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June 17, 2022

VIA ELECTRONIC FILING

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

Re: Commission Review of Electric Utility Ten Year Site Plans
Undocketed, Filed in Docket No. 20220000-OT

Dear Mr. Teitzman:

Attached for filing are the comments of Floridians Against Increased Rates, Inc. regarding the Ten Year Site Plans filed this year by Florida's investor-owned electric utilities. Pursuant to discussions with Commission Staff, the undersigned was granted an extension of time to submit these comments until today, June 17, 2022, because of the unanticipated delay in obtaining the transcript of the workshop held on June 1, 2022.

As always, thank you and your professional staff for your assistance with this filing. If you have any questions, please call me any time at 850-933-2016.

Cordially yours,

/s/ Robert Scheffel Wright
Robert Scheffel Wright
Florida Bar No. 0966721

Counsel for Floridians Against Increased Rates, Inc.

Attachment

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REVIEW OF 2022 TEN YEAR SITE)	UNDOCKETED
PLANS OF ELECTRIC UTILITIES)	FILED IN DOCKET 20220000-OT
)	June 17, 2022

COMMENTS OF FLORIDIANS AGAINST INCREASED RATES, INC. REGARDING TEN YEAR SITE PLANS SUBMITTED BY FLORIDA'S INVESTOR-OWNED ELECTRIC UTILITIES

Pursuant to instructions from the Commission and the Commission Staff following the workshop on June 1, 2022, Floridians Against Increased Rates, Inc. ("FAIR") submits these comments regarding the Ten Year Site Plans ("TYSPs") submitted by Florida's investor-owned electric utilities, Florida Power & Light Company ("FPL"), Duke Energy Florida ("Duke" or "DEF"), and Tampa Electric Company ("Tampa Electric").

FAIR is a Florida not-for-profit corporation with approximately 800 members who are customers of Florida public utilities that provide retail electric service. FAIR's purpose is to advocate for governmental policies and regulatory decisions that will lead to retail electric rates charged by Florida's investor-owned electric utilities that are as low as possible while ensuring safe and reliable electric service. This is effectively the same goal adopted by the Commission for TYSPs, i.e., that the TYSPs are to provide sufficient information to assure the Commission that the state's electric needs are met "at the lowest cost possible." Through these comments, FAIR specifically submits that more complete information regarding

the proposed future generation additions by FPL and Duke, including detailed cost information and specific information regarding how the utilities analyzed the cost-effectiveness of their proposed power supply additions, is necessary to promote the common goal of ensuring that Florida's utilities provide electric service at the lowest cost possible. FAIR also joins the comments advanced by other commenting parties at the June 1 workshop opposing FPL's new and unprecedented proposal to plan to install sufficient generating capacity to meet an extreme winter peak based on conditions that have not occurred since 1989.

Summary

Pursuant to Section 186.801, Florida Statutes, the Commission is to conduct a preliminary review of the TYSPs submitted by Florida electric utilities and to classify each plan as "suitable" or "unsuitable" for planning purposes; the Commission is authorized to suggest alternatives to any TYSP. Plans are recognized as "tentative information for planning purposes only and may be amended at any time at the discretion of the utility." Commission Rules 25-22.070-.072, Florida Administrative Code ("F.A.C.") (collectively, "TYSP Rule"), address the TYSP filing requirements and the Commission's review of the TYSPs. The TYSP Rule requires, among many other things, that utilities provide in their TYSPs "sufficient information to assure the Commission that an adequate and reliable supply of electricity at the lowest cost possible is planned for the state's

electric needs." (Emphasis supplied.) Normally, utilities provide projected costs for all proposed power supply additions in their plans. In their 2022 TYSPs, FPL and Duke have not done so. Specifically, FPL did not include projected cost information for approximately 8,700 MW – about 92 percent – of its total planned solar generating capacity of 9,400 MW, and FPL did not include any cost information for seven battery storage additions with an additional 3,200 MW of capacity (in FPL's Recommended Plan) or 1,800 MW of capacity (in FPL's Business As Usual Plan). Duke did not include cost information for 8 solar units and 3 battery storage additions. Notably, Tampa Electric has included the projected cost of all units in its 2022 TYSP.

