

Christopher T. Wright Managing Attorney Florida Power & Light Company 700 Universe Blvd (LAW/JB) Juno Beach, FL 33408-0420 Phone: (561) 691-7144 E-mail: <u>Christopher.Wright@fpl.com</u> Florida Authorized House Counsel; Admitted in Pennsylvania

January 15, 2025

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Docket No. 20250014-EI Florida Power & Light Company 2026-2035 Storm Protection Plan

Dear Mr. Teitzman:

Enclosed for fling in the above referenced matter, please find the Petition of Florida Power & Light Company requesting that the Florida Public Service Commission approve the proposed Transmission and Distribution Storm Protection Plan for the years 2026-2035 pursuant to Section 366.96, Florida Statutes, and Rule 25-6.030, Florida Administrative Code.

Copies of the foregoing are being served as indicated on the attached Certificate of Service. If you or your staff have any question regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,

/sChristopher T. Wright

Christopher T. Wright Fla. Auth. House Counsel No. 1007055

Enclosures

cc: Ken Hoffman (*ken.hoffman@fpl.com*) Certificate of Service

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties this 15th day of January 2025:

Jacob Imig	Office of Public Counsel
Timothy Sparks	c/o The Florida Legislature
Office of the General Counsel	111 West Madison Street, Room 812
Florida Public Service Commission	Tallahassee, FL 32399-1400
2540 Shumard Oak Blvd.	christensen.patty@leg.state.fl.us
Tallahassee, Florida 32399-0850	ponce.octavio@leg.state.fl.us
jimig@psc.state.fl.us	rehwinkel.charles@leg.state.fl.us
tsparks@psc.state.fl.us	Trierweiler.walt@leg.state.fl.us
discovery-gcl@psc.state.fl.us	watrous.austin@leg.state.fl.us
For FPSC Staff	wessling.mary@leg.state.fl.us
	For Office of Public Counsel

<u>s/Christopher T. Wright</u> Christopher T. Wright Fla. Auth. House Counsel No. 1007055

Attorney for Florida Power & Light Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Storm Protection Plan, pursuant to Rule 25-6.030, F.A.C., Florida Power & Light Company Docket No. 20250014-EI

Filed: January 15, 2025

PETITION FOR APPROVAL OF THE FLORIDA POWER & LIGHT COMPANY 2026-2035 STORM PROTECTION PLAN

I. <u>INTRODUCTION</u>

Florida Power & Light Company ("FPL" or the "Company") hereby files this petition (the "Petition") requesting that the Florida Public Service Commission ("Commission") approve the proposed Transmission and Distribution ("T&D") Storm Protection Plan for the years 2026-2035 (hereinafter, the "2026 SPP") pursuant to Section 366.96, Florida Statutes, and Rule 25-6.030, Florida Administrative Code. FPL submits that the storm hardening programs included in the 2026 SPP are appropriate and necessary to achieve the legislative objectives of Section 366.96, Florida Statutes, to protect and strengthen the T&D infrastructure from extreme weather conditions, reduce outage times and restoration costs, and improve overall service reliability to customers. In support of this Petition, FPL states as follows:

1. The name and address of the Petitioner is:

Florida Power & Light Company 700 Universe Blvd Juno Beach, FL 33408

2. FPL is a corporation organized and existing under the laws of the State of Florida and is an electric utility as defined in Sections 366.02(2) and 366.96, Florida Statutes. FPL provides generation, transmission, and distribution service to approximately 6 million customer accounts.

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3. Any pleading, motion, notice, order, or other document required to be served upon the petitioner or filed by any party to this proceeding should be served upon all of the following individuals:

Kenneth A. Hoffman Vice President, Regulatory Affairs Florida Power & Light Company 134 West Jefferson Street Tallahassee, FL 32301 Phone: 850-521-3919 Fax: 850-521-3939 Email: ken.hoffman@fpl.com Christopher T. Wright Managing Attorney Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Phone: 561-691-7144 Fax: 561-691-7135 Email: christopher.wright@fpl.com

4. The Commission has jurisdiction pursuant to Section 366.96, Florida Statutes, and Rule 25-6.030, Florida Administrative Code.

5. This Petition is being filed consistent with Rule 28-106.201, Florida Administrative Code. The agency affected is the Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f) and (g) of subsection (2) of Rule 28-106.201 are not applicable to this Petition. In compliance with subparagraph (d) of Rule 28-106.201, FPL states that it is not known which, if any, of the issues of material fact set forth in the body of this Petition may be disputed by any others who may plan to participate in this proceeding. The discussion below demonstrates how the petitioner's substantial interests will be affected by the agency determination.

