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**Sent:** Sunday, February 19, 2012 7:26 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Adam Teitzman; Charles Murphy; john.butler@fpl.com; Vicki Gordon Kaufman; Jon Moyle  
**Subject:** Docket No. 110309-EI  
**Attachments:** FIPUG Notice of Positon on Issues 2.20.12.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

a. The name, address, telephone number and email for the person responsible for the filing is:

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b. This filing is made in Docket No. 110309-EI.

c. The document is filed on behalf of Florida Industrial Power Users Group.

d. The total pages in the document are 6 pages.

e. The attached document is Florida Industrial Power Users Group's Notice Of Position On Issues To Be Decided.

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DOCUMENT NUMBER-DATE

00947 FEB 20 09

FPSC-COMMISSION CLERK

2/20/2012

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition to determine need for  
Modernization of Port Everglades Plant, by  
Florida Power & Light Company.

DOCKET NO. 110309-EI

FILED: February 20, 2012

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
NOTICE OF POSITION ON ISSUES TO BE DECIDED**

Pursuant to sections 120.569, 120.57(1), Florida Statutes, the Florida Industrial Power Users Group (FIPUG), through its undersigned counsel, files this Notice of Position On Issues To Be Decided. FIPUG's Petition to Intervene was granted on February 16, 2012. The Prehearing Order was issued on February 13, 2012 and identified a number of issues that are to be decided by the Commission. The Petitioner, Florida Power and Light Company (FPL), is not prejudiced by FIPUG taking a position on these disputed issues. FIPUG, as a party whose substantial interests are affected by the proceeding, has the right to take positions in accord with chapter 120, Florida Statutes. Furthermore, staff has taken no position on any issue in the case and has taken the following basic position in the case, as reflected in the Prehearing Order:

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

Finally, the Notice of Hearing issued in this matter provides that the proceeding shall allow for FPL, intervenors, and members of the public to present evidence and testimony concerning the modernization of the Port Everglades power plant. Thus, there is no prejudice to FPL or the staff

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for FIPUG to take positions on issues in the case. FPL has the burden of proof to present its case in an effort to persuade the Commission to grant its need determination petition.

**ISSUE 1:** Is there a need for the proposed modernization of Florida Power & Light's Port Everglades plant, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519(3), Florida Statutes?

**POSITIONS**

**FPL:** Yes. There is a need for PEEC, taking into account the need for electric system reliability and integrity. After accounting for all projected Demand Side Management ("DSM") from cost-effective programs approved by the Commission, FPL has future generating capacity starting at about 284 MW in 2016 and growing to 1,468 by 2021. PEEC will provide 1,277 MW of highly efficient capacity to help satisfy this need. Furthermore, PEEC will be a highly reliable source of energy, with a projected equivalent availability factor of approximately 95.4%. PEEC will also be highly reliable in terms of fuel supply because its coastal location facilitates the receipt of light oil backup fuel via both truck delivery and waterborne transportation, and because light oil will be stored on site in sufficient quantities to allow PEEC to operate at full capacity for approximately 72 hours. Additionally, PEEC is favorable from a transmission reliability perspective because it reduces the load-to-generation imbalance in the Miami-Dade and Broward County area and also provides voltage support.

**STAFF:** Staff has no position at this time.

**FIPUG:** No.

**ISSUE 2:** Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed modernization of Florida Power & Light's Port Everglades plant?

**POSITIONS**

**FPL:** No. FPL's forecast of resource needs takes into account all projected DSM from cost-effective programs approved by the Commission. Additional cost-effective DSM cannot be counted on to contribute to system reliability. Similarly, all anticipated cost-effective firm generating capacity that will be available from renewable resources and qualifying facilities through 2016 is already reflected in FPL's resource plan.

**STAFF:** Staff has no position at this time.

**FIPUG:** Yes.

**ISSUE 3:** Is there a need for the proposed modernization of Florida Power & Light's Port Everglades plant, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519(3), Florida Statutes?

**POSITIONS**

**FPL:** Yes. There is a need for PEEC, taking into account the need for adequate electricity at a reasonable cost. The estimated total installed cost for PEEC is \$1,185 million, in 2016 dollars. PEEC will take advantage of an existing site, existing infrastructure and existing connectivity to FPL's transmission system, thereby eliminating the costs for those components. Furthermore, FPL's analyses show that the resource plan that includes PEEC in 2016 will save customers \$425 million to \$838 million CPVRR as compared to the other available self-build alternatives, and at least \$900 million CPVRR compared to third party-build alternatives. Accordingly, PEEC will provide needed electricity at a reasonable cost.

**STAFF:** Staff has no position at this time.

**FIPUG:** No.

**ISSUE 4:** Is there a need for the proposed modernization of Florida Power & Light's Port Everglades plant, taking into account the need for fuel diversity, as this criterion is used in Section 403.519(3), Florida Statutes?

**POSITIONS**

**FPL:** Yes. There is a need for PEEC, taking into account the need for fuel diversity. PEEC will be fueled by natural gas, and to enhance fuel supply reliability, it will use light oil as a backup fuel. Compared to returning to service the existing units at Port Everglades, adding PEEC will improve the plant's heat rate by 35% and will improve FPL's overall system heat rate by 1.3%. The improved heat rate, in turn, will reduce FPL's use of natural gas by about 90 million MMBtu and fuel oil by about 10.4 million barrels over a 30-year period.

**STAFF:** Staff has no position at this time.

**FIPUG:** No.

**ISSUE 5:** Will the proposed modernization of Florida Power & Light's Port Everglades plant provide the most cost-effective source of power, as this criterion is used in Section 403.519(3), Florida Statutes?

**POSITIONS**

**FPL:** Yes. PEEC is the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes. FPL's economic analyses demonstrate that

adding PEEC in 2016 will result in customer savings of (i) \$469 million CPVRR when compared to returning to service the existing Port Everglades units, (ii) \$838 million CPVRR when compared to the adding a combined cycle unit at a greenfield site, and (iii) \$425 million CPVRR when compared to adding a combustion turbine unit at a greenfield site in 2016 and deferring PEEC to 2019. In addition, when compared to third party-build alternatives, customer savings will amount to at least \$900 million and may exceed \$1.1 billion.

**STAFF:** Staff has no position at this time.

**FIPUG:** No.

**ISSUE 6:** Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine the need for the proposed modernization of Florida Power & Light's Port Everglades plant?

**POSITIONS**

**FPL:** Yes. The addition of PEEC in 2016 will result in the addition of highly efficient and reliable capacity, customer savings on a CPVRR basis, and significant environmental benefits. PEEC will save customers as much as \$838 million CPVRR over the life of the plant compared to other self-build alternatives. Additionally, it will reduce FPL's system oil and natural gas fuel usage, and will improve FPL's already low emission profile by reducing CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>x</sub> and PM emissions.

**STAFF:** Staff has no position at this time.

**FIPUG:** No.

**ISSUE 7:** Should this docket be closed?

**POSITIONS**

**FPL:** Yes. Upon issuance of an order granting FPL's petitions to determine the need for PEEC, this docket should be closed.

**STAFF:** Staff has no position at this time.

**FIPUG:** Yes.

s/ Jon C. Moyle, Jr.

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Attorneys for Florida Industrial Power Users Group

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing The Florida Industrial Power Users Group's Notice Of Position On Issues To Be Decided has been furnished by electronic mail on the 19<sup>th</sup> of February, 2012 and hand delivery on the 20<sup>th</sup> day of February, 2012, to the following:

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s/ Jon C. Moyle, Jr.

Jon C. Moyle, Jr.