Dear Mr. Teitzman:

Enclosed are Florida Power & Light Company's responses to Staff's First Data Request (Nos. 1-19) in Docket No. 20200209-EI. Staff's Data Request No. 3 asks for an Excel spreadsheet with all cells and formulas accessible. FPL will serve copies of the requested documents in Excel format upon Staff via email.

Please contact me if there are any questions regarding this letter.

Sincerely,

s/ Maria Jose Moncada
Maria Jose Moncada

cc:
Corey Hampson (champson@psc.state.fl.us)
Walt Trierweiler (wtrierwe@psc.state.fl.us)

QUESTION:

Please provide the anticipated plant and accumulated depreciation balances as of 12/31/2020 for all assets associated with the SolarNow Program.

RESPONSE:

Please see Attachment No. 1 to this response for the requested information.

Florida Power & Light Company
Docket No.: 20200209 - EI
Staff's First Data Request
Request No: 1
Attachment No. 1
Tab 1 of 1

Projected Plant and Reserve Balances as of Dec 2020

Major Location	Utility Account	Plant Balances	Accumulated Reserve Balances - Estimated ⁽¹⁾	
Intangible Plant	30350 - Capitalized Software	\$ 1,134,735	\$ 1,004,731	
Mass Distribution Plant	36410 - Poles, Towers & Fixs - Wood	3,499	218	
	36420 - Poles, Towers & Fixs - Conc	7,396	276	
	36660 - UG Conduit (Duct Sys)	53,831	928	
	36670 - UG Conduit (Direct Buried)	3,915	211	
	36760 - UG Cond & Device (Duct Sys)	29,385	1,202	
	36800 - Line Transformers	82,038	5,765	
	36960 - Services, UG (In Duct)	329	19	
	36500 - Overhead Cond & Devices	8,760	438	
	Voluntary Solar Partnership (VSP)	34100 - Structures & Improvements	19,291	1,613
		34300 - Prime Movers - General	23,518,399	1,890,668
34500 - Accessory Electric Equipt		2,573,464	245,120	
Grand Total		\$ 27,435,042	\$ 3,151,190	

Note:

⁽¹⁾ Amounts reflect actuals through June 2020 and forecast data for July - December 2020.

QUESTION:

Please provide the average remaining service life for all assets associated with the SolarNow Program.

RESPONSE:

Please see below for estimated average remaining service lives for all SolarNow assets as of December 2020.

VSP Estimated Average Remaining Life (as of 12-2020)

major location	utility account	Est. Average Remaining Life (Years)
Intangible Plant	30350 - Capitalized Software	1
Intangible Plant Total		1
Mass Distribution Plant	36410 - Poles, Towers & Fix - Wood	26
	36420 - Poles, Towers & Fix – Conc.	34
	36500 - Overhead Cond & Devices	38
	36660 - UG Conduit (Duct Sys)	67
	36670 - UG Conduit (Direct Buried)	48
	36760 - UG Cond & Device (Duct Sys)	47
	36800 - Line Transformers	32
	36960 - Services, UG (In Duct)	40
Mass Distribution Plant Total		43
Voluntary Solar Partnership (VSP)	34100 - Structures & Improvements	27
	34300 - Prime Movers - General	27
	34500 - Accessory Electric Equipt	27
Voluntary Solar Partnership (VSP) Total		27
Grand Total		22

QUESTION:

Please refer to Paragraph 25 of the Petition, which states that customer contributions will exceed the revenue requirements less systems benefits for all years of the program. Provide all supporting calculations FPL has prepared in analyzing the projected contributions and revenue requirements less system benefits for all years of the program in an Excel spreadsheet with all cells and formulas accessible.

RESPONSE:

See calculation for the net present value calculation reflected on the top line of the first tab in Attachment No. 2 (provided to Staff in Excel via email) which demonstrates the net present value for all years of the program is a credit of \$138,467. The calculation is based on a net present value calculation in its forecasting model for the period 2015 through 2025. The model forecasts that, on a net present value basis, customer contributions are expected to exceed total revenue requirements less system benefits for the entire program period.

See Attachment No. 1 (provided to Staff in Excel via email) for the revenue requirement for the years 2015 through 2020. For years 2015 through 2019, FPL calculated the revenue requirement based on actuals. The revenue requirement for 2020 was calculated based on actuals through June 2020, and projected data for July 2020 through December 2020.

