Maria Jose Moncada
Assistant General Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5795
(561) 691-7135 (Facsimile)
E-mail: maria.moncada@fpl.com

September 5, 2024

-VIA ELECTRONIC FILING -

Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20240001-EI

Dear Mr. Teitzman:

Attached for electronic filing in the above docket is the prepared testimony and exhibit of Florida Power & Light Company's ("FPL") witness Michael Cashman. This testimony is submitted in support of FPL's Petition for Approval of its Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors for January 2025 through December 2025.

Please contact me if you have or your Staff has any questions regarding this filing.

Sincerely,

s/ Maria Jose Moncada
Maria Jose Moncada

Attachments
cc: Counsel for Parties of Record (w/ attachments)

:22353811

CERTIFICATE OF SERVICE
Docket No. 20230001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service on this 5th day of September 2024 to the following:

Suzanne Brownless
Ryan Sandy
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
sbrownle@psc.state.fl.us
rsandy@psc.state.fl.us

J. Jeffry Wahlen
Malcolm N. Means
Virginia Ponder
Ausley McMullen
Post Office Box 391
Tallahassee, Florida 32302
jwahlen@ausley.com
mmeans@ausley.com
vponder@ausley.com
Attorneys for Tampa Electric Company

Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, Florida 33601-0111
regdept@tecoenergy.com

Mike Cassel
Vice President/Governmental
and Regulatory Affairs
Florida Public Utilities Company
208 Wildlight Avenue
Yulee, Florida 32097
mcassel@fpuc.com

Walt Trierweiler
Charles J. Rehwinkel
Mary A. Wessling
Patricia A. Christensen
Octavio Ponce
Austin Watrous
Office of Public Counsel
The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, Florida 32399
trierweiler.walt@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
wessling.mary@leg.state.fl.us
christensen.patty@leg.state.fl.us
ponce.octavio@leg.state.fl.us
watrous.austin@leg.state.fl.us
Attorneys for the Citizens of the State of Florida

Matthew R. Bernier
Robert L. Pickels
Stephanie A. Cuello
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
matt.bernier@duke-energy.com
robert.pickels@duke-energy.com
stephanie.cuello@duke-energy.com
FLRegulatoryLegal@duke-energy.com
Attorneys for Duke Energy Florida

Dianne M. Triplett
299 First Avenue North
St. Petersburg, Florida 33701
dianne.triplett@duke-energy.com
Attorney for Duke Energy Florida

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301-1804
bkeating@gunster.com
Attorneys for Florida Public Utilities Company

Michelle D. Napier
Director, Regulatory Affairs
Florida Public Utilities Company
1635 Meathe Drive
West Palm Beach, Florida 33411
mnapier@fpuc.com

Robert Scheffel Wright
John Thomas LaVia, III
Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308
schef@gbwlegal.com
jlavia@gbwlegal.com
Attorneys for the Florida Retail Federation

Jon C. Moyle, Jr.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com
mqualls@moylelaw.com
Attorneys for Florida Industrial Power Users Group

James W. Brew
Laura Wynn Baker
Sarah B. Newman
Stone Mattheis Xenopoulos & Brew, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007
jbrew@smxblaw.com
lwb@smxblaw.com
sbn@smxblaw.com
Attorneys for White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate -White Springs

Peter J. Mattheis
Michael K. Lavanga
Joseph R. Briscar
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007
pjm@smxblaw.com
mkl@smxblaw.com
jrb@smxblaw.com
Attorneys for Nucor Steel Florida, Inc.

By: *s/ Maria Jose Moncada*
Maria Jose Moncada
Florida Bar No. 0773301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF MICHAEL V. CASHMAN

DOCKET NO. 20240001-EI

SEPTEMBER 5, 2024

Q. Please state your name, business address, employer and position.

A. My name is Michael V. Cashman. My business address is 700 Universe Boulevard, Juno Beach, Florida, 33408. I am employed by Florida Power & Light Company ("FPL") as Executive Director of Wholesale Operations in the Energy Marketing and Trading Division.

