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April 17, 2025

VIA: ELECTRONIC FILING

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

Re: Petition of Tampa Electric Company for Approval of Revisions to Standard Offer Contract and Rate Schedule COG-2
Dkt. 20250053-EQ

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is Tampa Electric Company's response to Staff's First Data Request (Nos. 1-3), propounded on April 9, 2025.

Thank you for your assistance in connection with this matter.

Sincerely,

Malcolm N. Means

Malcolm N. Means

MNM/bml
Attachment
cc: TECO Regulatory
Carlos Marquez – cmarquez@psc.state.fl.us
Saad Farooqi – sfarooqi@psc.state.fl.us
discovery-gcl@psc.state.fl.us

1. Please refer to Sheet No. 8.422 and 8.424 of the Utility's revised standard offer contract. Explain why there is an increase in the avoided unit capital costs and fixed O&M as compared to the previous year's avoided unit. As part of this explanation, describe the impact of any changes in financial assumptions, changes in unit type or capabilities, change in unit timing, or general industry trends on the unit cost.

A. The avoided unit type (7FA CT) remains the same as the company's previous year's standard offer contract. The company has updated the average annual heat rate and updated the avoided unit's in-service date from January 1, 2030 to January 1, 2031, based on Tampa Electric's IRP process and reassessment of the system's reserve margin needs.

There is an increase in the avoided unit capital costs because, like many other goods and services, the construction costs have risen. The increased capital costs align with the current market and are based on real vendor quotes. Tampa Electric updated the O&M escalation rate which increased the O&M costs; this update is based on newer projections from a third party.

The changes in financial assumptions can be seen on the AVOIDED UNIT INPUTS tab in the provided Excel document titled "(BS 2) 2025 Avoided Unit and SOC Model.xlsx". The company updated other financial assumptions including a higher cost of capital. In total, the higher cost of capital caused an increase to the discount rate for present worth.

2. Please refer to Sheet No. 8.426. Please provide a copy of the amended monthly capacity payment rate table in Excel format, with formulas intact.

A. Please see the SOC OPTIONS – online Tariff tab in the provided Excel document titled "(BS 2) 2025 Avoided Unit and SOC Model.xlsx".

3. Please complete the following table describing payments to a renewable provider based on the proposed tariffs included in the Utility's revised standard offer contract for each of the five scenarios listed below. For the calculations, assume a renewable generator with a 50 MW output providing firm capacity with an in-service date of January 1, 2026, operating at the minimum capacity factor required for full capacity payments and a contract duration of 20 years. As part of your response, state the capacity factor assumed for the calculations. Please calculate the total Net Present Value (NPV) of all payments in 2026 dollars and also provide an explanation of the method and rate used to calculate the NPV.

- As-available energy (energy only payments)
- Normal capacity payments
- Levelized payments
- Early payments
- Early levelized payments

Year	Energy (MWh)	Capacity Rate ($/kw-mo)	Total Capacity Payments ($)	Energy Rate ($/MWh)	Total Energy Payments ($)	Total Payments ($)
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
Total (Nominal)						
Total (NPV)						

A. The payments for capacity and energy from a 50 MW renewable generator with an in-service date of January 1, 2026, under the various options (i.e., As available only, normal capacity, levelized, early and early levelized) are provided in the tables below.

The payments are based on the renewable generator operating at an 80% capacity factor which is the minimum performance standard.

To determine if the sums of the payment streams of the various payment methods were equal on a Net Present Value or Net Present Worth basis, the company multiplied the payment in each year by the Present Worth Factor which is calculated as follows:

$$\frac{1}{(1+i)^n}$$

Where:

i = Discount Rate = 7.569%

n = (Payment year – 2026)

As-available energy (energy only payments)

