

STATE OF FLORIDA

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



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

Public Service Commission

August 11, 2023

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

STAFF'S SECOND 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:

Please refer to the identified paragraphs from Tampa Electric Company's ("TECO" or "utility") Petition for Approval of Shared Solar Tariff Change ("Petition"), dated May 31, 2023, or to the utility's Responses to Staff's First Data Request, dated August 4, 2023, in order to address the following questions.

1. The utility's Responses to Staff's First Data Request, Item 3(A), states, in part, that the proposed SSR-1 rate is expected to be higher than the 2024 fuel charges. Explain how TECO arrived at that expectation quantitatively for all rate classes. Please specifically discuss whether and how TECO included sales volume in arriving at that expectation.

2. The utility's Responses to Staff's First Data Request, Item 3(C), discusses that its current fuel rate is higher than the proposed SSR-1 rate, although the projected fuel rate for 2024 is expected to be lower than the proposed SSR-1 rate, and explains that fuel prices fluctuate. Please answer the following:

- a. Is it correct that residential class participants of the SSR-1 program may or may not receive a lower total cost of service under the SSR-1 tariff, as

opposed to residential non-participants, depending upon fuel price? Please discuss.

- b. If it is correct that residential participants can expect nearly the same total cost of service as non-participants, depending upon fuel price, would the proposed SSR-1 rate provide an incentive to participate in the program rather than remain on standard service due to the attractive aspects of avoiding fuel price fluctuations (annual adjustments, mid-course corrections, etc.)? Please discuss.

3. Please provide the calculation(s) to support the conclusion referenced in the utility's Response to Staff's First Data Request, Item 4 (H), regarding fixed fuel costs.

4. The utility's Responses to Staff's First Data Request, Item 4(B), states, in part, that the utility did not pre-enroll customers in the program but rather plans to "discuss the price reduction with customers who previously expressed interest." Please answer the following:

- a. Please estimate the number residential customers who previously expressed interest in the program but did not enroll.
- b. Please estimate the number small business customers who previously expressed interest in the program but did not enroll.
- c. Please estimate the number commercial and/or industrial customers who previously expressed interest in the program but did not enroll.
- d. If this program is approved, please describe how the utility plans to market it to residential customers who have not previously expressed interest?
- e. If this program is approved, please describe how the utility plans to market it to small business and/or to C/I customers who have not previously expressed interest?
- f. If this program is approved, please describe any screening methods or selection process the utility will use for enrolling customers in the program. Express in your response if enrollment will be conducted on a first-come-first-serve basis, or what selection criteria (customer class, subscription level, projected MW usage, or other) will be used to determine which customers may enroll?

5. The utility's Responses to Staff's First Data Request, Item 4(D), asserts that the utility "expects customer interest in the program to increase." Please clarify that response to express which customer class (residential, small or large business) the utility expects the greatest increase in new participation to come from.

6. The utility's Responses to Staff's First Data Request, Item 6(D), states, in part, that non-participants would benefit from this program. Non-participants will continue to pay a

fuel cost recovery charge that is subject to fuel price volatility, whereas participants in this program will not pay a fuel recovery charge. Please explain how non-participants benefit when fuel price volatility is only absorbed by them (and not shared across all customers that continue to pay a fuel charge).

7. Is it correct that because participating customers do not pay a fuel cost recovery charge, then Fuel Cost Recovery Revenue will decline as a result of customers enrolling in this program? If so, please answer the following:

- a. For the general body of rate payers, how is the decline in Fuel Cost Recovery Revenue re-paid?
- b. Please provide a dollar estimate of the decline in Fuel Cost Recovery Revenue for the estimated life of the SSR-1 Tariff program generation assets, or a minimum of the next 20 year period, based on the assumption of:
 - i. Full subscription of this program by customers from the residential customer class.
 - ii. Full subscription of this program divided equally between customers from the residential and commercial/industrial customer classes.
 - iii. Full subscription of this program by customers from the commercial/industrial customer class.
- c. Please provide a dollar estimate of the base rate revenues from this program for the estimated life of the SSR-1 Tariff program generation assets, or a minimum of the next 20 year period, based on the assumption of:
 - i. Full subscription of this program by customers from the residential customer class.
 - ii. Full subscription of this program divided equally between customers from the residential and commercial/industrial customer classes.
 - iii. Full subscription of this program by customers from the commercial/industrial customer class.

8. Please provide the estimated annual base rate, fuel clause, and total impact of the program to a participant and non-participant bill for a residential customer using 1,200 kWh monthly for each year of the estimated life of the SSR-1 Tariff program generation assets, or a minimum of the next 20 year period.

9. Paragraph 15 in the utility's Petition indicates a desire to cap participation at 30 MWs. If Commission approval is granted, describe what future actions would be needed to modify the cap (higher or lower than 30 MWs).

