



March 17, 2017

Via electronic filing

Carlotta Stauffer
Director, Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket numbers 160186-EI, 160170-EI

Dear Ms. Stauffer:

Enclosed for filing in the above dockets please find Sierra Club's Motion for Official Recognition and the corresponding Exhibit A. Please contact me should you or your staff have any questions regarding this filing.

Sincerely,

/s/ Diana A. Csank

Diana A. Csank
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Sierra Club
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Qualified Representative for Sierra Club

Enc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Gulf Power Company

Docket No. 160186

In re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization, by Gulf Power Company

Docket No. 160170

Filed: March 17, 2017

SIERRA CLUB'S MOTION FOR
OFFICIAL RECOGNITION

Pursuant to Section 120.569(2)(i), F.S. and Rule 28-106.213, F.A.C., Sierra Club moves the Florida Public Service Commission to take official recognition of the enclosed transcript of the Commission's deliberations and vote on the petition for approval of an energy purchase agreement between Gulf Power Company and Morgan Stanley Capital Group Incorporated.

1. The above captioned matter is scheduled for an evidentiary hearing beginning on March 20, 2017. Pursuant to the Order Establishing Procedure, No. PSC-16-0473-PCO-EI, on March 16, 2017, two business days prior to the first scheduled hearing date, Sierra Club provided notice of its intent to seek official recognition in writing to all parties and Commission Staff. Specifically, Sierra Club's notice identified six items of which the above transcript is one, and is enclosed here as Exhibit A. Besides the transcript, Sierra Club is no longer pursuing the other five items and hereby gives notice of the same to all parties and Commission Staff.

2. Pursuant to Sections 90.201 through 90.203, F.S., Rule 28-106.213, F.A.C., and the Order Establishing Procedure, the Commission may officially recognize the transcript identified by Sierra Club. In particular, Section 90.202(5), F.S. states that “official actions” of state “legislative, executive, and judicial departments” are properly the subject of judicial notice. Because the Commission is such a government entity and the transcript reflects its official actions, the Commission may take notice or, in the words of the Order Establishing Procedure, take “official recognition” of the transcript.

3. Reference to the transcript will assist the Commission and all parties in understanding the evidence adduced at the hearing.

4. Sierra Club has consulted with the parties. Counsel for Gulf, the Southern Alliance for Clean Energy, the League of Women Voters, and the Federal Executive Agency have advised that they do not object to the relief requested. Although Sierra Club has not received a position from the Office of Public Counsel, Florida Industrial Power Users Group, or Walmart, their counsel stated that they have no objections to the items in Sierra Club’s March 16, 2017, notice.

WHEREFORE, for the reasons stated above, Sierra Club requests that the Commission take official recognition of the enclosed transcript.

Respectfully submitted this 17th day of March, 2017.

/s/ Diana A. Csank

Qualified Representative for Sierra Club

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served electronically on this 17th day of March, 2017 on:

<p>Lee Eng Tan/Bianca Lherisson/Kelley Corbari /Stephanie Cuello Office of the General Counsel Florida Public Service Commission ltan@psc.state.fl.us kcorbari@psc.state.fl.us blheriss@psc.state.fl.us scuello@psc.state.fl.us</p>	<p>J.R. Kelly/Charles J. Rehwinkel/ Stephanie Morse Office of Public Counsel kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us morse.stephanie@leg.state.fl.us</p>
<p>Bradley Marshall; Alisa Coe Earthjustice bmarshall@earthjustice.org acoe@earthjustice.org ruhland@earthjustice.org <i>Attorneys for Southern Alliance for Clean Energy, League of Women Voters of Florida</i></p>	<p>T. Jernigan/A. Unsicker/L. Zieman/N. C Federal Executive Agencies c/o AFCEC/JA-ULFSC Thomas.Jernigan.3@us.af.mil Andrew.Unsicker@us.af.mil Lanny.Zieman.1@us.af.mil Natalie.Cepak.2@us.af.mil Ebony.Payton.ctr@us.af.mil</p>
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<p>Steve W. Chriss Wal-Mart Stores East, LP; Sam's East, Inc. stephen-chriss@wal-mart.com</p>	

This 17th day of March, 2017.

