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# Public Service Commission

February 14, 2025

Dianne Triplett  
Associate General Counsel  
106 East College Avenue, Suite 800  
Tallahassee, FL 32301-7740  
[dianne.triplett@duke-energy.com](mailto:dianne.triplett@duke-energy.com)

VIA EMAIL

**Re: Docket No. 20250032-EI – Review of incentive mechanisms for the electric investor-owned utilities.**

Dear Mrs. Triplett:

Attachment A to this letter is staff's First Data Request regarding the electric investor-owned utilities' incentive mechanisms. Please submit your responses to this data request by **Thursday, March 6, 2025**. For each data request with a table, provide a response including an Excel spreadsheet with the corresponding table.

Please file all responses electronically via the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20250032-EI) and also please email the filed response to [discovery-gcl@psc.state.fl.us](mailto:discovery-gcl@psc.state.fl.us). Please contact me by phone (850-413-6626) or email ([pellis@psc.state.fl.us](mailto:pellis@psc.state.fl.us)) if you have any questions.

Best regards,

*s/ Phillip Ellis*

Phillip Ellis  
Public Utilities Supervisor

PE:da

Enclosure

cc: Office of Commission Clerk (Docket No. 20250032-EI)  
Robert Pickels, ([robert.pickels@duke-energy.com](mailto:robert.pickels@duke-energy.com))  
Matthew Bernier, Senior Counsel ([matthew.bernier@duke-energy.com](mailto:matthew.bernier@duke-energy.com))

### Incentive Mechanism Review – First Data Request

**The following questions are regarding the Utility’s Generation Performance Incentive Factor (GPIF) performance:**

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- 1) Please describe what actions, if any, the Utility takes to ensure unit availability and/or heat rate improvement goals above typical industry practices as a result of the potential rewards or penalties associated with the GPIF.
- 2) Please identify what operations and maintenance (O&M) expenses above typical industry practices are associated with achieving the unit availability and/or heat rate improvement goals associated with the GPIF. If the Utility does not engage in additional O&M expenses associated with the GPIF, please state so.
  - a) How are O&M expenses associated with GPIF tracked and/or estimated?
  - b) How are O&M expenses associated with GPIF recovered?
  - c) Please complete the table below providing information on the Utility’s GPIF associated O&M costs for the period 2013 through 2024.

Year	GPIF Associated O&M Costs
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	

- 3) Please complete the table below providing information on the Utility’s potential GPIF rewards or penalties for the period 2013 through 2024. Provide the jurisdictional maximum allowed incentive based on a 25 basis point cap, the incentive cap based on 50 percent of maximum projected fuel savings, and the maximum reward and penalty, respectively.

Year	25 Basis Point Jurisdictional Calculation (\$000)	50% Maximum Fuel Savings (\$000)	Maximum Reward (\$000)	Maximum (Penalty) (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

- 4) Please complete the table below providing information on the Utility’s actual GPIF rewards or penalties for the period 2013 through 2024. Provide the actual fuel savings or losses, amount of shareholder incentive or penalty, and the net ratepayer savings or losses resulting from the GPIF.

Year	Actual Fuel Savings/(Losses) (\$000)	Shareholder Incentive/(Penalty) (\$000)	Net Ratepayer Savings/(Losses) (\$000)
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

**The following questions are regarding wholesale energy transactions. Please answer each question with regards to wholesale energy purchases (as reported on Schedule A-7), economy energy purchases (as reported on Schedule A-9), and wholesale energy sales (as reported on Schedule A-6).**

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- 5) Describe how net gains are calculated with each type of wholesale energy transaction.
- 6) Describe how net gains are shared between ratepayers and shareholders with each type of wholesale energy transaction. As part of your response, describe how and where recovery of associated costs and benefits of the transaction occurs.
- 7) Describe whether there is the risk of net losses with each type of wholesale energy transaction. As part of your response, describe if a net loss could occur with any particular type wholesale energy transaction, and if so, how would it be recovered.
  - a) If net losses have occurred associated with any wholesale energy transactions within the 2013 through 2024 period, describe the circumstances resulting in the net losses for each relevant transaction or group of transactions.
  - b) If net losses have occurred associated with any wholesale energy transactions within the 2013 through 2024 period, identify the annual amount of losses for each type of wholesale energy transaction.
- 8) Describe what incremental costs are associated with wholesale energy transactions, (staffing, software, hardware, subscriptions/memberships, data purchasing, etc.) excluding variable O&M. As part of your response, provide an estimate of how many incremental personnel work on wholesale energy transactions.
- 9) Describe how incremental costs are tracked by the Utility, or if not, why not. As part of your response, describe if these costs can be allocated to a single type of wholesale energy transaction or spread across multiple categories.
- 10) Describe where incremental costs for each type of wholesale energy transactions are recovered in base rates or cost recovery clauses.

11) Please complete the table below providing information on the Utility’s actual incremental costs for wholesale energy transactions for the period 2013 through 2024. Provide the annual cost for variable O&M associated with whole energy sales, the incremental staffing, software/hardware, and all other costs associated with wholesale energy transactions.

Year	Wholesale Sale Variable O&M Costs	Incremental Staffing Costs	Incremental Software/Hardware Costs	All Other Incremental Costs
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

12) Please complete the table below providing information on the Utility’s actual wholesale energy purchases, exclusive of economy energy purchases reported on Schedule A7, for the period 2013 through 2024. Provide the annual amount of wholesale purchases (in megawatt-hours and dollars), the total cost if generated, net fuel savings, avoided variable O&M costs, and total net gains.

