

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause

Docket No. 20230007-EI

Filed: October 6, 2023

FLORIDA POWER & LIGHT COMPANY’S PREHEARING STATEMENT

Florida Power & Light Company (“FPL”), pursuant to Order No. PSC-2023-0088-PCO-EI, hereby submits its Prehearing Statement regarding the issues to be addressed at the hearing scheduled for November 1-3, 2023.

1. WITNESSES

WITNESS	SUBJECT MATTER	ISSUE Nos.
Richard L. Hume	Presents Environmental Cost Recovery Clause (“ECRC”) final true-ups for FPL for 2022; FPL’s Actual/Estimated True-up for 2023; FPL’s Projections and ECRC factors for January through December 2024; and supports FPL’s Project Progress Report. Mr. Hume is an expert in electric utility rates and rate regulation.	1-12
Katharine MacGregor	Supports FPL O&M and capital variances for 2022; FPL’s O&M and capital variances for 2023; FPL’s Project Progress Report; FPL’s proposed modification to the St. Lucie Turtle Nets Project; and FPL’s proposed modification to its Solar Site Avian Monitoring and Reporting Project. Ms. MacGregor is an expert in Florida environmental regulation and policy.	1-4, 11-12

2. EXHIBITS

WITNESS	PROFFERED BY	EXHIBIT No.	DESCRIPTION	ISSUE Nos.
Richard L. Hume	FPL	RLH-1	2022 ECRC Final True-Up	1
Richard L. Hume	FPL	RLH-2	2023 ECRC Actual Estimated	2
Richard L. Hume	FPL	RLH-3	2024 ECRC Projection Filing	3-12
Richard L. Hume	FPL	RLH-4	2024 ECRC Projection Filing (Calculation of Stratified Separation Factors)	6
Katharine MacGregor	FPL	KM-1	St. Lucie Nuclear Power Plant Biological Opinion	11
Katharine MacGregor	FPL	KM-2	FPL Monarch Solar Site FDEP General Permit	12

3. STATEMENT OF BASIC POSITION

FPL’s 2024 Environmental Cost Recovery Clause factors are reasonable and should be approved. The Commission also should approve FPL’s (1) proposed modification to its St. Lucie Turtle Nets Project, and (2) proposed modification to its Solar Site Avian Monitoring and Reporting Project.

4. STATEMENT OF ISSUES AND POSITIONS

GENERIC ENVIRONMENTAL COST RECOVERY ISSUES

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2022 through December 2022?

FPL: \$850,694 under-recovery. (Hume, MacGregor)

ISSUE 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2023 through December 2023?

FPL: \$2,189,109 over-recovery. (Hume, MacGregor)

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2024 through December 2024?

FPL: \$379,441,334. (Hume, MacGregor)

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2024 through December 2024?

FPL: \$378,102,918. (Hume, MacGregor)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2024 through December 2024?

FPL: The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service. For the period January 2024 through December 2024, FPL will use the depreciation rates that were approved by the Commission in Order No. PSC-2021-0446-S-EI. (Hume)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2024 through December 2024?

FPL: **ENERGY**

Retail Energy Jurisdictional Factor - Base/Solar	95.834918%
Retail Energy Jurisdictional Factor - Intermediate	94.475106%
Retail Energy Jurisdictional Factor - Peaking	95.727165%

DEMAND

Retail Demand Jurisdictional Factor - Transmission	89.414285%
Retail Demand Jurisdictional Factor - Base/Solar	96.092263%
Retail Demand Jurisdictional Factor - Intermediate	95.452789%
Retail Demand Jurisdictional Factor - Peaking	94.266255%
Retail Demand Jurisdictional Factor - Distribution	100.0000%

GENERAL PLANT

Retail General Plant Jurisdictional Factor - Labor	97.044914%
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(Hume)

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2024 through December 2024 for each rate group?