Year	Energy (MWh)	Capacity Rate ($/kw-mo)	Total Capacity Payments ($)	Energy Rate ($/MWh)	Total Energy Payments ($)	Total Payments ($)
2026	350,400	-	-	43.54	15,256,623	15,256,623
2027	350,400	-	-	36.88	12,923,677	12,923,677
2028	351,360	-	-	47.35	16,635,857	16,635,857
2029	350,400	-	-	46.82	16,404,008	16,404,008
2030	350,400	-	-	43.39	15,202,115	15,202,115
2031	350,400	-	-	39.04	13,678,703	13,678,703
2032	351,360	-	-	38.94	13,680,637	13,680,637
2033	350,400	-	-	41.02	14,373,046	14,373,046
2034	350,400	-	-	41.29	14,467,868	14,467,868
2035	350,400	-	-	45.05	15,786,336	15,786,336
2036	351,360	-	-	49.15	17,270,214	17,270,214
2037	350,400	-	-	53.63	18,791,453	18,791,453
2038	350,400	-	-	63.45	22,231,809	22,231,809
2039	350,400	-	-	66.71	23,375,514	23,375,514
2040	351,360	-	-	75.98	26,696,148	26,696,148
2041	350,400	-	-	75.69	26,520,606	26,520,606
2042	350,400	-	-	80.77	28,300,504	28,300,504
2043	350,400	-	-	79.99	28,027,749	28,027,749
2044	351,360	-	-	82.35	28,936,181	28,936,181
2045	350,400	-	-	84.18	29,495,901	29,495,901
Total (Nominal)	7,012,800	-	-		398,054,949	398,054,949
Total (NPV)					195,013,309	195,013,309

Normal capacity payments

Year	Energy (MWh)	Capacity Rate ($/kw-mo)	Total Capacity Payments ($)	Energy Rate ($/MWh)	Total Energy Payments ($)	Total Payments ($)
2026	350,400	-	-	43.54	15,256,623	15,256,623
2027	350,400	-	-	36.88	12,923,677	12,923,677
2028	351,360	-	-	47.35	16,635,857	16,635,857
2029	350,400	-	-	46.82	16,404,008	16,404,008
2030	350,400	-	-	43.39	15,202,115	15,202,115
2031	350,400	11.34	6,804,280	40.70	14,260,661	21,064,941
2032	351,360	11.53	6,917,033	40.58	14,258,522	21,175,555
2033	350,400	11.72	7,031,676	42.68	14,954,132	21,985,809
2034	350,400	11.91	7,148,241	43.34	15,187,875	22,336,116
2035	350,400	12.11	7,266,760	46.80	16,399,870	23,666,630
2036	351,360	12.31	7,387,266	50.55	17,759,704	25,146,970
2037	350,400	12.52	7,509,794	55.22	19,349,000	26,858,795
2038	350,400	12.72	7,634,378	65.21	22,848,355	30,482,733
2039	350,400	12.94	7,761,052	68.58	24,030,003	31,791,056
2040	351,360	13.15	7,889,853	77.82	27,341,613	35,231,466
2041	350,400	13.37	8,020,816	77.44	27,134,310	35,155,126
2042	350,400	13.59	8,153,978	82.69	28,975,204	37,129,183
2043	350,400	13.82	8,289,378	82.35	28,856,176	37,145,554
2044	351,360	14.05	8,427,052	84.33	29,629,400	38,056,452
2045	350,400	14.28	8,567,040	86.06	30,154,874	38,721,914
Total (Nominal)	7,012,800		114,808,598		407,561,979	522,370,577
Total (NPV)			49,146,746		199,093,671	248,240,417

Levelized payments

Year	Energy (MWh)	Capacity Rate ($/kw-mo)	Total Capacity Payments ($)	Energy Rate ($/MWh)	Total Energy Payments ($)	Total Payments ($)
2026	350,400	-	-	43.54	15,256,623	15,256,623
2027	350,400	-	-	36.88	12,923,677	12,923,677
2028	351,360	-	-	47.35	16,635,857	16,635,857
2029	350,400	-	-	46.82	16,404,008	16,404,008
2030	350,400	-	-	43.39	15,202,115	15,202,115
2031	350,400	12.48	7,486,628	40.70	14,260,661	21,747,289
2032	351,360	12.48	7,486,628	40.58	14,258,522	21,745,150
2033	350,400	12.48	7,486,628	42.68	14,954,132	22,440,760
2034	350,400	12.48	7,486,628	43.34	15,187,875	22,674,502
2035	350,400	12.48	7,486,628	46.80	16,399,870	23,886,498
2036	351,360	12.48	7,486,628	50.55	17,759,704	25,246,332
2037	350,400	12.48	7,486,628	55.22	19,349,000	26,835,628
2038	350,400	12.48	7,486,628	65.21	22,848,355	30,334,983
2039	350,400	12.48	7,486,628	68.58	24,030,003	31,516,631
2040	351,360	12.48	7,486,628	77.82	27,341,613	34,828,240
2041	350,400	12.48	7,486,628	77.44	27,134,310	34,620,938
2042	350,400	12.48	7,486,628	82.69	28,975,204	36,461,832
2043	350,400	12.48	7,486,628	82.35	28,856,176	36,342,804
2044	351,360	12.48	7,486,628	84.33	29,629,400	37,116,027
2045	350,400	12.48	7,486,628	86.06	30,154,874	37,641,501
Total (Nominal)	7,012,800		112,299,414		407,561,979	519,861,394
Total (NPV)			49,146,746		199,093,671	248,240,417