10. Paragraph 16 in the utility's Petition indicates the proposed tariff changes "will allow Tampa Electric to learn more about customer adoption of community solar programs and customers' desire to reach decarbonization goals." Please answer the following:

- a. What community solar programs from public, private, or municipal Florida utilities in Florida did Tampa Electric study when it sought to make changes to its program?
- b. Based on the utility's response to sub-part (A) above, what community solar programs from public, private, or municipal Florida utilities in Florida use a cost approach similar to Tampa Electric's instant proposal?
- c. Based on the utility's response to sub-part (A) above, what community solar programs from public, private, or municipal Florida utilities in Florida offer a kWh credit to participating customers, rather than exempting participating customers from paying a fuel recovery charge and, instead, charging a kWh rate (which is similar to Tampa Electric's instant proposal)?
- d. Specifically describe how Commission approval of the proposed tariff changes will "allow Tampa Electric to learn more about customer adoption of community solar programs."
- e. Specifically describe how Commission approval of the proposed tariff changes will allow Tampa Electric to learn more about customers' desire to reach decarbonization goals."

11. How frequently does TECO propose to review and revise the proposed SSR-1 tariff rate?

12. What factors does TECO plan to use and monitor to indicate whether the SSR-1 tariff rate should be reviewed and/or revised?

13. Please identify asset and program costs:

- a. Recovered under the original SSR-1 Tariff when the tariff was first approved on June 3, 2019.
- b. Recovered under the SSR-1 Tariff as a result of the 2021 Settlement Agreement.
- c. Asset and program costs projected to be recovered under the proposed SSR-1 Tariff.

14. If the costs recovered under the SSR-1 Tariff changed as a result of the Settlement Agreement, please provide all documentation explaining the reasons for the change that were

included in filings to the Commission in Docket No. 20210034-EI or otherwise explained in the annual reports to the Commission.

15. Please refer to Order No. PSC-2021-0423-S-EI approving TECO's 2021 Settlement Agreement, specifically paragraph 14. Please answer the following:

- a. Explain how the Petition is consistent with the restriction that TECO shall not recover any of the same costs previously collected under base rates or another tariff given the usage of TECO's existing portfolio of solar generation assets to provide the additional 12.5 MW of capacity for the SSR-1 Tariff program.
- b. Has TECO contacted any of the signatories of the 2021 Settlement Agreement regarding this tariff offering, and if so, what were their response(s)?

16. Please explain whether TECO is constructing any specific new incremental solar generation as a result of the program expansion from 17.5 MW to 30 MW.

- a. If TECO is constructing new incremental solar generation, please identify the solar project(s), their timing and financial estimates similar to the Ten-Year Site Plan Schedule 9 for the project(s).
- b. If TECO is not constructing new incremental solar generation, please explain why TECO elected to include a credit for capacity.
- c. Please provide an estimate of the SSR-1 levelized rate per kWh if the Capacity Credit is removed from the calculation.

17. Please explain whether TECO considered avoided generation and/or fuel and emissions as part of its requests for approval of its existing portfolio of solar generation assets. If so, please explain how these assets can create additional avoided generation and/or fuel after their installation by using a portion of their capacity in the SSR-1 Tariff program.

18. Please explain how the general body of ratepayers will be compensated for assets taken away from their usage for the exclusive usage of SSR-1 Tariff program participants, including energy and capacity. If no assets are being removed from the general body of ratepayers, how does TECO justify using them for its rate calculation of the SSR-1 Tariff program?

19. Please describe the company's efforts to monetize Renewable Energy Credits (RECs) for the past 5 years.

- a. Provide the average annual historic sale price for the last 5 years, and an estimate of the annual REC price for the next 30 year period.

- b. Please explain if the \$5/MWh Renewable Generation Value component of the levelized rate will be treated the same as proceeds from REC sales. If not, please provide a comparison of how they are treated versus if they were treated as a typical REC sale.

20. Please verify whether the current SSR-1 Tariff as approved in 2019 and included in the 2021 Settlement Agreement did not include net benefits from energy or capacity associated with the incremental generation of the 17.5 MW portion of the Hancock solar facility in its calculation of the levelized rate, but instead justified the removal of fuel clause payments as offset by the incremental avoided fuel and capacity?

- a. If so, please explain why TECO believes it is appropriate to include the net benefits both in the levelized rate for SSR-1 Tariff program participants and to still exclude program participants from fuel clause payments.

21. Please verify whether the proposed SSR-1 Tariff includes a 1 cent per kWh adder for residential usage greater than 1,000 kWh. If not, explain why not and provide a comparison between the current fuel clause charge above 1,000 kWh and the proposed SSR-1 Tariff rate.

Please file all responses electronically no later than August 21, 2023, from the Commission's website at 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