

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for a limited proceeding to approve Clean Energy Connection Program and Tariff and Stipulation by Duke Energy Florida, LLC

DOCKET NO. 20200176-EI

DATED: October 28, 2020

**DUKE ENERGY FLORIDA, LLC'S  
PREHEARING STATEMENT**

Duke Energy Florida, LLC, (“DEF”), by and through undersigned counsel, and pursuant to Order No. PSC-2020-0324-PCO-EI, hereby submits its Prehearing Statement with respect to its Petition for a limited proceeding to approve Clean Energy Connection (CEC) Program and Tariff and Stipulation:

1. **Known Witnesses** - DEF intends to offer the testimony of:

<b>Witness</b>	<b>Subject Matter</b>	<b>Issue #</b>
<b>Direct</b>		
Lon Huber	Description of the CEC Program, explanation of the benefits and objectives of the CEC Program and how it advances solar energy in Florida	1
Matthew Stout	DEF's ability to develop and construct the projects over the time period presented given certain qualifications	1
Thomas G. Foster	Financial modeling performed to calculate the subscription fees and bill credits associated with the CEC Program	1
Benjamin M. H. Borsch	Economic analysis which shows that DEF's proposed CEC Program is cost-effective	1
<b>Rebuttal</b>		

Benjamin M. H. Borsch	Rebuttal of Rabago Direct Testimony	1
Thomas G. Foster	Rebuttal of Rabago Direct Testimony	1
Lon Huber	Rebuttal of Rabago Direct Testimony	1

2. **Known Exhibits** - DEF intends to offer the following exhibits:

Witness	Proffered By	Exhibit #	Description	Issue #
<b>Direct</b>				
Benjamin M. H. Borsch	DEF	(BMHB-1)	Load Forecast	1
Benjamin M. H. Borsch	DEF	(BMHB-2)	Fuel Forecasts	1
Benjamin M. H. Borsch	DEF	(BMHB-3)	Cost Effectiveness (CPVRR) Analysis Results	1
Benjamin M. H. Borsch	DEF	(BMHB-4)	Resource Plans	1
Benjamin M. H. Borsch	DEF	(BMHB-5)	Cumulative Present Value Revenue Requirements (CPVRR)	1
Thomas G. Foster	DEF	(TGF-1)	Summary of CEC Program Revenue Requirements, Subscription Fees, and Bill Credits	1
Lon Huber	DEF	(LH-1)	Clean and Legislative Versions of Tariff sheets 6.101, 6.405, 6.406, and 6.407	1
<b>Rebuttal</b>				
Lon Huber	DEF	(LH-2)	IREC Community Solar Checklist	1

DEF reserves the right to identify additional exhibits for the purpose of cross-examination or rebuttal.

3. **Statement of Basic Position**

4. The Clean Energy Connection (CEC) Program is a community solar program through which participating customers can voluntarily subscribe to shares of new solar power

plants. The CEC Program would allow DEF to satisfy increasing customer demand for renewable energy and will enable DEF to provide affordable clean, carbon-free energy to all of its customers. After engaging with key stakeholders in advance of the filing, DEF was successful in executing a Stipulation in which Vote Solar, Southern Alliance for Clean Energy, and Walmart (parties that would have otherwise intervened in and challenged DEF's filing), came to agreement on the components of DEF's CEC Program. The Stipulation fairly and reasonably balances the various positions of the Parties on the issues resolved by the Stipulation and serves the public interest and DEF's customers.

The CEC Program aligns with the Florida Legislature's intent in Section 366.92, F.S. and provides ample system wide benefits, including: promoting the development of renewable energy, encouraging investment within the state, diversifying the types of fuel used to generate electricity, lessening the state's reliance on fossil fuels, and decreasing carbon emissions. Additionally, the Stipulation comports with Section 366.06 by providing fair, just, and reasonable rates without undue preference.

The CEC Program represents the next evolution of DEF's commitment to increasing cost-effective renewable generation and providing innovative pricing solutions for our customers. The CEC program is structured to maximize the benefits to the entire DEF system and to minimize the costs to non-participating customers. On a cumulative present value revenue requirement ("CVPPR") basis, the CEC Program is projected to save DEF customers an estimated \$533 million when compared to DEF's overall system without the CEC Program. The CEC Program is designed to be cost-effective for both participating and non-participating customers and will enable DEF customers to support the expansion of solar power.