II. <u>BACKGROUND AND OVERVIEW</u>

6. On June 27, 2019, the Governor of Florida signed CS/CS/CS/SB 796 addressing Storm Protection Plan Cost Recovery, which was codified in Section 366.96, Florida Statutes. Therein, the Florida Legislature found that it was in the State's interest "to strengthen electric utility infrastructure to withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management," and for each electric utility to "mitigate restoration costs and outage times to utility customers when developing transmission and distribution storm protection plans." Section 366.96(1), Fla. Stat.

7. The Florida Legislature directed each utility to file a ten-year SPP that explains the storm hardening programs and projects the utility will implement to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events. Section 366.96(3), Fla. Stat. Utilities are required to file updated ten-year SPPs at least every three years after approval of the prior SPP. Section 366.96(6), Fla. Stat.

8. FPL's first SPP for the 2020-2029 plan period ("2020 SPP") was approved by Commission Order No. PSC-2020-0293-AS-EI issued on August 28, 2020. FPL's second SPP for the 2023-2032 plan period ("2023 SPP") was approved by Commission Order No. PSC-2022-0389-FOF-EI issued on November 10, 2022. FPL is herein submitting its third SPP, the 2026 SPP, for the ten-year period of 2026-2035. If approved, the programs and projects included in the 2026 SPP would become effective and applied throughout FPL's service area beginning January 1, 2026.

9. As explained below, the 2026 SPP is a continuation of the same existing storm hardening programs included in FPL's 2020 SPP and 2023 SPP previously approved by the Commission. For purposes of the 2026 SPP, FPL is not proposing any material modifications to the programs previously approved in the 2023 SPP.

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10. Submitted herewith and in support of the FPL 2026 SPP is the Direct Testimony of FPL witness Michael Jarro and Exhibit MJ-1, which includes FPL's SPP programs for the period of 2026-2035 and supporting schedules.

III. STANDARD OF REVIEW

11. The Florida Legislature expressly found and determined that it is in the state's interest to harden the electric system to withstand extreme weather conditions by overhead hardening T&D facilities, undergrounding distribution lines, and vegetation management in order to reduce restoration costs and outage times associated with extreme weather events. *See* Section 366.96(1)(c)-(e), Fla. Stat. Thus, the Florida Legislature has already found and determined that storm hardening the T&D system is a prudent action for the Florida electric utilities to take. Accordingly, the issue to be decided by the Commission is how this legislative goal should be accomplished in order to provide these important benefits to the customers and communities served by FPL.

12. The Florida Legislature directed the Commission "determine whether it is in the public interest to approve, approve with modification, or deny" the SPP at issue. Section 366.96(5), Fla. Stat. In reaching its decision whether a SPP is in the public interest, the Commission is to consider the following factors:

(4) In its review of each transmission and distribution storm protection plan filed pursuant to this section, the commission shall consider:

(a) The extent to which the plan is expected to reduce restoration costs and outage times associated with extreme weather events and enhance reliability, including whether the plan prioritizes areas of lower reliability performance.

(b) The extent to which storm protection of transmission and distribution infrastructure is feasible, reasonable, or practical in

certain areas of the utility's service territory, including, but not limited to, flood zones and rural areas.

(c) The estimated costs and benefits to the utility and its customers of making the improvements proposed in the plan.

(d) The estimated annual rate impact resulting from implementation of the plan during the first 3 years addressed in the plan.

Section 366.96(4), Fla. Stat.¹ However, the Commission is not required to determine or find that the benefits of the SPP outweigh its costs. *Citizens of the State of Florida, vs. Fay,* __ So.3d__, Nos. SC2022-1733, SC2022-1735, SC2022-1745, SC2022-1748, SC2022-1777, 49 Fla. L. Weekly S 275, 2024 Fla. LEXIS 1792 (Fla. Nov. 14, 2024) ("*Citizens*").

13. In summary, the statutory standard of review to be applied in this proceeding is whether FPL's 2026 SPP is in the public interest based upon the Commission's consideration of the four factors prescribed in Section 366.96(4), Florida Statutes.