/s/ Diana A. Csank

Qualified Representative for Sierra Club

EXHIBIT A

P R O C E E D I N G S

1
2 **CHAIRMAN BROWN:** And now we are moving on. We
3 will get done -- I think you said before 12:00? I think
4 the next two items will go much more swiftly.

5 We are on Issue 5, Gulf Power.

6 Orlando's back.

7 **MR. WOOTEN:** Good afternoon, Commissioners.

8 **CHAIRMAN BROWN:** Good afternoon.

9 **MR. WOOTEN:** Orlando Wooten, once again, with
10 Commission staff.

11 Item 5 is a petition for approval of an energy
12 purchase agreement between Gulf Power Company and Morgan
13 Stanley. The agreement obligates Morgan Stanley to
14 deliver to Gulf a fixed number of megawatt hours over
15 the term of the 20-year agreement. The agreement also
16 requires Morgan Stanley to provide Gulf with renewable
17 attributes associated with a 94-megawatt portion of the
18 Kingfisher Wind Farm. The agreement is similar to the
19 previous Kingfisher Wind Farm agreement that was
20 approved by the Commission in 2015, which approved
21 renewable attributes associated with the 178-megawatt
22 portion of the Kingfisher Wind Farm. No customer
23 comments have been filed in this docket.

24 Sierra Club has filed comments in the docket
25 file and wishes to address the Commission. Staff and

1 the utility are available for any questions, and OPC is
2 also present.

3 **CHAIRMAN BROWN:** Thank you, Mr. Wooten. I
4 know Sierra and SACE -- I believe Sierra -- this letter
5 came from Sierra and SACE; is that correct?

6 **MR. WOOTEN:** Yes, joint comments.

7 **CHAIRMAN BROWN:** All right. Gulf, would you
8 like to reserve your comments for after Sierra/SACE?

9 **MR. GRIFFIN:** Thank you, Madam Chairman,
10 Commissioners. Steve Griffin with the Beggs & Lane law
11 firm here on behalf of Gulf Power. With me, Sybelle
12 Fitzgerald, the Gulf Power generation resource planning
13 manager. And, yes, we would like to reserve our
14 comments.

15 **CHAIRMAN BROWN:** Thank you. Thank you so
16 much. And we do have a copy. Greetings. I appreciate
17 you coming out here today. So I know all the
18 Commissioners have a copy of it. You can have a few
19 moments to address the Commission.

20 **MS. KUNKEL:** Great. Thank you, Madam Chair.
21 And I apologize, I'm a little under the weather, so I
22 don't sound as fabulous. But I'm only here today to
23 represent Sierra Club, even though SACE did sign on to
24 the comments.

25 Sierra Club supports the PPA agreement because

1 wind energy is cheap, reliable, and clean. As they
2 detailed in their comments, they're excited this PPA
3 will bring more inexpensive, non-polluting electricity
4 to Gulf's customers. Integration of renewables can help
5 lower the dependence on expensive fossil fuels, insulate
6 from price shocks, and reduce regulatory uncertainty.
7 However, as further detailed in the comments, this
8 Commission should have all of the information concerning
9 the availability of renewable generation when it makes
10 these types of decisions.

11 Accordingly, we ask the Commission to require
12 Gulf to conduct an RFI and subsequent RFP to invest in
13 renewable generation within its market area. These
14 measures will provide a more accurate depiction of the
15 renewable resources available in Gulf's own backyard.
16 Florida has the potential to be a renewable energy
17 powerhouse, but despite the tremendous resources, the
18 state has lagged behind its neighbors in investing in
19 clean energy. In Alabama and Georgia, Gulf's sister
20 subsidiaries are already well on their way to building
21 out the renewable capacity that will power their states
22 into the 21st Century. In 2015, 100 percent of Alabama
23 Power's new generation was from solar. In Georgia,
24 another sister company recently committed to procure
25 1.6 gigawatts of renewable generation.

1 The first step in catching up is to know what
2 resources exist. An RFI is the most practical,
3 expeditious way of doing so. The Commission should take
4 several steps to ensure that the RFI and subsequent RFP
5 process are structured to best capture the potential for
6 investing in renewables.

7 First the request should focus on
8 cost-effective generation, not filing a specific
9 capacity need. Investing in renewables benefits
10 customers even without a capacity need by reducing fuel
11 and other variable costs.