FPL also proposed, in what it calls its "Recommended Plan," to use a new and unprecedented planning criterion, based on the hypothetical occurrence of weather that has not occurred in Florida since 1989. FPL's proposed "Recommended Plan" lacks any cost-effectiveness analysis compared to other alternatives, nor any analysis of the probability of such an event actually occurring, but FPL's representative stated in response to a question by the Commission Staff that, if the Commission deems the "Recommended Plan" suitable, FPL will plan to install the capacity necessary to meet a single extreme winter peak over its planning horizon.

In summary, because of the absence of cost information in FPL's TYSP and Duke's TYSP for very large amounts of projected solar generation and battery storage facilities, neither of these TYSPs can be deemed suitable for planning purposes. Additionally, FPL's unprecedented extreme-winter-weather "Recommended Plan" is based on incomplete information and analysis: incomplete cost information for FPL's solar and battery power supply proposals, no cost-effectiveness analysis of its "Recommended Plan" compared to other ways and means of meeting unusual peak demands, no standard probabilistic planning analysis using established utility planning methodologies, and no analysis of the probability of the hypothesized extreme weather occurring. As a plan, FPL's TYSP does not even begin to answer the question whether its proposed "plan" of generation additions would be appropriate or suitable even if there were evidence that a 1989-type winter peak might occur. For these reasons also, FPL's TYSP should be deemed unsuitable for planning purposes.

Discussion

Rule 25-22.072(1), F.A.C., Contents of Ten-Year Site Plans, requires that individual utility TYSPs are to include at a minimum the information listed in Form PSC/ENG 43-E. Form PSC/ENG 43-E (11/97), entitled "Electric Utility Ten-Year Site Plan Information and Data Requirements," which is incorporated by

reference into the TYSP Rule. The subject Form ENG43-E expressly requires the following:

> The ten year site plan shall provide sufficient information to assure the Commission that an adequate and reliable supply of electricity at the lowest cost possible is planned for the state's electric needs.

(Emphasis supplied.)

The TYSP Rule also requires a Schedule 9 for each proposed generating facility. (This reasonably includes battery storage as a power supply resource, although batteries do not generate electricity per se.) The Schedule 9s normally include moderately detailed information regarding proposed power supply resources, including technology, location, timing, project life, and cost information including both capital cost and operating and maintenance costs. Tampa Electric's 2022 TYSP includes capital and O&M cost information for all proposed units contained therein. However, FPL's TYSP does not include any cost information for the vast majority of its projected solar units. In its Recommended Plan, FPL plans to add 9,461.5 MW of solar capacity from 2022 to 2031, but FPL provides cost information for only 745 MW (roughly 8 percent) of these additions (units to be added in 2022 and part of 2023), and FPL provides no information at all for its planned solar units planned for installation in 2024 through 2031. Additionally, FPL provides no cost information for any of its planned battery storage additions, which comprise 3,200 MW in the Recommended Plan and 1,800 MW in the

Business As Usual (BAU) Plan. Applying a value of $1,200 per kW of solar PV capacity, and assuming no escalation, FPL's PV additions in both plans would add roughly $11 Billion to FPL's plant in service and rate base in the Schedule 9s for its projected solar additions. Similarly applying a reasonable value of $1,150 per kW for battery storage[1] to FPL's plans indicates projected rate base additions between $2 Billion (BAU Plan) and $3.7 Billion (Recommended Plan).

Duke's 2022 TYSP indicates that Duke intends to add approximately 3,150 MW of solar photovoltaic over the TYSP horizon, but Duke has furnished cost information for only about 900 MW (29 percent) of its planned PV units, Three of Duke's planned PV units will apparently have co-located battery storage capacity, but no cost information for the battery storage resources is provided.

Based on this lack of information alone, both FPL's and Duke's 2022 TYSPs clearly fail to meet the requirement of the PSC TYSP Rule in that cost information is essential to assuring the Commission, the utilities' customers, and the people of Florida, that their plans will meet the state's electric needs "at the lowest cost possible." Moreover, standard utility generation or power supply planning is probabilistic, using techniques such as Loss of Load Probability

[1] Although neither FPL nor Duke provides any cost information regarding its projected battery additions, Tampa Electric provides values between $1,075 and $1,190 per kW of battery storage

("LOLP"),[2] Loss of Load Hours ("LOLH"), or Expected Unserved Energy ("EUE"). At least the LOLP and EUE methodologies have historically been used by Florida utilities, as well as by utilities elsewhere. FPL's Recommended Plan is an unprecedented deviation from these standard planning methodologies.