IV. STORM PROTECTION PLAN

A. Description of the SPP Programs

14. The 2026 SPP is a continuation of the following eight programs included in FPL's

2020 and 2023 SPPs previously approved by the Commission:

- Distribution Inspection Program
- Transmission Inspection Program
- Distribution Feeder Hardening Program

¹ The Legislature also directed that <u>after</u> the SPP has been approved, the Commission shall conduct an annual proceeding to determine the utility's prudently incurred T&D SPP plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates, referred to as the storm protection plan cost recovery clause ("SPPCRC"). Section 366.96(7), Fla. Stat. *See also Citizens* (holding that the prudence of the SPP costs is determined in the separate SPPCRC dockets and not in the SPP proceeding). Thus, consistent with Rule 25-6.031, Florida Administrative Code, the reasonableness and prudence of the SPP costs will be determined in the SPPCRC proceeding when FPL seeks to recover the SPP costs.

- Distribution Lateral Hardening Program
- Transmission Hardening Program
- Distribution Vegetation Management Program
- Transmission Vegetation Management Program
- Substation Storm Surge/Flood Mitigation Program

Each of these existing SPP programs included in FPL's proposed 2026 SPP are described in detail in Section IV of Exhibit MJ-1 consistent with Rule 25-6.030, Florida Administrative Code.

15. Importantly, for purposes of the 2026 SPP, FPL is not proposing any material modifications to any of these existing programs previously approved in the 2023 SPP. Rather, FPL has (i) updated the projected costs for certain limited programs to better reflect current data and pricing, (ii) reduced the estimated average cost per project under the Distribution Lateral Hardening Program, and (iii) identified additional substations that require storm surge and flood mitigation through the Substation Storm Surge/Flood Mitigation Program. Each of these updates are described in detail in the Direct Testimony of FPL witness Michael Jarro and in Section IV of Exhibit MJ-1.

16. The majority of these storm hardening programs have been in place since 2007 and have already demonstrated that they have and will continue to increase T&D infrastructure resiliency, reduce restoration times, and reduce restoration costs when FPL's system is impacted by extreme weather events. A description of the benefits of continuing the existing SPP programs as part of the 2026 SPP is provided in Sections II and IV of Exhibit MJ-1.

B. Additional Details for First Three Years of the SPP

17. The following additional project level information required by Rule 25-6.030(3)(e)(1), Florida Administrative Code, for the first year of the 2026 SPP (year 2026) is provided in the project level detail included in Appendix D to Exhibit MJ-1: (a) the actual or

estimated construction start and completion dates; (b) a description of the affected existing facilities, including number and type(s) of customers served, historic service reliability performance during extreme weather conditions, and how this data was used to prioritize the storm protection project; and (c) a cost estimate including capital and operating expenses.² The description required by Rule 25-6.030(3)(e)(1)(d), Florida Administrative Code, of the criteria used to select and prioritize storm protection projects is included in the description of each SPP program provided in Section IV of Exhibit MJ-1.

18. Pursuant to Rule 25-6.030(3)(e)(2), Florida Administrative Code, FPL has also provided the estimated number and costs of projects under each specific program for the second and third years of the 2026 SPP (years 2027 and 2028) of the SPP. This information is provided in Appendix C to Exhibit MJ-1.

19. The following additional information required by Rule 25-6.030(3)(f), Florida Administrative Code, for the first three years (2026-2028) of the vegetation management activities under the SPP is provided in Sections IV(F) and IV(G) of Exhibit MJ-1 and Appendix C to Exhibit MJ-1: (a) the projected frequency (trim cycle); (b) the projected miles of affected transmission and distribution overhead facilities; and (c) the estimated annual labor and equipment costs for both utility and contractor personnel. Descriptions of how the vegetation management activities will reduce outage times and restoration costs due to extreme weather conditions are provided in Sections IV(F) and IV(G) of Exhibit MJ-1.

C. Estimated Revenue Requirements and Rate Impacts

20. Pursuant to Rule 25-6.030(3)(g), Florida Administrative Code, the estimated annual

² FPL's distribution and transmission annual inspection and vegetation management programs do not have project components and, instead, are completed on a cycle-basis. As such, these SPP programs do not lend themselves to identification of specific projects and, therefore, project level detail for these programs is not included in Appendix D to Exhibit MJ-1.

jurisdictional revenue requirements of FPL's SPP for the ten-year period of 2026-2035 are provided in Section VI of Exhibit MJ-1. An estimate of overall rate impacts for the first three years of the SPP (2026-2028) based on the total program costs reflected in this filing are provided in Section VII of Exhibit MJ-1. The annual jurisdictional revenue requirements and the estimated rate impacts are based on the total estimated costs for the SPP programs as of the time of this filing.³

