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April 21, 2021

**VIA: ELECTRONIC FILING**

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

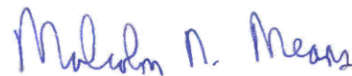
Re: Petition of Tampa Electric Company for Approval for a New Environmental Program  
through the Environmental Cost Recovery Clause

Dear Mr. Teitzman:

Attached for filing is a Petition of Tampa Electric Company for Approval of a New  
Environmental Program through the Environmental Cost Recovery Clause.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

MNM/bmp  
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company )  
for approval of a new environmental )  
program for cost recovery through )  
the Environmental Cost Recovery Clause. )  
\_\_\_\_\_ )

DOCKET NO. \_\_\_\_\_

FILED: April 21, 2021

**PETITION OF TAMPA ELECTRIC COMPANY FOR APPROVAL OF  
A NEW ENVIRONMENTAL PROGRAM FOR COST RECOVERY  
THROUGH THE ENVIRONMENTAL COST RECOVERY CLAUSE**

Tampa Electric Company (“Tampa Electric” or “the company”), by and through its undersigned counsel, and pursuant to Section 366.8255, Florida Statutes, and Florida Public Service Commission (“Commission”) Order Nos. PSC-94-0044-FOF-EI and PSC-94-1207-FOF-EI, hereby petitions the Commission for approval of the company’s proposed environmental compliance program – Bayside Station Section 316(b) compliance project – such that all prudent costs incurred after the date of this Petition may be recovered through the Environmental Cost Recovery Clause (“ECRC”). In support of its Petition, the company states:

1. Tampa Electric is an investor-owned electric utility subject to the Commission’s jurisdiction pursuant to Chapter 366, Florida Statutes. Tampa Electric serves retail customers in Hillsborough and portions of Polk, Pinellas, and Pasco Counties in Florida. The company’s principal offices are located at 702 North Franklin Street, Tampa Florida 33602.

2. The persons to whom all notices and other documents should be sent in connection with this docket are:

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3. In August 2014, the Environmental Protection Agency (“EPA”) published their final rule regarding Section 316(b) of the Clean Water Act (“Section 316(b)”). The rule became effective in October 2014. The rule establishes requirements for cooling water intake structures (“CWIS”) at existing facilities. Section 316(b) requires that the location, design, construction, and capacity of CWIS reflect the best technology available (“BTA”) for minimizing adverse environmental impacts. The rule also requires that a compliance optimization study be performed after completion of construction to validate the effectiveness of the measures taken.

4. The rule addresses impacts to aquatic life resulting from operation of cooling water systems in the U.S. from either impingement or entrainment. Impingement mortality occurs when fish and shellfish are pinned against the intake system screens and unable to get free. Entrainment mortality occurs when small fish, eggs, and larvae pass through the protective screens and into the cooling system. The rule allows for seven different approaches to impingement mortality reduction at affected facilities, each of which, if it meets the goals defined for the approach by the rule, would be considered fully compliant. These approaches are

- a. closed-cycle cooling tower;
- b. 0.5 feet per second (“fps”) through-screen design velocity;
- c. 0.5 fps through-screen actual velocity;

- d. existing offshore velocity cap;
- e. modified traveling screens;
- f. system of technologies as the BTA for impingement mortality; and,
- g. meet impingement mortality performance standard.

5. For entrainment compliance, the rule requires the evaluation of closed-cycle cooling, alternative water supplies, and fine mesh screens in terms of feasibility, cost, and effectiveness for a site-specific determination by the Florida Department of Environmental Protection (“FDEP”) Director.