FPL: FPL’s ECRC factors for the period January 2024 through December 2024 are:

RATE CLASS	Environmental Cost Recovery Factor (cents/kWh)
RS1/RTR1	0.332
GS1/GST1	0.304
GSD1/GSDT1/HLFT1/GSD1-EV	0.280
OS2	0.184
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	0.257
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.241
GSLD3/GSLDT3/CS3/CST3	0.224
SST1T	0.281
SST1D1/SST1D2/SST1D3	0.234
CILC D/CILC G	0.236
CILC T	0.209
MET	0.265
OL1/SL1/SL1M/PL1	0.046
SL2/SL2M/GSCU1	0.219
Total	0.303

(Hume)

ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

FPL: The environmental cost recovery factors should be effective for meter readings that occur on or after January 1, 2024. These charges should continue in effect until modified by subsequent order of this Commission. (Hume)

ISSUE 9: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?

FPL: Yes. The Commission should approve FPL’s tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors as presented in this proceeding. (Hume)

ISSUE 10: Should this docket be closed?

FPL: No. This is a continuing docket and should remain open. (Hume)

FPL COMPANY-SPECIFIC ISSUES

ISSUE 11: Should FPL be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed modification to its St. Lucie Turtle Nets Project?

FPL: Yes. On August 8, 2022, the National Marine Fisheries Services (“NMFS”) issued a new Biological Opinion (“BO”) for the St. Lucie Plant (“PSL”) containing additional monitoring and compliance requirements beyond those of the currently approved St. Lucie Turtle Nets Project. As currently approved, the Project involves the installation and maintenance of a barrier net that is designed to limit lethal takes of sea turtles in compliance with a BO issued in 2001. Under the 2022 BO, PSL is required to have on site – 365 days a year, between the hours of 6 a.m. and 10 p.m. – at least one biologist that has been trained by NMFS in safe handling and release of giant manta rays. Prior to implementation of the 2022 BO, under normal circumstances PSL was required to have a biologist available only during daylight hours on weekdays. The 2022 BO also establishes new recovery protocols for the giant manta ray, requiring that any giant manta rays entangled in the barrier net be recovered, tagged, and released in accordance with the specific procedures. FPL must incur costs to meet these new requirements. (MacGregor)

ISSUE 12: Should FPL be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed modification to its Solar Site Avian Monitoring and Reporting Project?

FPL: Yes. Originally approved by Order No. PSC-2018-0594-FOF-EI, the Solar Site Avian Monitoring and Reporting Project stemmed from county avian mortality monitoring and reporting requirement included in the permit for construction of an FPL solar center in Alachua County in 2018. The purpose of the monitoring program was to estimate the overall annual avian fatality rate and species composition associated with a solar site. On March 17, 2023, FPL received a permit from the Florida Department of Environmental Protection for construction of a new solar site in Martin County. The permit for this new site requires FPL to conduct a three-year post-construction survey of Florida’s population of Northern crested caracara, a bird species listed as threatened by the U.S. Fish and Wildlife Service (“USFWS”). The purpose of the post-construction monitoring is to evaluate whether solar arrays located within the primary management zone of a known caracara nest cause an observable change in site occupancy, number of broods, or fledgling rate when construction occurs outside of the breeding season months. Annual post-construction breeding success reports are required to be submitted to the USFWS. FPL must incur additional costs to meet these new requirements. (MacGregor)

5. **STIPULATED ISSUES**

None at this time.

6. **PENDING MOTIONS**

FPL has no pending motions at this time.

7. **PENDING REQUESTS FOR CONFIDENTIALITY**

FPL has no pending requests at this time.

8. **OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT**

FPL does not object to any witness's qualifications as an expert at this time.

9. **REQUEST FOR SEQUESTRATION**

FPL does not request sequestration of any witnesses.

10. **COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE**

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted,

By: s/ Maria Jose Moncada

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CERTIFICATE OF SERVICE
Docket No. 20230007-EI

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished
by electronic service on this 6th day of October 2023 to the following:

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