See Attachment No. 2 for FPL's forecasting model for all periods of FPL's SolarNow program, which includes a forecast for the period 2021 through 2025. Note, FPL's forecasting model calculates revenue requirements utilizing assumptions it typically uses to evaluate investments, which differ from inputs used to set rates and calculate the revenue requirements for 2015 through 2020 provided in Attachment No. 1. The amounts in the forecasting model were developed using high level assumptions while the historical periods are based on precise calculations using data from FPL's general ledger.

QUESTION:

Please complete the following chart.

	Revenue	Revenue Requirement at Current Depreciation Rates	Revenue Requirement at Proposed Depr. Rates	Fuel Savings	Contribution at Current Depreciation Rates	Contribution at Proposed Depreciation Rates
2021						
2022						
2023						
2024						
2025						

RESPONSE:

Please see the requested information for the projected periods 2021 through 2025 below. The amounts in the forecasting model were developed using high level assumptions while the historical periods as reflected in the “Revenue Requirements at Current Depreciation Rates” column 2 below are based on precise calculations using data from FPL’s general ledger and the depreciation rates as approved on FPL’s last base rate case. Please refer to FPL’s response to Staff’s Data Request No. 3 for the supporting calculations for the amounts below and for the historical periods 2015 to 2020.

In addition, please note that positive amounts in columns 5 and 6 of the below table, represent contributions from customers which are greater than expenses for the period while negative amounts represent expenses which are greater than contributions from customers. As described in FPL’s response to Staff’s Data Request No. 3, the model used to evaluate the sunseting of SolarNow demonstrates that, on a net present value basis over the life of the Program, the customer contributions are expected to exceed the program costs thus holding the non-participants harmless.

	Revenue (1)	Revenue Requirement at Current Depreciation Rates (2)	Revenue Requirement at Proposed Rates (3)	Fuel Savings (4)	Contribution at Current Rates (5) = (1)-(2)+(4)	Contribution at Proposed Rates (6)=(1)-(3)+(4)
2021	5,391,540	3,084,121	6,529,646	190,257	2,497,675.89	(947,849)
2022	4,497,256	2,915,212	5,733,746	188,057	1,770,102.08	(1,048,432)
2023	3,751,305	2,781,199	5,062,742	200,668	1,170,773.67	(1,110,770)
2024	3,129,084	2,674,294	4,568,846	218,550	673,340.19	(1,221,213)
2025	2,610,069	2,586,143	4,188,708	218,146	242,072.06	(1,360,493)

QUESTION:

Please provide the projected annual depreciation expense for 2021 through 2025 under current depreciation rates and proposed depreciation rates.

RESPONSE:

Please see the table below for the projected annual depreciation expense for years 2021 through 2025 under current depreciation rates and proposed depreciation assumptions. Note, the amounts provided below were obtained from a forecast model FPL utilizes to evaluate investments, which uses assumptions different than those used to set rates on and what was used to calculate revenue requirements for the historical periods. The amounts below were developed using high level assumptions while the historical periods are based on precise calculations using data from FPL's general ledger.

	Annual Depreciation Expense at Curr Rates	Annual Depreciation Expense at Proposed Rates
2021	\$ 883,775	\$ 4,843,915
2022	\$ 874,319	\$ 4,834,459
2023	\$ 874,319	\$ 4,834,459
2024	\$ 874,319	\$ 4,834,459
2025	\$ 874,319	\$ 4,834,459

QUESTION:

Does FPL intend to continue its policy (established by Order No. PSC-14-0468-TRF-EI, in Docket No. 140070-EI) of absorbing any annual shortfall if the SolarNow customer contributions fail to fully fund the revenue requirement for the SolarNow Program?

RESPONSE:

The program has outperformed the "high" participation case as presented in Exhibit B of Docket No. 20140070-EI by almost four times. FPL intends to continue and conform with the directive of the Commission to absorb any revenue requirement shortfall through the termination of the Program in 2025. In the event of any unforeseen circumstances resulting from events outside of FPL's control that threaten full recovery of revenue requirement at the end of the 2025, FPL would seek Commission approval for appropriate relief.

QUESTION:

What portion of the 2,528.4 kW solar capacity provided by the SolarNow assets is connected to the grid?

RESPONSE:

FPL SolarNow™ installations vary greatly in size ranging from 3.4 kW solar trees to 200 kW solar canopies. As a result, FPL has deployed varying interconnection types in order to provide the most cost-effective installation for the program participants. For example, grid connecting solar trees in particular would require costly step up transformer installation which can be avoided by interconnecting behind the meter (BTM). In these instances, the host customer is then billed for the energy produced onsite, establishing a virtual grid tied arrangement where the customers are made whole through the host's payment for the onsite generation. Two of the 77 completed and operational sites (Tropical Park and Frost Science Museum) are interconnected behind the meter, and the host customer is not billed. The contractual commitment for these two locations allow the host to use the generation, and allows the Program to use the land with no lease payment.