6. Tampa Electric completed the required study elements under its previously approved Clean Water Act Section 316(b) Phase II Study ECRC project and submitted them to FDEP with the National Pollutant Discharge Elimination System (“NPDES”) Permit Application for Renewal in February 2018. These elements included

- a. 40 CFR 122.21(r)(2), Source Water Physical Data;
- b. 40 CFR 122.21(r)(3), Cooling Water Intake Structure Data;
- c. 40 CFR 122.21(r)(4), Baseline Biological Characterization;
- d. 40 CFR 122.21(r)(5), Cooling Water System Data;
- e. 40 CFR 122.21(r)(6), Chosen Method of Compliance with Impingement Mortality Standard;
- f. 40 CFR 122.21(r)(7) Entrainment Performance Studies; and,
- g. 40 CFR 122.21(r)(8) Operational Status.
- h. 40 CFR 122.21(r)(9), Entrainment Characterization Study;
- i. 40 CFR 122.21(r)(10), Feasibility and Cost Study;
- j. 40 CFR 122.21(r)(11), Benefits Valuation Study;

- k. 40 CFR 122.21(r)(12) Environmental and Other Impacts; and,
- l. 40 CFR 122.21(r)(13) Peer Review of (r)(10), (r)(11), and (r)(12).

The company hired a consulting firm to conduct these studies to evaluate Section 316(b) compliance and has identified the installation of modified traveling screens with a fish return as the most cost-effective solution to continue operating Bayside Station in compliance with the impingement requirements of Section 316(b).

7. Within six months of receipt of the company's Bayside Station NPDES permit, which is currently pending renewal by the FDEP, Tampa Electric will submit a plan which will be used by FDEP to establish the Bayside Station Section 316(b) compliance schedule.

8. This petition applies to impingement mortality requirements of Section 316(b) for the Bayside CWIS. If the FDEP Director determines that additional changes are needed to meet entrainment mortality requirements, Tampa Electric will address such requirements through a subsequent petition.

9. In order to comply with Section 316(b) and its NPDES permit, Tampa Electric must make modifications to its existing Bayside Station CWIS for purposes of withdrawing once-through cooling water from Tampa Bay. Existing coarse mesh screens will be replaced with modified traveling screens, which remove fish coming in contact with the screens and transport them through one of two fish return pipes away from the influence of the Bayside Station CWIS. The new system will allow aquatic life impinged on the screens to be safely returned to a suitable location.

10. Section 316(b) also requires that a compliance optimization study be performed. The study must include two years of biological data collection to measure the reduction in

impingement mortality at the intakes and demonstrate that the operation has been optimized to minimize impingement mortality.

11. Engineering work for the Bayside Section 316(b) project will begin near the end of 2021. The total estimated capital cost of the project is \$9.6 million. Costs associated with the optimization study are estimated to be \$540 thousand over a two-year period. Estimated O&M costs associated with the project are \$512 thousand per year once commercial operation begins. The following table reflects a breakdown of the project components and their projected costs.

**Bayside Section 316(b) Impingement Mortality Project**

	2021 (\$000)	2022 (\$000)	2023 (\$000)	2024 (\$000)	2025 (\$000)	Total (\$000)
<b>Capital</b>						
Engineering	375	75	75	-	-	525
Equipment	450	4,425	1,125	-	-	6,000
Construction	-	1,850	750	-	-	2,600
Owners Costs	125	125	125	-	-	375
Demolition / Retirement	-	30	30	-	-	60
<i>Total</i>	950	6,505	2,105	-	-	9,560
<b>Compliance Optimization Study<sup>1</sup></b>	-	-	-	270	270	540
<b>In-Service Annual O&amp;M<sup>2</sup></b>						
Variable O&M	-	-	-	134	134	N/A
Operating Labor	-	-	-	50	50	N/A
Maintenance Material	-	-	-	198	198	N/A
Maintenance Labor	-	-	-	130	130	N/A
<i>Total</i>	-	-	-	512	512	N/A

1 Estimated Compliance Optimization Study costs to be incurred for two years after commercial in-service date to validate effectiveness of measures in accordance with Section 316(b).

2 Estimated annual O&M expense after commercial in-service date to continue through life of compliance equipment.

12. Tampa Electric will follow its usual prudent and practical procurement policies, including competitive bidding for project components, to ensure it purchases equipment and services at the best prices available.