Year	Wholesale Purchases (MWh)	Wholesale Purchases (\$000)	Total Cost If Generated (\$000)	Fuel Savings (\$000)	Variable O&M Costs (\$000)	Net Gains (\$000)
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						

13) Please complete the table below providing information on the Utility’s actual wholesale energy economy purchases reported on Schedule A9, for the period 2013 through 2024. Provide the annual amount of wholesale purchases (in megawatt-hours and dollars), the total cost if generated, net fuel savings, avoided variable O&M costs, and total net gains.

Year	Wholesale Purchases (MWh)	Wholesale Purchases (\$000)	Total Cost If Generated (\$000)	Fuel Savings (\$000)	Variable O&M Costs (\$000)	Net Gains (\$000)
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						

14) Please complete the table below providing information on the Utility’s actual wholesale energy sales, for the period 2013 through 2024. Provide the annual total of wholesale sales (in megawatt-hours and dollars), associated fuel costs, variable O&M costs, and net gains.

Year	Wholesale Sales (MWh)	Wholesale Sales (\$000)	Total Fuel Cost (\$000)	Variable O&M Costs (\$000)	Wholesale Sale Net Gains (\$000)
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					

15) Please complete the table below providing information on the Utility’s actual wholesale energy sales incentives, for the period 2013 through 2024. Provide the annual net gains, the three year rolling average of wholesale sales, the amount of shareholder incentives received for wholesale sales, and the net ratepayer savings. For those years under which the Utility utilized an Asset Optimization Mechanism, exclude the shareholder incentives and net ratepayer savings values.

Year	Wholesale Sale Net Gains (\$000)	Three Year Rolling Average Threshold (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

**The following questions are regarding activities using ratepayer-supported assets to produce net gains, such as those activities included within the various Asset Optimization Mechanisms.**

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16) Provide a list of activities in which the Utility has attempted to produce net gains using ratepayer supported assets. These activities may include: release of electric transmission capacity, release of natural gas pipeline or storage capacity, sales of fuel by type and location, financial instruments associated with fuel, sales of renewable energy credits, sale of emissions credits, or other similar activities.

For each activity identified above, please provide the following information:

- a) Describe the activity and how the net gains are calculated.
- b) Describe whether there is the risk of net losses with the activity. As part of your response, describe if a net loss could occur with the activity, and if so, how would it be recovered.
  - i) If net losses have occurred associated with the activity within the 2013 through 2024 period, describe the circumstances resulting in the net losses.
  - ii) If net losses have occurred associated with the activity within the 2013 through 2024 period, identify the annual amount of losses.

c) Describe whether the activity was engaged in prior to the adoption of the Utility’s Asset Optimization Mechanism. If so, provide the following information:

- i) When did the Utility begin engaging in this activity?
- ii) How were net gains allocated between ratepayers and shareholders?
- iii) Where would cost recovery for these benefits occur (such as base rates or a cost recovery clause)?

17) Describe how incremental costs are tracked by the Utility, or if not, why not. As part of your response, describe if these costs can be allocated to a single type of activity or spread across multiple categories.

18) Describe where incremental costs for each type of activity are recovered in base rates or cost recovery clauses.

19) Please complete the table below providing information on the Utility’s actual incremental costs for asset optimization activities. Provide the annual cost for incremental staffing, software/hardware, and all other costs associated with wholesale energy transactions.

Year	Incremental Staffing Costs	Incremental Software/Hardware Costs	All Other Incremental Costs	Total Incremental Costs
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

20) Please complete the table below providing information on the Utility’s actual asset optimization activities, for the period 2013 through 2024. Provide the annual savings by activity and total activity savings.

Year	Activity n Savings (\$000)	Activity n+1 Savings (\$000)	...	Total Activity Savings (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

21) Please complete the table below providing information on the Utility’s actual asset optimization activities outside of an Asset Optimization Mechanism, for the period 2013 through 2024. Provide the annual total activity savings, incremental costs, amount of shareholder incentives, and net ratepayer savings. For those years under which the Utility utilized an Asset Optimization Mechanism, exclude the shareholder incentives and net ratepayer savings values.

Year	Total Activity Savings (\$000)	Incremental Costs (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

**The following questions are regarding the Utility’s Asset Optimization Mechanisms.**

22) For each Order approving an Asset Optimization Mechanism, provide the following information:

- a) Please describe how the Utility’s threshold levels were determined. If they were partially based on historic savings, please identify what categories of savings and for what time period.
- b) Describe how the Utility’s current sharing percentages by threshold were determined.

23) Please complete the table below providing information on the Utility’s actual Asset Optimization Mechanism activities savings and costs, for the period 2013 through 2024. Provide the annual total wholesale sale savings, wholesale purchase savings, asset optimization activity savings, incremental costs, net total asset optimization activity savings, the amount of shareholder incentives, and net ratepayer savings.

Year	Wholesale Purchase Savings (\$000)	Wholesale Sale Savings (\$000)	Asset Optimization Savings (\$000)	Incremental Costs (\$000)	Total AOM Savings (\$000)	Shareholder Incentive (\$000)	Net Ratepayer Savings (\$000)
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							