Installed Capacity (kW) by Interconnection Type, as of June 30, 2020

Interconnection Type	Project Site Ct.	Capacity (kW)
Grid Tied	22 sites	1,749.7 kW
Behind The Meter, Billed	53 sites	766.8 kW
Behind The Meter, Not billed	2 sites	11.9 kW
TOTAL	77 sites	2,528.4 kW

QUESTION:

Please explain to what extent the general body of ratepayers will benefit from the generation produced by the SolarNow assets, as well as the disposition of the assets (salvage), after the program has ended in 2025?

RESPONSE:

At the end of 2025, the assets will continue to be maintained and operated in a safe and reliable manner. These assets will continue to benefit customers as they do today, providing renewable generation that displaces energy that would otherwise have been produced from non-renewable energy sources. At the end of either the termination of the host lease agreement or the end of the useful life of the asset, the equipment will be removed, host property restored to its original condition, and the assets will be retired from FPL's books and records. Any amounts incurred for either cost of removal or salvage associated with the disposition of the retired assets will be recorded to FPL's accumulated provision for depreciation.

QUESTION:

Please provide any precedent in which FPL is aware of in which accelerated depreciation of assets was approved for assets not approaching end-of-life status and still used and useful in providing electric service.

RESPONSE:

FPL is aware of at least three cases in which the Commission approved accelerated depreciation for assets that were not approaching end-of-life status and still used and useful in providing electric service.

- Order No. 11437 issued on December 22, 1982 in Docket No. 19820097-EU(CR); In re: Petition of Florida Power and Light Company to increase its rates and charges. The Commission approved accelerated amortization of the Putnam Gas Line over 60 months.
- Order No. 11599 issued on February 10, 1983 in Docket No. 19830001-EU; In re: Application of oil backout cost recovery factor amendment. The Commission approved cost recovery of two-thirds of the oil backout savings as accelerated depreciation for FPL's 500 kV transmission project.
- Order No. PSC-94-1106-FOF-EI issued on September 7, 1994 in Docket No. 940391-EI; Petition for approval to recover Orimulsion project costs through an oil-backout cost recovery factor by Florida Power and Light Company. The Commission approved the Orimulsion project where one-half the actual net savings shall be applied to the costs of the conversion as additional accelerated depreciation.

QUESTION:

Please explain whether FPL is proposing to accelerate depreciation for assets that are anticipated to be used and useful after reaching fully depreciated status in 2025, and if so, why?

RESPONSE:

FPL is proposing accelerated depreciation of the SolarNow™ assets to align with the sun-setting of the program. These assets will remain in place as operating units through their useful life. FPL expects that the assets will continue to be used and useful beyond 2025. At the end of either the termination of the host lease agreement or the useful life of the asset, the equipment will be removed, and host property restored to its original condition. Any recoverable materials from the assets will be disposed or salvaged, as appropriate.

QUESTION:

Please refer to Paragraph 22 of the Petition. Please provide a list of all SolarNow projects that are either planned or currently under construction. Please include the anticipated in-service dates and total costs associated with each project.

RESPONSE:

Site	City	Project Status	Total Capacity (kW _{DC})	Estimated COD	Estimated Capital
Morgan Levy Park ⁽¹⁾	Doral	Complete	3.4	10/8/2020	\$174,607
City of Miami - Bay of Pigs Park ⁽¹⁾	Miami	Complete	3.4	9/9/2020	\$189,841
Broward Parks - Delevoe Park	Ft Lauderdale	In Construction	32.0	10/31/2020	\$495,968
City of Miami - Moore Park	Miami	In Construction	5.8	10/30/2020	\$158,858
City of Miami - Melrose Park	Miami	In Construction	10.0	10/31/2020	\$249,130
Collier County Sports Complex	Naples	In Construction	25.0	12/31/2020	\$543,792
City of Miami - Regatta Park	Miami	In Construction	12.9	11/30/2020	\$293,759
Baptist Hospital	Miami	In Construction	1.7	11/30/2020	\$92,157
MAST, Miami Dade County Public Schools	Miami	Planning	16	3/21/2021	160,000

⁽¹⁾ Projects completed shortly after 2020 SolarNow petition filing. Estimates and modeling to support the filing considered these projects “in construction.”

