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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20220186-EI

Petition for approval of purchased  
power agreement between Tampa Electric  
Company and Pasco County.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 5

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ANDREW GILES FAY  
COMMISSIONER ART GRAHAM  
COMMISSIONER GARY F. CLARK  
COMMISSIONER MIKE LA ROSA  
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, April 4, 2023

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK  
Court Reporter and  
Notary Public in and for  
the State of Florida at Large

PREMIER REPORTING  
112 W. 5TH AVENUE  
TALLAHASSEE, FLORIDA  
(850) 894-0828

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P R O C E E D I N G S

CHAIRMAN FAY: Commissioners, next we will be taking up Item No. 5, presented this morning by Mr. Davis.

Mr. Davis, you are recognized to present the item.

MR. DAVIS: Good morning, Commissioners. My name is Greg Davis of the Engineering staff.

Item No. 5 is a petition for approval of a purchased power agreement between Tampa Electric Company and Pasco County for cost recovery.

Tampa Electric Company negotiated a purchase power for the purchase of firm capacity and energy with Pasco County. The facility was 21 to 25 megawatts of firm capacity and energy to Tampa Electric Company for a 10-year contract beginning January 1st, 2025.

Power will be transmitted from Pasco's Waste-to-Energy Facility through Duke Energy Florida transmission lines to an interconnection point with Tampa Electric Company.

The contract includes fixed energy rates, provisions for renewable energy credits, and unlike traditional purchase power agreements for qualifying facilities, will make Tampa Electric

1 Company responsible for transmission costs above a  
2 set confidential threshold value referred to as the  
3 cost cap.

4 Tampa Electric Company projects the  
5 cost-effectiveness ranges from 1.2 to \$9 million in  
6 savings based on their forecast of avoided  
7 generation, avoided fuel costs and Duke Energy  
8 Florida's transmission costs.

9 Staff has reviewed the petition and recommends  
10 the purchase power agreement be approved for cost  
11 recovery with the exception of transmission costs  
12 above the cost cap and renewable energy credit  
13 costs.

14 Staff notes the Commission has previously  
15 discouraged the shifting of risk to ratepayers  
16 caused by the use of fixed cost energy payments,  
17 and believes that transmission cost risk  
18 traditionally held entirely by the qualifying  
19 facility should be similarly discouraged from being  
20 shifted onto ratepayers.

21 Regarding the renewable energy credits,  
22 purchases should be evaluated in the future when  
23 recovery is sought for reasonableness.

24 No public comment have been filed in the  
25 docket. Staff, Tampa Electric Company and Pasco

1 County are available for questions.

2 CHAIRMAN FAY: Great. Thank you, Mr. Davis.

3 And I believe when we were briefing, I  
4 referred to you as an economist not an engineer.  
5 So I apologize for that. I don't know -- that's  
6 probably not as offensive as a lawyer, but it's  
7 probably pretty close --

8 MR. DAVIS: That's quite all right.

9 CHAIRMAN FAY: -- so we are glad to have you  
10 on board, Mr. Davis. Thank you.

11 Commissioners, we have a summary of that item.  
12 I will be happy to take any questions or comments  
13 on Item 5.

14 Commissioner Clark, you recognized.

15 COMMISSIONER CLARK: Yeah, just a very brief  
16 question regarding the ability of the company to  
17 come back in and ask for those costs to be included  
18 in the future. Is there any prohibition that would  
19 stop them from coming back in and asking for  
20 additional cost recovery on the transmission side?

21 MR. DAVIS: The transmission costs, we are  
22 looking for a decision today to decide to -- our  
23 recommendation is to not allow them to be awarded  
24 for any transmission costs -- seek cost recovery  
25 for transmission costs above the cost cap. It's

1           only the renewable energy credits that we are  
2           looking for down the road.

3           COMMISSIONER CLARK: And right now, there is  
4           no value to those already seized, is that correct?

5           MR. DAVIS: Yes, sir. That's correct.

6           COMMISSIONER CLARK: So this motion would  
7           prohibit them from seeking any coster in the future  
8           for those transmission charges?

9           MR. DAVIS: Yes, sir. I am sorry. That's  
10          correct. Yes.

11          COMMISSIONER CLARK: Okay. Thank you.

12          CHAIRMAN FAY: Okay. Any other questions or  
13          comments on this item?

14          With that, Commissioners, we will -- we will  
15          take up a motion.

16          COMMISSIONER CLARK: Mr. Chairman, move staff  
17          recommendation on Item 5.

18          COMMISSIONER GRAHAM: Second.

19          CHAIRMAN FAY: Okay. We have a motion and a  
20          second for staff's recommendation on Item 5.

21          All that approve say aye.

22          (Chorus of ayes.)

23          CHAIRMAN FAY: Showing none opposed.

24          And just, Mary Anne, just for legal. On that  
25          recommendation, there is some -- some language in

1           there about recovery at this time, but based on the  
2           fact of the record, Mr. Davis clarified that there  
3           is a prohibition for recovery in the future, we  
4           don't need to do anything else at this time?

5           MS. HELTON: I think that the question and  
6           answer today makes that clear, and we can make the  
7           order clear, Mr. Chairman.

8           CHAIRMAN FAY: Okay. Great. Thank you.

9           (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA     )  
COUNTY OF LEON     )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 17th day of April, 2023.



DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #HH31926  
EXPIRES AUGUST 13, 2024