Q. Please summarize your educational background and professional experience.

A. I earned a bachelor's degree in Mechanical Engineering and a master's degree in Business Administration from the University of Michigan. I joined the NextEra Energy family of companies in 1998, progressing professionally within the Market Analysis organization from Market Intelligence Analyst to Senior Director before being tapped to lead NextEra Energy Marketing's Asset Trading and Optimization organization. In 2022, responsibilities for Independent System Operator ("ISO") asset operations were consolidated with asset trading and optimization under me acting as the Executive Director of Asset Operations and Trading. In this role my team was responsible for managing the operations and optimization of 36 GW of generation located in eight U.S. and Canadian

Regional Transmission Organizations ("RTOs") as well as the management of annual commodity price exposure for approximately 250 Bcf of natural gas and 10 million barrels of oil and natural gas liquids production. I joined FPL's Energy Marketing and Trading organization in July of 2024 as the Executive Director of Wholesale Operations and Trading where I oversee power trading, coal and fuel oil operations as well as FPL's natural gas scheduling team.

Q. Have you prepared or caused to be prepared under your supervision, direction and control any exhibits or schedules in this proceeding?

A. Yes, I am sponsoring the following exhibits:

- Exhibit MVC-1 - 2025 Projected Dispatch Costs and Availability
- Exhibit MVC-2 - 2025 Risk Management Plan

I am co-sponsoring the following schedules included in the Exhibits of FPL witness Mohomed:

- Schedules E2 through E9 and H1 included in Exhibit AM-5;
- Schedule E2 included in Exhibits AM-6 and AM-7; and
- Schedule E12 included in Exhibit AM-8.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present and explain FPL's projections for (1) the dispatch costs of natural gas, light fuel oil, and coal; (2) the availability of natural gas to FPL; (3) generating unit heat rates and availabilities; and (4) the quantities and costs of wholesale (off-system) power sales and purchased power transactions. Additionally, my testimony addresses the Incremental Optimization Costs included in FPL's 2025 Projection Filing.

FUEL PRICE FORECAST

Q. What forecast methodologies has FPL used for the 2025 recovery period?

A. For natural gas commodity prices, the forecast methodology relies upon the NYMEX Natural Gas Futures contract prices (forward curve). For light fuel oil prices, FPL utilizes Over-The-Counter ("OTC") forward market prices. For coal, FPL utilizes actual coal purchases, current market quotes, and information from S&P Global to develop its short- and long-term coal price forecasts. Forecasts for the availability of natural gas are developed internally at FPL and are based on contractual commitments and market experience. The forward curves for both natural gas and light fuel oil represent expected future prices at a given point in time. The basic assumption made with respect to using the forward curves is that all available data that could impact the price of natural gas and light fuel oil in the short-term is incorporated into the curves at all times. FPL utilized forward curve prices from the close of business on August 1, 2024 for calculating its projected fuel costs included in the 2025 Fuel Cost Recovery ("FCR") factors. This forecast methodology and the resulting fuel forecast were utilized to develop cost projections for FPL during the January 2025 through December 2025 time period.

Q. Has FPL previously used these same forecasting methodologies?

A. Yes. For natural gas and light fuel oil, FPL began using the NYMEX Natural Gas Futures contract prices (forward curve) and OTC forward market prices, respectively, in 2004 for its 2005 projections and has used this methodology consistently since that time. For coal price forecasting, FPL implemented the

methodology described above beginning in March 2022.

Q. What are the factors that typically can affect FPL's natural gas prices during the January through December 2025 period?

A. In general, the key factors are (1) North American natural gas demand and domestic production; (2) the level of working gas in underground storage throughout the period; (3) weather (particularly in the winter period); (4) the potential for imports and/or exports of natural gas; and (5) the terms of FPL's natural gas supply and transportation contracts.

Henry Hub natural gas spot prices averaged $2.24 per MMBtu for the first half of 2024, compared with an annual average of $2.53 per MMBtu in 2023. In its August 2024 Short-Term Energy Outlook, the Energy Information Administration ("EIA") forecasts that Henry Hub natural gas spot prices will average $2.30 per MMBtu for 2024 and $3.30 per MMBtu in 2025.

The EIA forecasts that demand for natural gas will decline by 1% in 2025, dropping from roughly 90 billion cubic feet per day ("BCF/day") in 2024 to 89.1 BCF/day in 2025 due to normalizing weather and the increase in electricity generated from solar.

