

STATE OF FLORIDA



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OFFICE OF THE GENERAL COUNSEL  
KEITH C. HETRICK  
GENERAL COUNSEL  
(850) 413-6199

# Public Service Commission

July 24, 2023

J. Jeffry Wahlen, Esq.  
Malcolm Means, Esq.  
Virginia Ponder, Esq.  
Ausley Law Firm  
Post Office Box 391  
Tallahassee, Florida 32302  
[jwahlen@ausley.com](mailto:jwahlen@ausley.com)  
[mmeans@ausley.com](mailto:mmeans@ausley.com)  
[vponder@ausley.com](mailto:vponder@ausley.com)

## STAFF'S FIRST DATA REQUEST *via e-mail*

**Re: Docket No. 20230072-EI - Petition for Approval of Shared Solar Tariff Change, by Tampa Electric Company**

Dear Counsel:

By this letter, staff of the Public Service Commission requests that Tampa Electric Company (TECO or utility) provide responses to the following data requests:

1. At Paragraph 9 of the Petition for Approval of Shared Solar Tariff Change (Petition), TECO states that participants, under the utility's proposed Revised Tariff Sheet No. 3.300, may "replace all or a portion of their monthly energy consumption" with energy from solar generating assets.

- a. Is it correct that a residential customer that elected to replace 100 percent of their monthly energy consumption *would pay* the charge identified in the tariff [\$0.049 per kilowatt-hour (kWh) for all billed kWh], but *would not pay* a Fuel Cost Recovery Clause charge? Please explain your response.
- b. For other rate classes (specifically, the GSD, GSLDPR, AND GSLDSU rate classes), is it correct that such customers choosing maximum program participation would be required to pay a Fuel Cost Recovery Clause charge for usage exceeding their monthly average for the previous 12-month period at the time of subscription? Please explain your response.

- c. Please specify whether revenues collected under the SSR-1 tariff via the proposed monthly fee (\$0.049 per kWh for all billed kWh) would be credited to the utility's base rate revenues each month rather than Fuel Cost Recovery Clause revenues. Please explain your response.
  2. Paragraph 13 of the Petition refers to Exhibit A, a bar chart displaying "Sun Select De-Enrollment Reasons."
    - a. Over what time period was the data collected in order to produce the percentages shown in Exhibit A?
    - b. Please provide the calculations for the percentages shown on Exhibit A in Excel, with formulas available.
  3. Please refer to Petition Paragraph 15.
    - a. Please compare the proposed monthly rate (\$0.049 per kWh for all billed kWh) to TECO's projected Fuel Cost Recovery Clause charges for 2024, and future years beyond 2024, as available for all impacted rate classes.
    - b. Please provide TECO's projected annual average fuel costs per kWh for 2023 through the last year currently projected.
    - c. TECO's current fuel factors for all rate classes, at standard, peak, and off-peak, are higher than the proposed SSR-1 rate of \$0.049 per kWh. Does TECO's proposed SSR-1 tariff rate provide an incentive for all TECO customers to switch to the SSR-1 tariff rates? Please explain.
  4. At Paragraph 15 of the Petition, TECO discusses the proposed increase in the participation cap from 17.5 MWs to 30 MWs.
    - a. For the most recent period available, provide a demand and energy breakdown by customer class (residential, small business, commercial/industrial) under the current 17.5 MW participation cap.
    - b. Pending the Commission's approval of the utility's proposal, has the utility marketed or "pre-enrolled" any customers, or does it plan to do so? Please explain and quantify.
    - c. If the utility's proposal is approved and the participation cap becomes 30 MWs, does the utility plan to impose enrollment limits by customer class (residential, small business, commercial/industrial)? Please discuss why or why not and the details of any such limits.
    - d. If TECO's proposal is approved and the participation cap becomes 30MWs, when (month and year) does the utility project the participation cap will be reached?

- e. If the utility's proposal is approved and the participation cap becomes 30 MWs, what future actions are planned for when the participation cap is reached (i.e., wait lists, future petitions for expanding the limit, etc.)?
- f. Order No. PSC-2019-0215-TRF-EI states, in part, "The facility has a total capacity of approximately 49.5 MW, of which 32.0 MW has been approved for cost recovery by us in the Company's second tranche of SoBRA. The remaining 17.5 MW SSR-1 portion of Lake Hancock was built as additional generation above what the Company was constructing for its second tranche of SoBRA." Please explain why TECO believes it is appropriate to increase the participation cap from 17.5 to 30 MW given that any MWs above 17.5 are already being paid for by the general body of ratepayers through the SoBRA mechanism.
- g. Under the proposed SSR-1 tariff, how would TECO account for the cost recovery of its solar power facilities, including the Lake Hancock facility, in its books, assuming that TECO would be recovering non-specific plant through two mechanisms (base rates and the SSR-1 rider)?
- h. If the utility's proposal is approved and the participation cap rises by 12.5 MWs (from the current level of 17.5 MWs to the proposed level of 30 MWs), what is the projected impact on current 2023 and projected 2024 fuel charges due to the migration of customers to the proposed expansion of the SST-1 tariff, assuming some portion of TECO's fuel costs are fixed?