13. The Commission's policy for initial cost recovery approval of an ECRC eligible project is set forth in Order No. PSC-94-0044-FOF-EI issued January 12, 1994 in Docket No. 930613-EI, In re: Gulf Power Company, ("the Gulf Order") as follows:

Upon petition, we shall allow the recovery of costs associated with an environmental compliance activity through the environmental cost recovery factor if:

1. such costs were prudently incurred after April 13, 1993;
2. the activity is legally required to comply with a governmentally imposed environmental regulation enacted, became effective, or whose effect was triggered after the company's last year upon which rates are based; and,
3. such costs are not recovered through some other cost recovery mechanism or through base rates.

14. The Commission has interpreted the Gulf Order criteria to require that projects eligible for ECRC cost recovery must be required to comply with, or remain in compliance with, a governmentally imposed environmental regulation. (See, *e.g.*, Order No. PSC-11-0080-PAA-EI, issued January 31, 2011 in Docket No. 100404-EI.)

15. In a 1999 Gulf Power decision in Docket No. 990677-EI the Commission approved a Gulf Power sodium injection project for ECRC cost recovery, observing:

...we approved the project both to comply with new Clean Air Act Amendments (CAAA) Phase II requirements and to maintain compliance with existing permit requirements. . . . (Emphasis supplied)

16. In Order No. 11-0080, referred to above, the Commission observed:

...In Docket No. 980007-EI, In re: Environmental Cost Recovery clause, we approved Gulf's additional ground water monitoring equipment to continue to comply with an existing environmental requirement, because greater treatment capacity was needed. (Emphasis supplied)

17. The Commission went on in Order No. 11-0080 to refer to its prior approval of a turtle net project for FPL, noting that:

These additional activities were not specifically required by . . . [the NRC license]. . . FPL explained that they were necessary to insure that the net worked properly so it could continue to comply with its NRC license. . . . (Emphasis supplied)

18. The Commission further noted in Order No. 11-0080 that it had approved a modular cooling tower project for Progress Energy Florida (“PEF”) to allow PEF to continue compliance with wastewater discharge standards required by the FDEP. The Commission noted that increased inlet water temperatures from the Gulf during the summers of 2001 and 2005 forced PEF to reduce the output of its plants in order to remain in compliance with its discharge permit. The Commission observed that the modular cooling towers along the discharge canal provided additional cooling capacity that allowed PEF to comply with its permit and avoid numerous, expensive derates of its base load generating units.

19. Tampa Electric cannot continue operating Bayside Station in compliance with Section 316(b) without making the CWIS modifications described in this petition.

20. The proposed CWIS modifications merit ECRC cost recovery under the Gulf Order criteria. All costs associated with the project will be prudently incurred after April 13, 1993. The CWIS modifications to Bayside Station are required in order for Tampa Electric to continue complying with the requirements of Section 316(b) and its NPDES permit. The need to construct CWIS modifications has been triggered after the company’s last test year upon which rates are currently based. Finally, the costs of the proposed CWIS modifications are not recovered through some other cost recovery mechanism or through base rates. Like the Gulf Power ECRC project approved in Docket No. 980007-EI, the proposed CWIS modifications are needed in order to enable Tampa Electric to continue complying with the applicable environmental mandates.



21. Tampa Electric expects to begin incurring Section 316(b) compliance costs associated with the proposed CWIS modifications for Bayside Station in 2021. Project costs will be subject to audit by the Commission.

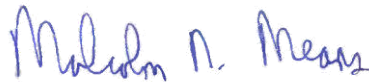
22. The project capital expenditures should be allocated to rate classes on a demand basis, and operation and maintenance expenses should be allocated to rate classes on an energy basis.

23. Tampa Electric is not aware of any disputed issues of material fact relative to the matters set forth in this petition.

WHEREFORE, Tampa Electric Company respectfully the Commission to approve the company's proposed Bayside Station Section 316(b) compliance program and the company's recovery of the carrying costs and operation and maintenance expenses of this program through the ECRC in the manner described herein.

DATED this 21st day of April, 2021.

Respectfully submitted,



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