Early payments

Year	Energy (MWh)	Capacity Rate ($/kw-mo)	Total Capacity Payments ($)	Energy Rate ($/MWh)	Total Energy Payments ($)	Total Payments ($)
2026	350,400	6.65	3,988,600	43.54	15,256,623	19,245,223
2027	350,400	6.76	4,054,674	36.88	12,923,677	16,978,351
2028	351,360	6.87	4,121,855	47.35	16,635,857	20,757,712
2029	350,400	6.98	4,190,161	46.82	16,404,008	20,594,169
2030	350,400	7.10	4,259,612	43.39	15,202,115	19,461,727
2031	350,400	7.22	4,330,228	40.70	14,260,661	18,590,889
2032	351,360	7.34	4,402,027	40.58	14,258,522	18,660,549
2033	350,400	7.46	4,475,031	42.68	14,954,132	19,429,163
2034	350,400	7.58	4,549,259	43.34	15,187,875	19,737,134
2035	350,400	7.71	4,624,733	46.80	16,399,870	21,024,603
2036	351,360	7.84	4,701,473	50.55	17,759,704	22,461,177
2037	350,400	7.97	4,779,501	55.22	19,349,000	24,128,502
2038	350,400	8.10	4,858,840	65.21	22,848,355	27,707,195
2039	350,400	8.23	4,939,511	68.58	24,030,003	28,969,515
2040	351,360	8.37	5,021,538	77.82	27,341,613	32,363,150
2041	350,400	8.51	5,104,942	77.44	27,134,310	32,239,252
2042	350,400	8.65	5,189,749	82.69	28,975,204	34,164,953
2043	350,400	8.79	5,275,981	82.35	28,856,176	34,132,157
2044	351,360	8.94	5,363,663	84.33	29,629,400	34,993,063
2045	350,400	9.09	5,452,820	86.06	30,154,874	35,607,694
Total (Nominal)	7,012,800		93,684,198		407,561,979	501,246,178
Total (NPV)			49,146,746		199,093,671	248,240,417

Early levelized payments

Year	Energy (MWh)	Capacity Rate ($/kw-mo)	Total Capacity Payments ($)	Energy Rate ($/MWh)	Total Energy Payments ($)	Total Payments ($)
2026	350,400	7.51	4,505,259	43.54	15,256,623	19,761,882
2027	350,400	7.51	4,505,259	36.88	12,923,677	17,428,935
2028	351,360	7.51	4,505,259	47.35	16,635,857	21,141,116
2029	350,400	7.51	4,505,259	46.82	16,404,008	20,909,266
2030	350,400	7.51	4,505,259	43.39	15,202,115	19,707,374
2031	350,400	7.51	4,505,259	40.70	14,260,661	18,765,920
2032	351,360	7.51	4,505,259	40.58	14,258,522	18,763,781
2033	350,400	7.51	4,505,259	42.68	14,954,132	19,459,391
2034	350,400	7.51	4,505,259	43.34	15,187,875	19,693,134
2035	350,400	7.51	4,505,259	46.80	16,399,870	20,905,129
2036	351,360	7.51	4,505,259	50.55	17,759,704	22,264,963
2037	350,400	7.51	4,505,259	55.22	19,349,000	23,854,259
2038	350,400	7.51	4,505,259	65.21	22,848,355	27,353,614
2039	350,400	7.51	4,505,259	68.58	24,030,003	28,535,262
2040	351,360	7.51	4,505,259	77.82	27,341,613	31,846,872
2041	350,400	7.51	4,505,259	77.44	27,134,310	31,639,569
2042	350,400	7.51	4,505,259	82.69	28,975,204	33,480,463
2043	350,400	7.51	4,505,259	82.35	28,856,176	33,361,435
2044	351,360	7.51	4,505,259	84.33	29,629,400	34,134,659
2045	350,400	7.51	4,505,259	86.06	30,154,874	34,660,133
Total (Nominal)	7,012,800		90,105,176		407,561,979	497,667,156
Total (NPV)			49,146,746		199,093,671	248,240,417