The EIA forecasts dry natural gas production to average 103 BCF/day during 2024 and increase to 105 BCF/day in 2025. Domestic natural gas inventories ended July 2024 at 16% above the five-year average and 8% above the same

period last year. The EIA forecasts natural gas inventories to end the 2024 injection season (end of October) between 3.9 and 4.0 trillion cubic feet, or 6% above the five-year average.

Q. Please describe FPL's natural gas transportation portfolio for the January through December 2025 period.

A. FPL utilizes the Florida Gas Transmission Company, LLC ("FGT"), Gulfstream Natural Gas System, LLC ("Gulfstream"), Sabal Trail Transmission, LLC ("Sabal Trail"), Florida Southeast Connection, LLC ("FSC"), and Gulf South Pipeline Company, LLC ("Gulf South") pipelines to deliver natural gas to its generation facilities. FPL's total firm transportation capacity on FGT ranges from 1,387,000 to 1,511,000 MMBtu/day. It also has 695,000 MMBtu/day of firm transport on Gulfstream, 600,000 MMBtu/day of firm transport on Sabal Trail/FSC, and 30,000 MMBtu/day of firm transport on Gulf South.

FPL also has firm transportation capacity on several upstream pipelines that provide FPL access to onshore gas supply. FPL has 325,000 MMBtu/day of firm transport on the Southeast Supply Header, LLC ("SESH") pipeline, 121,500 MMBtu/day of firm transport on the Transcontinental Gas Pipe Line Company, LLC ("Transco") Zone 4A lateral, 200,000 MMBtu/day (January through March and November through December) and 345,000 MMBtu/day (April through October) of firm transport on the Gulf South pipeline, 80,000 MMBtu/day of firm transport on the Gulf South and Destin Pipeline Company, LLC ("Destin") pipelines combined, 75,000 MMBtu/day of firm transport on the Midcontinent

Express Pipeline LLC ("MEP") and Destin pipelines combined, 50,000 MMBtu/day (January through March) and 100,000 MMBtu/day (April through December) on the FGT and Trunkline Gas Company, LLC ("Trunkline") pipelines combined, and 100,000 MMBtu/day (January through March) and 125,000 MMBtu/day (April through December) on the Trunkline pipeline. FPL's firm transportation rights on these pipelines provide access for up to 1,171,500 MMBtu/day of onshore natural gas supply during the summer season, which helps diversify FPL's natural gas portfolio and enhance the reliability of fuel supply.

Q. Please describe FPL's natural gas storage position.

A. FPL currently holds 4.0 BCF of firm natural gas storage capacity in Bay Gas Storage ("Bay Gas"), located in southwest Alabama, 2.0 BCF (January through March) and 1.0 BCF (April through December) of firm natural gas storage capacity in Southern Pines Energy Center ("Southern Pines"), located in southeast Mississippi. Beginning April 1, 2025, FPL will hold an additional 2.0 BCF of firm natural gas storage capacity in Petal Gas Storage, located in southern Mississippi.

While the acquisition of upstream transportation capacity has helped mitigate a substantial portion of risk associated with offshore natural gas supply, natural gas storage capacity also remains an important part of FPL's gas portfolio from an operational perspective, by helping FPL balance consumption "swings" due to weather, solar generation variability, and overall unit availability. Storage

capacity improves reliability by providing a relatively inexpensive insurance policy against supply and infrastructure problems while also increasing FPL's ability to manage supply and demand on a daily basis.

FPL continually evaluates its natural gas storage portfolio and will make adjustments as required to maintain reliability, provide the necessary flexibility to respond to demand changes, and to diversify its overall portfolio.

Q. What are FPL's projections for the dispatch cost and availability of natural gas for the January through December 2025 period?

A. FPL's projections of the system average dispatch cost and availability of natural gas, by transport type, by pipeline and by month, are provided on page 1 of Exhibit MVC-1.