5. TECO states in Paragraph 16 of the Petition that it believes a more competitive price point, additional solar assets, and TECO's promotion of green energy options will lead to additional participation in the Sun Select Program. If it is correct that TECO has been adding solar facilities for several years and plans to continue to do so (per the Utility's 2023 Ten Year Site Plan, Schedule 8.1) based on such assets being economic relative to other generation choices, what benefit(s) are there to increasing SSR-1 program participation to TECO and its customers beyond the recovery of the 17.5 MW portion of the Lake Hancock solar facility which is not otherwise being recovered in base rates?

6. At Petition Paragraph 17, the utility states "Tampa Electric made several changes to the pricing model to arrive at the requested rate of \$0.049 per kWh," including the use of a Marginal Cost of Service approach to calculating the rate.

- a. Please provide all calculations described in the Petition at Paragraph 21 in Excel with formulas available.
- b. Please provide all calculations described in the Petition at Paragraph 22 in Excel with formulas available.
- c. Please provide all calculations described in the Petition at Paragraph 23 in Excel with formulas available.

- d. Please describe how this proposed program benefits the following customers or customer groups:
  - i. Participating customers.
  - ii. Non-participating customers.
  - iii. Low income customers.
- e. Pending approval, what is the bill impact (proposed bill versus bill under current rates) for a residential customer using 1,000 kWh of electricity a month that enrolled in this proposed program at the 25, 50, and 100 percent enrollment levels?

7. In Paragraph 18 of the Petition, TECO states “The company’s first proposed change to the pricing model is to base the price on Tampa Electric’s entire solar generation portfolio.”

- a. Please identify each (or any) solar generating asset or portion thereof, that is not currently being recovered in base rates, such as the 17.5 MW portion of Lake Hancock. For each identified asset, please explain what portion has been recovered through other recovery mechanisms in both MWs and in dollars of investment, and the MW and dollars of investment that remain to be recovered.
- b. The Lake Hancock solar facility is described as the highest cost SoBRA unit under construction at the time of the TECO’s original SSR-1 petition. For each solar facility in TECO’s fleet, please provide the size in MWs, costs as referenced in this paragraph (in rank order of costs), and unrecovered total costs. Please define costs as referenced in this paragraph.
- c. If the Lake Hancock solar facility is still “highest cost”, or even just high cost, relative to other TECO solar facilities, would the proposed SSR-1 rate (which is based on a marginal costing methodology formulated across all solar assets) understate the capacity costs of the Lake Hancock solar facility to be recovered under the proposed rate? Please explain.

8. Referring to Paragraph 19 of the Petition, what would be the approximate impact to the SSR-1 rate if the Commission approved TECO’s proposal to use a 35-year life for depreciation purposes in calculating the new rate? Please explain.

9. Petition Paragraph 20 refers to Exhibit B, a “Waterfall Chart” of information related to the development of the proposed rate of \$0.049 per kWh.

- a. Please describe how the Utility determined “which costs should be avoided by Sun Select participants.”

- b. Please explain why the utility developed a marginal cost analysis for this case.
  - c. Please describe or provide a definition for each cost type and credit shown in Exhibit B (Portfolio, Program Costs, Shaping & Firming, etc.), and how such cost type and credit relate to the marginal costs identified in Paragraph 23.
  - d. Please provide, in Excel with formulas available, the calculations to demonstrate how each cost/credit adjustment shown on Exhibit B (Portfolio, Program Costs, Shaping & Firming, etc.) was calculated.
  - e. Please explain why portfolio costs and program costs are negative costs as depicted in this chart.
10. Please refer to Paragraph 23 of the Petition.
- a. TECO states that the SSR-1 rate is the weighted average by rate class summation of various costs, credits, and fees. Please compare and contrast the costs/credits/fees used in TECO's marginal analysis with the cost support used in the original filing for the current SSR-1 rate.
  - b. Paragraph 23(k) addresses Renewable Generation Value. Please refer to proposed Tariff Sheet No. 3.305, Special Provision 5 for the following questions.
    - i. Please explain why TECO proposes to begin to retire Renewable Energy Credits (RECs) on behalf of the customer.
    - ii. Please explain the estimated annual cost associated with registering and retiring RECs on behalf of the customer, assuming the program is at full participation.
    - iii. Please explain how these costs are recovered.
11. Petition Paragraph 24 (on Page 8) references TECO's commitment to offering customers "green energy options."
- a. Please describe how, or if, any funding or incentives from the Inflation Reduction Act (IRA) or other government-sponsored stimulus legislation were incorporated in the proposed pricing model.
  - b. Please state whether the utility believes this proposed program does/does not qualify for IRA incentives or other available government incentives, and discuss the reasons for the utility's opinion(s).

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Please file all responses electronically no later than August 21, 2023, from the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6187 if you have any questions.

Sincerely,

*/s/ Shaw Stiller*

Shaw Stiller

Special Counsel

SPS/crv

cc: Office of Commission Clerk