QUESTION:

The proposed tariff states that service under this rider shall terminate December 31, 2025, “unless extended by order of the Florida Public Service Commission, or terminated earlier by the Company upon notice to the FPSC.” Does the Company believe the quoted tariff language conflicts with FPL’s proposed disposition and sun setting of the SolarNow Program? Please explain.

RESPONSE:

FPL observes that removing the referenced language may provide greater clarity. Accordingly, FPL struck the referenced language in the version of the tariff included as Attachment 1 to this Data Request.

FLORIDA POWER & LIGHT COMPANY

Fourth Revised Sheet No. 8.930
Cancels Third Revised Sheet No. 8.930

VOLUNTARY SOLAR PARTNERSHIP RIDER
(OPTIONAL PILOT PROGRAM)

RATE SCHEDULE: VSP

AVAILABLE:

In all territory served by FPL ("the Company") to customers receiving service under any FPL metered rate schedule. This voluntary solar partnership pilot program ("VSP Program", "the Pilot") provides customers an opportunity to participate in a program designed to construct and operate commercial-scale, distributed solar photovoltaic facilities located in communities throughout FPL's service territory. Service under this rider shall terminate December 31, 2025.

APPLICATION:

Available upon request to all customers in conjunction with the otherwise applicable metered rate schedule.

LIMITATION OF SERVICE:

Any customer under a metered rate schedule who has no delinquent balances with the Company is eligible to elect the VSP Program. A customer may terminate participation in the VSP Program at any time and may be terminated from the Pilot by the Company if the customer becomes subject to collection action on the customer's service account.

CHARGES:

Each voluntary participant shall agree to make a monthly contribution of \$9.00, in addition to charges applied under the otherwise applicable metered rate schedule. Customer billing will start on the next scheduled billing date upon notification of service request. The VSP Program contribution will not be prorated if the billing period is for less than a full month.

Upon participant's notice of termination, no VSP Program contribution will be assessed in the billing period in which participation is terminated.

TERM OF SERVICE:

Not less than one (1) billing period.

SPECIAL PROVISIONS:

Upon customer request, program participation may continue at a new service address if the customer moves within FPL's service territory.

RULES AND REGULATIONS:

Service under this rider is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provisions of this schedule and said "General Rules and Regulations for Electric Service" the provisions of this rider shall apply.

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective:

FLORIDA POWER & LIGHT COMPANY

~~Third-Fourth~~ Revised Sheet No. 8.930
Cancels ~~Third Second~~ Revised Sheet No. 8.930

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RATE SCHEDULE: VSP

AVAILABLE:

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APPLICATION:

Available upon request to all customers in conjunction with the otherwise applicable metered rate schedule.

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Upon customer request, program participation may continue at a new service address if the customer moves within FPL's service territory.

RULES AND REGULATIONS:

Service under this rider is subject to orders of governmental bodies having jurisdiction and to the currently effective "General Rules and Regulations for Electric Service" on file with the Florida Public Service Commission. In case of conflict between any provisions of this schedule and said "General Rules and Regulations for Electric Service" the provisions of this rider shall apply.

Issued by: Tiffany Cohen, Director, Rates and Tariffs
Effective: ~~January 1, 2020~~

QUESTION:

Please refer to Paragraph 21 of the Petition, which states that the Company will continue to install new assets through 2021. The current and proposed tariff states that the SolarNow Program “provides customers an opportunity to participate in a program designed to construct and operate commercial-scale, distributed solar photovoltaic facilities...” Does the Company believe that, after 2021, it will continue to be operating in accordance with this tariff language? Please explain.

RESPONSE:

Yes. From 2021 to 2025, customers will continue to have an opportunity to participate in SolarNow, a program that applies customer contributions toward the cost of the construction and operation of commercial-scale solar PV facilities that were installed specifically for this Program. After 2021, the program focus will be on education, awareness and engagement of solar in our communities. Participant contributions will be applied toward the smooth operations and maintenance of the SolarNow portfolio and to support enhancement projects on the SolarNow installations to promote awareness and community engagement.

QUESTION:

Does FPL intend to inform participants joining after 2021 that the Company does not plan to install any additional assets through the SolarNow Program? Please explain.