Q. Please describe FPL's utilization of light fuel oil.

A. FPL primarily utilizes light fuel oil (or ultra-low sulfur diesel) as a back-up fuel in its natural gas-fired generation units. FPL's light fuel oil system is comprised of approximately 1.6 million barrels of storage that provides an average of 83 hours of full load operation across the fleet of dual-fired units. FPL's light fuel oil system offers substantial flexibility through varying tank sizes, resupply options, and through varying locations and proximity to supply sources.

Q. Please provide FPL's projection for the dispatch cost of light fuel oil for the January through December 2025 period.

A. FPL's projection for the system average dispatch cost of light fuel oil, by month, is provided on page 1 of Exhibit MVC-1.

Q. What is the basis for FPL's projections of the dispatch cost of coal for Plant Scherer?

A. FPL's projected dispatch cost is based on FPL's price projection for coal delivered to the plant.

Q. Please provide FPL's projection for the dispatch cost of coal at Plant Scherer for the January through December 2025 period.

A. FPL's projection for the system average dispatch cost of coal for this period, by month, is shown on page 1 of Exhibit MVC-1.

Q. Do the fuel costs reflected on Schedule E3 for light oil and coal differ from the dispatch costs shown on page 1 of Exhibit MVC-1?

A. Yes. FPL maintains inventories of those fuels and runs its plants out of that inventory. The dispatch costs reflect what FPL would pay to replace fuel that is removed from inventory to run the plants. On the other hand, the "charge out" costs for light oil and coal that are reflected on Schedule E3 are based on FPL's weighted average inventory cost, by month, for each fuel type.

PLANT HEAT RATES, OUTAGE FACTORS, PLANNED OUTAGES, AND CHANGES IN GENERATING CAPACITY

Q. Please describe how FPL developed the projected Average Net Heat Rates shown on Schedule E4 of Exhibit AM-5.

A. The projected Average Net Heat Rates were calculated by the GenTrader model. The current heat rate equations and efficiency factors for FPL's generating units, which present heat rate as a function of unit power level, were used as inputs to

GenTrader for this calculation. The heat rate equations and efficiency factors are updated as appropriate based on historical unit performance and projected changes or upgrades to plant equipment.

Q. Are you providing the outage factors projected for the period January through December 2025?

A. Yes. This data is shown on page 2 of Exhibit MVC-1.

Q. How were the outage factors for this period developed?

A. The unplanned outage factors were developed using the actual historical full and partial outage event data for each of the units. The historical unplanned outage factor of each generating unit was adjusted, as necessary, to eliminate non-recurring events and recognize the effect of planned outages to arrive at the projected factor for the period January through December 2025.

Q. Please describe the significant planned outages for the January through December 2025 period.

A. Planned outages at FPL's nuclear units are the most significant in relation to fuel cost recovery. St. Lucie Unit 1 is scheduled to be out of service from September 20, 2025 until October 30, 2025, or 40 days during the period. Turkey Point Unit 4 is scheduled to be out of service from March 1, 2025 until April 4, 2025, or 34 days during the period.

Q. Please identify any changes to FPL's generation capacity projected to take place during the January through December 2025 period.

A. As shown in FPL's 2024 Ten Year Power Plant Site Plan (Schedule 8, page 167), FPL projects a net increase in its 2025 summer firm capacity of 485 MW. This

increase is attributable to the addition of 563 MW of solar generation and 18 MW of combined cycle upgrades. The additions are off-set by solar degradation (9 MW) and the retirement of gas-fired generation (87 MW).

WHOLESALE (OFF-SYSTEM) POWER AND PURCHASED POWER TRANSACTIONS

Q. Are you providing the projected wholesale (off-system) power sales and purchased power transactions forecasted for January through December 2025?

A. Yes. This data is shown on Schedules E6, E7, E8, and E9 of Exhibit AM-5 of this filing.

Q. In what types of wholesale (off-system) power transactions does FPL engage?

A. FPL purchases FERC-mandated wholesale energy from Qualifying Facilities. Additionally, FPL engages in structured Power Purchase Agreements ("PPA") and shorter term, opportunistic economy power sales and purchases. FPL's customers benefit from both purchases and sales as savings on purchases and gains on sales are credited to customers through the FCR Clause. Power purchases and sales are executed under specific tariffs that allow FPL to transact with a given entity. Although FPL primarily transacts on a short-term basis (hourly and daily transactions), FPL continuously searches for all opportunities to lower fuel costs through purchasing and selling wholesale power, regardless of the duration of the transaction.

