

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: April 19, 2023
TO: All Parties of Record & Interested Persons
FROM: Suzanne Brownless, Special Counsel, Office of the General Counsel *SB*
RE: Docket No. 20230001-EI – In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.

Please note that an informal meeting between Commission staff and interested persons to the above-captioned docket has been scheduled for the following time and place:

Thursday, April 27, 2023 at 3:00 p.m.
Room 105, Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, FL 323399-0850

The purpose of the meeting is to discuss fuel and purchased power risk management techniques. The meeting will be conducted in person. However, parties may participate by telephone. Participation is not required; however, all interested persons are encouraged to participate. A list of questions to be discussed is attached.

Persons may participate telephonically in this meeting by dialing **1-888-585-9008**, Conference No. **617-088-868#**. If you have any questions about the meeting, please call Suzanne Brownless at (850) 413-6218.

If settlement of the case or a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

SBr

cc: Commission Clerk

Risk Management

At the December 6, 2022 fuel hearing, the Commission expressed concerns regarding fuel price volatility, its impacts on the cost of electricity and the resulting fuel charges paid by customers. The Commission expressed a desire for more information on utility risk management activities and plans.

Informal meeting questions to be discussed:

Do current fuel procurement plans adequately address the risks utilities face in procuring fuel?

Should any components of current plans be revised or should new components be added to plans?

What strategies are available to mitigate the risk of fuel cost fluctuations borne by customers?

What are the fuel procurement hedging strategies currently being employed by regulated and unregulated entities in the electricity sector?

What, if any, hedging strategies are feasible for Florida investor-owned electric utilities?

How is the risk of fuel cost fluctuations addressed in resource planning decisions?

How do generation additions that are not dependent on natural gas impact the risk of fuel cost fluctuations?

How can energy efficiency and demand-side management impact the risk of fuel cost fluctuations?

Is the risk of fuel cost fluctuations addressed in the analysis of energy efficiency and demand-side management measures and programs?