12 Second, the request should look for generation
13 of various sizes. This will better reflect the nature
14 of renewable projects that may be distributed across a
15 wide area.

16 And, third, the request should emphasize best
17 practices, like long-term contracts which reflect the
18 long-term cost of infrastructure rather than short-term
19 need.

20 So to summarize, we support Gulf's investment
21 in clean energy, including the proposed PPA at issue in
22 this docket, but urge Commissioners not to overlook the
23 opportunities to build out clean renewable energy
24 infrastructure within the state as well. And thank you.

25 **CHAIRMAN BROWN:** Thank you, and I hope you

1 feel better.

2 Mr. Griffin.

3 **MR. GRIFFIN:** Thank you, Madam Chair. And
4 just briefly, I'll try to keep it at a high level.
5 We've been here for a while.

6 **CHAIRMAN BROWN:** We've got a lot of stamina
7 back here. We can keep on going.

8 **MR. GRIFFIN:** Then we can keep on going, if
9 that's your prerogative obviously. But there's a lot to
10 the proposal that Ms. Kunkel just laid out. What has
11 happened in Georgia and Alabama, I can't speak to the
12 intricacies of how that has taken place, but I do know
13 that it didn't take place in the course of a proceeding
14 like this. They have integrated resource planning
15 proceedings that occur annually or tri-annually. I'm
16 not even sure. But my point is that the purpose for
17 which we are here today is to consider the Kingfisher
18 energy purchase agreement. And to the extent that we
19 were to stray beyond that, we would object to that.
20 That's a fairly broad policy consideration to direct a
21 utility to go out and engage an RFI and a mandatory RFP,
22 which would result in mandatory acquisitions of
23 renewable energy. And given the fact, frankly, that
24 these comments were not even filed with this Commission
25 until late Friday afternoon, we were a bit caught

1 offguard by it, to say the least. But it is a policy
2 consideration that we would object to having considered
3 at this moment in time.

4 Just as a matter of principle, I would tell
5 you that our position at this point in time is that it's
6 not necessary. In the last two years, Gulf Power
7 Company has come to this Commission with multiple
8 innovative renewable energy projects involving the
9 military, involving another wind agreement at this same
10 facility, involving community solar, and so I think it's
11 fair to say that the company has its finger on the pulse
12 of the marketplace. They're actively engaged in
13 discussions with multiple renewable developers. And to
14 the extent that they identify superior opportunities for
15 our customers from a cost-effectiveness standpoint, they
16 transact upon those and they bring them here for your
17 approval, as evidenced by the fact that we're here today
18 and we have been in the recent past.

19 So high-level comments. To the extent there
20 are additional questions or concerns, we'll be happy to
21 address those. Thank you.

22 **CHAIRMAN BROWN:** Thank you so much.

23 Commissioners? Commissioner Edgar.

24 **COMMISSIONER EDGAR:** Thank you, Madam Chair.

25 I think you just answered the question I was

1 going to ask, but I'm going to ask it a slightly
2 different way anyway to make sure that I'm clear.

3 In the letter that was -- that the Sierra
4 representative has described to us and has discussed, it
5 was submitted by SACE and the Sierra Club. I'm looking
6 specifically at -- do you have it in front of you?

7 **MR. GRIFFIN:** I do.

8 **COMMISSIONER EDGAR:** Okay. I'm looking
9 towards the bottom of page 3 of the letter. And first
10 of all, let me say, because I'm not -- I don't want to
11 cause any larger concern than what I would want to
12 cause, which is I do agree with your comments that the
13 request is beyond the scope of the item that is before
14 us and takes into -- would take into account a number of
15 other steps and policy considerations, et cetera, et
16 cetera. I agree with that. But I am -- wanted to come
17 back to this point.

18 In the last paragraph at the bottom of page 3,
19 in the first sentence it says basically, my words from
20 this language, that the intent would be for Gulf to
21 obtain pricing information for renewable energy under a
22 number of different scenarios. And my understanding is
23 that that is information and a process that, in a
24 different way, the company already goes through and
25 already has that type of information for analysis. Is

1 that a correct statement?

2 **MR. GRIFFIN:** That's absolutely correct.
3 That's part of every analytical decision we make when
4 looking at potential projects and specific types of
5 renewable energy. And so there are various scenarios
6 and sensitivities that are run on various size
7 facilities, interconnection costs, transmission
8 infrastructure capabilities. And so, yes, I mean, it's
9 all part of the analysis.