Q. Please describe the method used to forecast wholesale (off-system) economy power purchases and sales.

A. Wholesale (off-system) economy power purchases and sales are projected based upon estimated generation costs, generation availability, fuel availability, expected market conditions and historical data.

Q. What are the forecasted amounts and costs of wholesale (off-system) economy power sales?

A. FPL has projected 2,985,500 MWh of wholesale (off-system) economy power sales for the period of January through December 2025. The projected fuel cost related to these sales is $69,424,269. The projected transaction revenue from these sales is $103,238,745. After taking into account the transmission costs and capacity revenues, the projected gain is $29,001,741.

Q. In what document are the fuel costs for wholesale (off-system) economy power sales transactions reported?

A. Schedule E6 of Exhibit AM-5 provides the total MWh of energy, total dollars for fuel adjustment, total cost and total gain for wholesale (off-system) economy power sales.

Q. What are the forecasted amounts and costs of wholesale (off-system) economy power purchases for the January to December 2025 period?

A. The costs of these economy purchases are shown on Schedule E9 of Exhibit AM-5. For the period, FPL projects it will purchase a total of 148,080 MWh at a cost of $6,524,090. If FPL generated this energy, FPL estimates that it

would cost $10,585,771. Therefore, these economy purchases are projected to result in savings of $4,061,681.

Q. Does FPL have additional agreements for the purchase of electric power and energy that are included in your projections?

A. Yes. FPL purchases energy under two contracts with the Solid Waste Authority of Palm Beach County ("SWA") and under two wind energy purchase agreements ("Kingfisher I" and "Kingfisher II") with Morgan Stanley Capital Group. FPL has also entered into two PPAs, one with Mercuria Energy America ("Mercuria PPA") for 225 MW of capacity and energy from the Lindsay Hill Combined Cycle Plant and the second with Southern Company for output from Santa Rosa Energy Center Combined Cycle Plant ("Santa Rosa PPA") for 230 MW of capacity and energy, in order to supplement FPL's winter reserves, while providing fuel savings. The Mercuria PPA runs from January 1, 2025 through February 28, 2025 and the Santa Rosa PPA runs from January 1, 2025 through April 30, 2025. In addition, FPL contracts to purchase and sell nuclear energy under the St. Lucie Plant Nuclear Reliability Exchange Agreements with Orlando Utilities Commission and Florida Municipal Power Agency. Lastly, FPL purchases energy and capacity from Qualifying Facilities and "as-available" energy from a number of cogeneration and small power production facilities under existing tariffs and contracts, including solar energy purchases under agreements with three solar facilities located in Northwest Florida.

Q. Please provide the projected energy costs to be recovered through the FCR Clause for the power purchases referred to above during the January through December 2025 period.

A. Energy purchases under the SWA agreements are projected to be 808,740 MWh for the period at an energy cost of $32,060,321. FPL projects to purchase 1,031,280 MWh at an energy cost of $54,321,448 from Kingfisher I and Kingfisher II combined. Additionally, FPL projects to purchase 15,050 MWh at an energy cost of $1,343,898 and 367,899 MWh at an energy cost of $12,625,805 under the Mercuria PPA and Santa Rosa PPA, respectively. FPL's cost for energy purchases under the St. Lucie Plant Reliability Exchange Agreements is a function of the operation of St. Lucie Unit 2 and the fuel costs to the owners. For the period, FPL projects purchases of 633,896 MWh at an energy cost of $2,870,619. These projections are shown on Schedule E7 of Exhibit AM-5.

In addition, as shown on Schedule E8 of Exhibit AM-5, FPL projects that purchases from Qualifying Facilities for the period will provide 569,112 MWh at a cost of $25,972,806.

Q. How does FPL develop the projected energy costs related to purchases from Qualifying Facilities?

A. For those contracts that entitle FPL to purchase "as-available" energy at FPL's avoided energy cost, FPL used its fuel price forecasts as inputs to the GenTrader model to project the avoided energy cost that is used to set the price

of these energy purchases each month. For those contracts that are not based on FPL's avoided energy cost (firm capacity and energy and "as-available" energy), the applicable Unit Energy Cost mechanisms prescribed in the contracts are used to project monthly energy costs.