RESPONSE:

FPL plans to adhere to the marketing approach it has employed since the inception of SolarNow, which always has been to provide accurate information about the program, including education, awareness and engagement of solar in our communities. SolarNow communications will continue to highlight new community events and activities, identifying new locations, and site enhancements. After 2021, as the program shifts its plans away from new construction, communications will not refer to new installations and instead will advise existing and potential participants about enhancements at existing sites and engagement opportunities within the communities served by FPL (activities and events, integrating technology enhancements, lighting etc.).

QUESTION:

Does FPL intend to directly communicate to participants that the SolarNow Program is sun setting in 2025? If so, when?

RESPONSE:

Yes, FPL intends to communicate with its customers' months in advance to inform them of the transition. It is also likely that FPL will have other programs by that time and that a number of our SolarNow customers may decide to join a future program. Regardless of the sun setting of SolarNow, our emphasis for the next several years will be on identifying new and innovative ways to engage with these customers and host sites to creating educational and exciting ways to participate and learn more about the clean energy transition that is underway in Florida.

QUESTION:

Please complete the following chart.

Month	Participants				Total Participant Revenue
	Residential	Commercial	Industrial	Total Participants	
Sep-19					
Oct-19					
Nov-19					
Dec-19					
Jan-20					
Feb-20					
Mar-20					
Apr-20					
May-20					
Jun-20					
Jul-20					
Aug-20					

RESPONSE:

Month	Residential	Commercial	Industrial	Total Participants	Total Participants Revenue (\$000)
Sep-19	49,256	586	0	49,842	\$436.7
Oct-19	51,032	575	0	51,607	\$452.0
Nov-19	53,322	573	0	53,895	\$477.7
Dec-19	54,799	570	0	55,369	\$488.6
Jan-20	53,734	561	0	54,295	\$482.0
Feb-20	52,943	557	0	53,500	\$477.8
Mar-20	55,210	557	0	55,767	\$498.0
Apr-20	54,043	551	0	54,594	\$473.1
May-20	52,881	539	0	53,420	\$449.1
Jun-20	52,009	529	0	52,538	\$441.6
Jul-20	51,136	524	0	51,660	\$450.5
Aug-20	50,528	521	0	51,049	\$459.4

QUESTION:

The current and proposed tariff states that participants “may be terminated from the Pilot by the Company if the customer becomes subject to collection action on the customer’s service account.” Has FPL proceeded with removing participants with accounts subject to collection action? If so, please provide a per-month breakdown of the number of participants removed from the SolarNow Program, over the past 12 months.

RESPONSE:

FPL has implemented a process for automatically removing customers from SolarNow™ for non-payment. This process ensures customers who are in collections and working to resolve outstanding payments are not continuing to incur additional costs associated with this voluntary program.

Provided in Table 1 below is a monthly breakdown of the number of participants removed from SolarNow™, over the past 12 months. In April of this year, at the onset of COVID-19, there was a spike in removals. Shortly thereafter and in conjunction with FPL’s disconnect suspension and bill assistance efforts, the automated removal process was also suspended.

Month	No. Past Due Customers Removed
Sep-19	133
Oct-19	140
Nov-19	108
Dec-19	154
Jan-20	115
Feb-20	94
Mar-20	62
Apr-20	446
May-20	0
Jun-20	1
Jul-20	1
Aug-20	10

Table 1- Monthly breakdown of the number of participants removed from SolarNow™

QUESTION:

Has COVID-19 impacted the SolarNow Program's participant attrition rate? Please explain.

RESPONSE:

The effects of COVID-19 have impacted many aspects of customers' lives and businesses, including SolarNow™ participation rates. As described in Staff's First Data Request No. 17, the program experienced more attrition in April 2020 due to nonpayment. Overall attrition has been higher year over year, and since the pandemic, SolarNow has seen less interest from new potential participants, as measured by enrollment campaign conversion rates. As the State of Florida continues to re-open and return to normal business and with continued enrollment campaigns, FPL expects to see participation stabilize.

QUESTION:

Please refer to Paragraph 24 of the Petition, where FPL proposes to redirect charitable funds to STEAM-related charities and/or educational curriculum for students within the service territory. Has FPL considered any specific charities which meet these proposals? If so, please provide examples of potential recipients.

RESPONSE:

FPL believes supporting STEAM related charities and educational curriculum aligns with the overarching purpose of the SolarNow™ program and will explore various ways an annual \$200,000 NextEra Foundation contribution can support the future generation. Some partners under consideration include:

1. Florida Solar Energy Center
2. Pine Jog Environmental Center
3. Florida Science Museums
4. *FIRST* (For Inspiration and Recognition of Science and Technology) Robotics