10 One other point that I neglected to mention is
11 that what they are asking you for here today is
12 conditional approval. So if the Commission does not
13 agree to force the company into this mandatory RFP, then
14 what I hear them saying is that you ought not to approve
15 the Kingfisher EPA. And if that's the case, I would
16 point out that there is a provision in the energy
17 purchase agreement that allows either party to
18 essentially walk away from it if the Commission attaches
19 qualifications or conditions to the approval order.

20 **COMMISSIONER EDGAR:** That was not my
21 understanding of -- I hear you. That was not my
22 understanding of the information or the request that was
23 contained in the letter.

24 Would you like to speak to that briefly?

25 **MS. KUNKEL:** Yes. I mean, we certainly are

1 supporting the PPA. What we're asking for, in order to
2 get a better understanding of what Florida's potential
3 is, is to look at all of the opportunities of ways to
4 gather information so that we can continue to build on
5 the RFI -- to continue to build on the renewable
6 energies. I mean, we have said this over and over
7 again. Gulf is doing a great job when it comes to
8 looking at ways to do, you know, the solar
9 installations: their previous PPA on the wind, this PPA.
10 We want other utilities to look at Gulf. But what we're
11 saying is go the step further, meet what is happening in
12 their sister subsidiaries in Georgia and Alabama, and
13 let's look at ways to increase renewable energies by
14 looking at an RFI, by looking at RFPs, so that we're not
15 just looking at how do we meet need? We're looking at
16 ways to increase the access to renewable energy overall.

17 **COMMISSIONER EDGAR:** All right. Thank you.

18 Thank you for that clarification. And that is in
19 keeping with my understanding.

20 I would just say that I know we're all -- I
21 believe that everybody up here is supportive of all of
22 the utilities and our staff and all interested groups
23 continuing to gain additional information and analysis
24 and -- for renewable energy for this state on a
25 go-forward basis. But, again, I come back to the item

1 that is before us, and at the appropriate time, Madam
2 Chair, I would like to make a motion in support of the
3 staff recommendation.

4 **CHAIRMAN BROWN:** Thank you. I have a couple
5 of questions for the utility. And absolutely, I am of
6 the same mind. I am very supportive of this arrangement
7 and Gulf's initiative to continue to seek new renewable
8 energy projects in a creative fashion, and I think this
9 is one of them.

10 And this is a 94-megawatt commitment; correct?
11 And that would power how many additional residential
12 homes? Is there -- do you have the equivalent of that?

13 **MR. GRIFFIN:** I know it's about approximately
14 3 percent of our projected jurisdictional sales for
15 2017. I would have to speculate as to how many homes.
16 I mean, in excess of 30,000.

17 **CHAIRMAN BROWN:** But the bulk capacity, I
18 guess, with the previous commitment would equal, with
19 this, 298 megawatts; is that correct?

20 **MR. GRIFFIN:** That's for the entire Kingfisher
21 facility. And so there are 13 units that are not
22 designated for Gulf Power, so it's a little bit shy of
23 298. But it's close.

24 **CHAIRMAN BROWN:** Are you looking to pursue
25 more at that location too?

1 **MR. GRIFFIN:** Not at this time.

2 **CHAIRMAN BROWN:** Not at this time? Well, I
3 want to thank you for your efforts and, again, your
4 creativity in attracting it. It seems like there will
5 be immediate customer savings as soon as this comes
6 online. So I think -- I applaud you for those efforts.

7 And, Commissioner Edgar, now is a great time.

8 **COMMISSIONER EDGAR:** I move approval of the
9 staff recommendation, Madam Chair.

10 **COMMISSIONER PATRONIS:** Second.

11 **CHAIRMAN BROWN:** All those in favor.

12 (Vote taken.)

13 All right. Thank you. The item passes.

14 (Agenda item concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON) : CERTIFICATE OF REPORTER

3
4 I, LINDA BOLES, CRR, RPR, Official Commission
5 Reporter, do hereby certify that the foregoing
6 proceeding was heard at the time and place herein
7 stated.

8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED THIS 18th day of October, 2016.

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24
25

LINDA BOLES

LINDA BOLES, CRR, RPR
FPSC Official Hearings Reporter
(850) 413-6734