Q. What are the forecasted amounts and cost of energy being sold under the St. Lucie Plant Reliability Exchange Agreement?

A. FPL projects to sell 561,423 MWh of energy at a cost of $2,890,328. These projections are shown on Schedule E6 of Exhibit AM-5.

HEDGING/ RISK MANAGEMENT PLAN

Q. Has FPL filed a Hedging Activity Final True-Up Report for 2023, consistent with the Hedging Order Clarification Guidelines, as required by Order No. PSC-08-0667-PAA-EI issued on October 8, 2008?

A. No. Pursuant to Paragraph 27 of the 2021 Rate Settlement, FPL's fuel hedging program was under a moratorium. Therefore, FPL had no hedging activity to report for 2023.

Q. Has FPL filed a comprehensive risk management plan for 2025, consistent with the Hedging Order Clarification Guidelines as required by Order No. PSC-08-0667-PAA-EI issued on October 8, 2008?

A. Yes. On July 26, 2024, FPL filed its comprehensive risk management plan for 2025. I adopt the filed plan as my Exhibit MVC-2.

THE ASSET OPTIMIZATION PROGRAM

Q. Has FPL included in its 2025 FCR factors projections of the savings that it will achieve under the Asset Optimization Program?

A. Yes. FPL has included projections for savings on wholesale power purchases (Schedule E9), projections for gains on wholesale power sales (Schedule E6), and projections for other types of asset optimization measures (Schedule E2) for 2025.

Q. Has FPL included in its 2025 FCR factors projections of the Incremental Optimization Costs that it will incur under the Asset Optimization Program?

A. Yes. FPL has included in its 2025 FCR factors, Incremental Optimization Costs from two categories: (i) incremental personnel, software and hardware costs associated with managing the various asset optimization activities, and (ii) variable power plant O&M ("VOM") costs associated with wholesale economy sales and purchases.

Q. Have you made any changes in incremental personnel dedicated to the Asset Optimization Program?

A. FPL intends to dedicate an additional two personnel to the Program to optimize renewable energy credits.

Q. Please describe the costs that are included in FPL's projections for incremental personnel, software, and hardware expenses.

A. FPL projects to incur incremental expenses of $861,401 in 2025 for the salaries and expenses related to the four and a half (4.5) employees that will support the

Asset Optimization Program.

Q. Please describe the costs that are included in FPL's projections for VOM expenses.

A. FPL has included for recovery in its 2025 FCR factors VOM expenses that reflect the netting of economy sales and purchases. As shown on Schedules E6 and E9 of Exhibit AM-5, FPL projects to sell 2,985,500 MWh and purchase 148,080 MWh of economy power. The 2021 Rate Settlement prescribes a VOM rate of $0.48/MWh. Applying that rate, FPL projects to incur VOM expenses of $1,433,040 associated with its economy sales and to avoid $71,078 with its economy purchases. FPL has included for recovery the net of these two figures, $1,361,962 (Schedule E2, sum of line nos. 14 and 15), in its 2025 FCR factors.

CALCULATION OF FUEL SAVINGS ASSOCIATED WITH THE COMMERCIAL OPERATION OF NEW SOLAR GENERATION

Q. Please describe the solar generation that FPL will put into commercial operation during 2025 pursuant to the 2021 Rate Settlement.

A. The solar generation to be constructed pursuant to the 2021 Rate Settlement will consist of twelve solar energy centers located at twelve sites. The twelve solar energy centers are sized to generate a total of 894 MW (nameplate capacity) and are scheduled to go into service by January 31, 2025. These twelve sites consist of Holopaw, Speckled Perch, Big Water, Fawn Solar, Hog Bay, Green Pasture, Thomas Creek, Fox Trail, Long Creek, Swallowtail,

Tenmile, and Redlands.

Q. Will the operation of the new solar generation during 2025 result in fuel savings for FPL's customers?

A. Yes. For the February through December 2025 period, the operation of the twelve solar energy centers is projected to result in fuel savings for FPL's customers of $47,915,404.