The primary driver of the value to DEF customers is the savings in fuel, operating and maintenance costs and projected emissions costs primarily from reductions in CO2 emissions. DEF customers will also realize a significant benefit from the generating capacity associated with these solar facilities. The proposed addition of the Clean Energy Connection projects results in the deferral of the need for multiple gas fired peaking projects and the displacement of the need for 230 MW of gas fired peakers entirely along with deferral or displacement of the associated gas transportation. Operation of the proposed facilities displaces more than 51 million MWh of fossil fired generation over the life of the CEC Program.

DEF designed the CEC Program so that the subscription fees more than cover the fixed revenue requirements of the Program. Specifically, the projected subscription fee revenues are greater (104.9%) than the fixed revenue requirements. By allocating more than 100% of the fixed revenue requirements to participants, some of the benefits that accrue to the general body of customers are fixed. DEF also designed the CEC Program in such a way that resulted in 87.3% of the CPVRR net benefit being allocated to the

general body of DEF's customers, and the remaining 12.7% being allocated to the CEC Program participants.

DEF is proposing the CEC Program to meet the substantial demand from DEF customers who are wanting to advance or seeking access solar energy in Florida, but do not have the ability or the desire to construct it at their premise. The CEC Program will add approximately 750 MW of solar photovoltaic generation to DEF's system for the benefit of all customers. DEF will allocate 27.7% percent from the Program's residential customer allocation, or approximately 26 MW for low income customers. These customers will receive a bill credit rate that ensures that in no year will their subscription charge increase their total bill.

Accordingly, for all the reasons included in DEF's Petition, Testimony, and Exhibits, the Commission should approve DEF's proposed CEC Program.

5. **Statement of Facts**

**ISSUE 1:** Should the Commission approve the Stipulation for approval of the Duke Energy Florida, LLC, Clean Energy Connection Program and Tariff, when taken as a whole, as in the public interest?

**DEF:** Yes. As demonstrated by DEF's Petition, Testimony, and Exhibits, and the Stipulation to approve the CEC Program, the CEC Program adds additional cost-effective solar generation to DEF's system while allowing customers, including low-income customers, to participate and contribute to the fixed costs of the solar units. The Stipulation fairly and reasonably balances the various positions of the parties to the Stipulation on the issues resolved by the Stipulation and serves the public interest and DEF's customers. DEF believes that the Stipulation in its totality is fair, just, and reasonable and that it is in the public interest. Approval of the Stipulation promotes administrative efficiency and avoids the time and expense associated with litigating the settled issues in this docket and is further consistent with the Commission's long-standing practice of encouraging parties to settle contested proceedings whenever possible. The CEC Program aligns with the Florida Legislature's intent in Section 366.92, F.S. and provides ample system wide benefits, including: promoting the development of renewable energy, encouraging investment within the state, diversifying the types of fuel used to generate electricity, lessening the state's reliance on fossil fuels, and decreasing carbon emissions. Additionally, the Stipulation comports with Section 366.06 by providing fair, just, and reasonable rates without undue preference.  
(Witnesses: Huber, Stout, Foster, Borsch)

6. **Stipulated Issues** - DEF, Vote Solar, SACE, and Walmart have entered into the Stipulation attached to the Petition. These parties stipulate to the issue in the case, which is that the Stipulation should be approved as in the public interest.
7. **Pending Motions** - None at this time.
8. **Pending Requests for Confidentiality** -  
DEF has the following pending requests for confidential classification:
  - October 13, 2020 – DEF submitted a Notice of Intent to Request Confidential Classification of certain information contained within DEF’s Response to LULAC’s 1st PODs (1-8); specifically, No. 1, bearing Bates Nos. 20FL-CEC-000011 - 20FL-CEC-000039, and No. 2, bearing Bates Nos. 20FL-CEC-000048 - 20FL-CEC-000257 (DN 11183-2020). DEF intends to submit the Request for Confidential Classification on or by November 3, 2020.
  - October 14, 2020 – DEF’s submitted a Notice of Intent to Request Confidential Classification of certain information contained within DEF’s Response to LULAC’s 2nd ROGs (9-25); specifically, No. 17, bearing Bates No. 20FL-CEC-001988 (DN 11183-2020). DEF intends to submit the Request for Confidential Classification on or by November 4, 2020.
9. **Objections to Qualifications** – None.
10. **Sequestration of Witnesses** - DEF has not identified any witnesses for sequestration at this time.
11. **Requirements of Order** - At this time, DEF is unaware of any requirements of the Order Establishing Procedure of which it will be unable to comply.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of October, 2020.

/s/ Dianne M. Triplett

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**CERTIFICATE OF SERVICE**

Docket No. 20200176-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 28<sup>th</sup> day of October, 2020.

/s/ Dianne M. Triplett

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