The impact of this lack of information, and thus the unsuitability of these TYSPs, is significantly compounded by the legal fact that, under present law, there will likely be no review of the cost-effectiveness of any of these units before expenditure commitments are made. The solar units will escape review under the Florida Electrical Power Plant Siting Act and the PSC's need determination statute, Section 403.519, Florida Statutes, by virtue of being sized just below the statute's jurisdictional threshold, and the battery storage units would similarly avoid scrutiny because battery technology is not included within the statutes' ambit.

FAIR shares concerns articulated by the Office of Public Counsel and James Wilson, the witness for the Southern Alliance for Clean Energy. Specifically, FAIR shares the concerns that FPL's Recommended Plan is not transparent, in that details of FPL's extreme winter forecast were not available, Wilson, Slide 7, TR 91, and the related point made by OPC that there is no evidence to support FPL's

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[2] One commenter at the workshop stated that FPL's current LOLP value is 0.000001, which indicates reliability several orders of magnitude greater than the LOLP = 0.1 (1 day in 10 years, or 0.1 day per year) criterion that was long used by Florida utilities. TR 113.

assumption that Florida will experience similarly extreme weather again, or that it would cause results like those experienced 33 years ago. TR 99-100. FAIR also shares the concern raised by OPC that, particularly in the absence of evidence, there is no need, and no evidence-based reason to change either the Commission's process or standard probabilistic generation planning.

Conclusions

The Commission should classify FPL's and Duke's 2022 Ten Year Site Plans as unsuitable because they fail to meet the requirements of the PSC's TYSP Rule to provide sufficient information to assure the Commission, and the customers of these utilities, that they are planning to meet their customers' and the state's needs for reliable electric supply "at the lowest cost possible."

FPL's 2022 TYSP should also be classified as unsuitable because it is based on an unprecedented deviation from standard utility power supply planning methodologies and practices. FPL's proposed plan to install sufficient capacity to meet a single peak demand (see Wilson comments at Slide 6, and FPL comments at 64) based on extreme weather that occurred 33 years ago is not followed or applied by any other utility in the United States. FPL's proposals are not based on any standard probabilistic analysis of the utility's ability to meet its customers' demands, neither Loss of Load Probability (long used by Florida utilities), nor Loss of Load Hours, nor Expected Unserved Energy analysis. FPL's proposed

Recommended Plan is not based on any probability analysis of the likelihood of such an extreme weather event even occurring. TR 62. FPL's proposed Recommended Plan fails to address the cost-effectiveness of that plan against other available alternatives to meet an extreme peak, e.g., demand-side management or public appeals to reduce loads in the event that a weather-driven peak, which would be known at least many hours, if not days, in advance of its occurrence, appeared likely to occur. Wilson comments at TR 92. FPL's proposed plan is apparently not based on any input from its customers regarding reliability during extreme winter weather events. TR 82.

In accord with its express purposes, FAIR supports the fundamental policy goal of the Commission's TYSP Rule: to assure that Floridians' electric needs are met reliably "at the lowest cost possible." Both Duke's and FPL's TYSPs fail to provide adequate information to assure that this goal is met. FPL's TYSP suffers from numerous additional defects, notably the lack of basic cost information, the lack of any cost-effectiveness analysis comparing alternatives, and the absence under present law of any review of billions of dollars of additional power supply investments before expenditure commitments for those resources are made, all of which expose its customers to over-paying for reliable service, and accordingly, FPL's TYSP cannot be deemed suitable for these reasons as well.

FAIR has no objection to the Ten Year Site Plan submitted by Tampa Electric Company being classified as suitable.

FAIR sincerely appreciates the opportunity to submit these comments and the Commission's consideration.

Respectfully submitted this 17th day of June, 2022.

/s/ Robert Scheffel Wright
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