Q. How did FPL calculate the projected fuel savings associated with the operation of the new solar energy centers?

A. FPL utilized its GenTrader model to quantify the fuel savings associated with the operation of the twelve new solar energy centers. This model is used to calculate the fuel costs that are included in FPL's projection filing. The same forecasted fuel prices and other assumptions that are reflected in the projection filing were used for analyzing the new solar generation fuel savings. In order to calculate the fuel savings, FPL ran two separate production cost simulations, one without the twelve new solar energy centers and one with the twelve new solar energy centers. A comparison of the total system fuel costs from GenTrader for the two simulations showed that the fuel costs were lower in the case that included the twelve new solar energy centers.

Q. Does this conclude your testimony?

A. Yes, it does.

EXHIBIT MVC-1

FUEL COST RECOVERY

EXHIBIT MVC-1
DOCKET NO. 20240001-EI
PAGES 1-2
SEPTEMBER 5, 2024

Florida Power & Light Company
Projected Dispatch Costs and Projected Availability of Natural Gas
January 2025 Through December 2025

Light Oil	January	February	March	April	May	June	July	August	September	October	November	December
Ultra-Low Sulfur Distillate ($/Bbl)	109.77	109.58	109.02	108.22	107.69	107.32	107.40	107.55	107.72	107.88	107.82	107.55
Ultra-Low Sulfur Distillate ($/MMBtu)	18.83	18.80	18.70	18.56	18.47	18.41	18.42	18.45	18.48	18.50	18.49	18.45
Coal	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Scherer ($/MMBtu)	3.17	3.17	3.17	3.17	3.17	3.17	3.19	3.19	3.19	3.21	3.21	3.21
Natural Gas Dispatch Price	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Firm FGT ($/MMBtu)	3.76	3.58	3.10	2.80	2.93	3.25	3.58	3.66	3.47	3.27	3.58	4.10
Firm Gulfstream ($/MMBtu)	3.69	3.52	3.03	2.64	2.70	2.90	3.09	3.25	3.05	2.98	3.62	4.17
Firm Sabal Trail/FSC ($/MMBtu)	3.96	3.78	3.25	3.15	3.22	3.48	3.85	3.89	3.62	3.44	4.01	4.52
Firm Gulf South ($/MMBtu)	3.45	3.29	2.82	2.54	2.61	2.81	2.99	3.13	2.93	2.86	3.27	3.86
Natural Gas Transportation	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Delivery Transportation												
Firm FGT (MMBtu/Day)	1,237,000	1,237,000	1,237,000	1,326,000	1,361,000	1,361,000	1,361,000	1,361,000	1,361,000	1,326,000	1,237,000	1,237,000
Firm FGT Western Division (MMBtu/Day)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Firm Gulfstream (MMBtu/Day)	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000	695,000
Firm Sabal Trail/FSC (MMBtu/Day)	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Firm Gulf South (MMBtu/Day)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Firm Delivery Availability (MMBtu/Day)	**2,712,000**	**2,712,000**	**2,712,000**	**2,801,000**	**2,836,000**	**2,836,000**	**2,836,000**	**2,836,000**	**2,836,000**	**2,801,000**	**2,712,000**	**2,712,000**
Upstream Transportation												
Firm SESH (MMBtu/Day)	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Firm Transco (MMBtu/Day)	121,500	121,500	121,500	121,500	121,500	121,500	121,500	121,500	121,500	121,500	121,500	121,500
Firm Gulf South (MMBtu/Day)	200,000	200,000	200,000	345,000	345,000	345,000	345,000	345,000	345,000	345,000	200,000	200,000
Firm Gulf South/Destin (MMBtu/Day)	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Firm MEP/Destin (MMBtu/Day)	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Trunkline/FGT (MMBtu/Day)	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Turnkline (MMBtu/Day)	100,000	100,000	100,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Total Upstream Availability (MMBtu/Day)	**951,500**	**951,500**	**951,500**	**1,171,500**	**1,171,500**	**1,171,500**	**1,171,500**	**1,171,500**	**1,171,500**	**1,171,500**	**1,026,500**	**1,026,500**