21. FPL is not seeking Commission approval, through this petition, to recover any of the estimated costs associated with the SPP in this filing. The projected costs, actual/estimated costs, actual costs, and final true-up of actual costs to be included in FPL's SPPCRC factors will all be addressed in separate annual SPPCRC filings.⁴

D. FPL's SPP is in the Public Interest and Should Be Approved

22. As explained above, the FPL 2026 SPP will continue the existing storm hardening and storm preparedness programs that were included in both the FPL 2020 SPP and 2023 SPP previously approved by the Commission. Although FPL has updated the number of projects and associated costs for certain programs, FPL is not proposing any new programs or any substantive changes to these existing SPP programs.

23. These existing SPP programs have already demonstrated that they have and will continue to achieve the legislative objectives in Section 366.96, Florida Statutes, to increase T&D infrastructure resiliency, reduce restoration times, and reduce restoration costs when FPL's system is impacted by extreme weather events. Indeed, the Commission has previously found and

³ While FPL has provided estimated costs by program as of the time of this filing and associated total revenue requirements in its SPP, consistent with the requirements of Rule 25-6.030, Florida Administrative Code, subsequent projected and actual program costs submitted for cost recovery through the SPPCRC could vary by as much as 10-15%, which variations would also impact the associated estimated revenue requirements and rate impacts.

⁴ See Footnote 1, supra.

determined that each of these existing eight programs included in the 2026 SPP are in the public interest. *See* Commission Order No. PSC-2022-0389-FOF-EI (approving these existing programs as part of the 2023 SPP), *aff'd by*, *Citizens*; *see also* Commission Order No. PSC-2020-0293-AS-EI (approving these existing programs as part of the 2020 SPP).

24. FPL submits that the existing programs included in the 2026 SPP remain in the public interest and will strengthen FPL's electric utility infrastructure to better withstand extreme weather conditions by promoting the overhead hardening of electrical transmission and distribution facilities, the undergrounding of certain electrical distribution lines, and vegetation management. Although there is the significant variability, speculation, and subjectivity required to forecast future storms and estimated benefits of future SPP programs over a ten-year period, the performance of FPL's storm hardened system during historical extreme weather events demonstrates that these existing SPP programs have and will continue to provide increased T&D infrastructure resiliency, reduced restoration time, and reduced restoration costs when FPL's system is impacted by extreme weather events.

25. A detailed summary of the benefits of FPL's 2026 SPP is provided in Section II of Exhibit MJ-1; the benefits and costs associated with each program is provided in Section IV of Exhibit MJ-1; the feasibility and selection criteria for each program is provided in Section IV of Exhibit MJ-1; and the estimated rate impacts for the first three years of the 2026 SPP are provided in Section VII of Exhibit MJ-1.

26. FPL's 2026 SPP meets the objectives and directives of Section 366.96, Florida Statutes, satisfies the requirements of Rule 25-6.030, Florida Administrative Code, is in the public interest, and should be approved.

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V. <u>CONCLUSION</u>

27. Safe and reliable electric service is essential to the life, health, and safety of the public and has become a critical component of modern life. While no electrical system can be made completely resistant to the impacts of hurricanes and other extreme weather conditions, the continuation of the existing SPP programs included in the 2026 SPP will collectively provide increased resiliency and faster restoration to the electric infrastructure that FPL's approximately 6 million customer accounts and Florida's economy rely on for their electricity needs.

28. As explained above, and in further detail in Exhibit MJ-1 and the supporting Direct Testimony of FPL witness Michael Jarro, FPL's 2026 SPP provides a systematic approach to achieve the legislative objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability. FPL's 2026 SPP appropriately and effectively maintains FPL's commitment to provide safe and reliable electric service to customers, consistent with the needs and expectations of FPL's customers, and should be approved.

WHEREFORE, FPL respectfully requests that the Commission find FPL's proposed 2026 SPP, provided as Exhibit MJ-1, is in the public interest and approve the 2026 SPP for the years 2026-2035.

Respectfully submitted this 15th day of January 2025,

By: <u>s/Christopher T. Wright</u> Christopher T. Wright Fla. Auth. House Counsel No. 1007055 Managing Attorney Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Phone: 561-691-7144 Email: <u>christopher.wright@fpl.com</u>