FLORIDA POWER & LIGHT COMPANY
PROJECTED UNIT AVAILABILITIES & OUTAGE SCHEDULES
PERIOD OF: JANUARY 2025 THROUGH DECEMBER 2025

Plant/Unit	Forced Outage Factor (%)	Maintenance Outage Factor (%)	Planned Outage Factor (%)	Overhaul Date	Overhaul Date	Overhaul Date	Overhaul Date	Overhaul Date
Cape Canaveral 3	1.1	5.3	0.0	NONE				
Dania Beach 7	0.9	10.5	15.3	02/15/25 - 02/25/25	04/11/25 - 05/14/25	11/04/25 - 11/14/25	05/27/25 - 06/06/25	10/15/25 - 11/17/25
Fort Myers 2	0.7	5.1	2.0	05/02/25 - 05/23/25	04/10/25 - 05/01/25			
Fort Myers 3A	0.8	2.6	2.7	03/31/25 - 04/09/25				
Fort Myers 3B	0.8	2.6	2.7	03/31/25 - 04/09/25				
Fort Myers 3C	0.8	2.6	2.7	03/31/25 - 04/09/25				
Fort Myers 3D	0.7	2.3	14.8	03/31/25 - 04/09/25	02/15/25 - 03/30/25			
Ft. Myers GTs	2.5	2.6	4.5	04/12/25 - 05/14/25				
GCEC 5	4.3	4.9	0.0	NONE				
GCEC 6	6.0	10.5	0.0	NONE				
GCEC 7	6.2	9.9	14.2	03/25/25 - 05/15/25				
GCEC 8A	0.4	1.4	0.0	NONE				
GCEC 8B	0.4	1.4	0.0	NONE				
GCEC 8C	0.4	1.4	0.0	NONE				
GCEC 8D	0.4	1.4	0.0	NONE				
Lauderdale 6A	0.9	2.4	0.0	NONE				
Lauderdale 6B	0.9	2.4	0.0	NONE				
Lauderdale 6C	0.9	2.4	6.3	02/26/25 - 03/20/25				
Lauderdale 6D	0.9	2.4	6.3	03/10/25 - 04/01/25				
Lauderdale 6E	0.9	2.4	0.0	NONE				
Lauderdale GTs	2.3	0.2	0.0	NONE				
Manatee 3	0.4	5.2	2.9	02/15/25 - 03/07/25	02/15/25 - 03/07/25			
Martin 3	1.0	4.6	0.0	NONE				
Martin 4	1.2	5.6	0.0	NONE				
Martin 8	0.6	5.4	0.0	NONE				
Okeechobee 1	1.6	12.5	0.5	02/03/25 - 02/07/25				
Port Everglades 5	0.7	4.5	17.2	04/11/25 - 06/12/25	04/11/25 - 06/14/25	04/11/25 - 06/12/25	04/11/25 - 06/14/25	
Riviera 5	1.0	5.0	0.0	NONE				
Sanford 4	0.3	4.3	0.0	NONE				
Sanford 5	0.3	3.3	10.7	03/31/25 - 04/28/25	11/01/25 - 12/02/25	11/01/25 - 12/02/25	11/01/25 - 12/02/25	11/01/25 - 12/02/25
Scherer 3	0.4	2.1	17.8	03/25/25 - 05/29/25				
Smith 3	0.7	5.1	3.8	03/15/25 - 03/23/25	10/16/25 - 10/21/25	10/21/25 - 10/26/25		
St. Lucie 1	1.3	1.3	11.0	09/20/25 - 10/30/25				
St. Lucie 2	1.3	1.3	0.0	NONE				
Turkey Point 3	1.3	1.3	0.0	NONE				
Turkey Point 4	1.1	1.1	9.3	03/01/25 - 04/04/25				
Turkey Point 5	0.6	5.1	11.0	02/24/25 - 03/28/25	11/15/25 - 12/16/25	11/15/25 - 12/12/25		
West County 1	0.6	6.8	0.0	NONE				
West County 2	0.5	4.2	0.0	NONE				
West County 3	0.6	6.2	4.7	05/01/25 - 06/21/25				