

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 23, 2021
TO: All Parties of Record & Interested Persons
FROM: Suzanne Brownless, Special Counsel, Office of the General Counsel *SB*
RE: Docket No. 20210001-EI – In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.

Please note that an informal meeting between Commission staff and interested persons to the above-captioned docket has been scheduled for the following time and place:

Wednesday, September 29, 2021 at 10:00 a.m.
Room 105, Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

The purpose of the meeting is to identify issues and discuss procedures. The meeting will be conducted in person. However, parties may participate by telephone. Participation is not required; however, all interested persons are encouraged to participate. Staff's most recent Issues List is attached.

Persons may participate telephonically in this meeting by dialing **1-888-585-9008**, Conference No. **617-088-868#**. If you have any questions about the meeting, please call Suzanne Brownless at (850) 413-6218.

If settlement of the case or a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

cc: Commission Clerk

DOCKET NO. 20210001-EI
STAFF ISSUES
SEPTEMBER 22, 2021

I. FUEL ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2022 Risk Management Plan?

ISSUE 1B: What is the appropriate subscription credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2022?

ISSUE 1C: Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the December 2020 to January 2021 Crystal River Unit No. 4 outage? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

ISSUE 1D: Should the Commission allow the \$246.8 million estimated 2021 true-up to be recovered over 2022 and 2023?

Florida Power & Light Company

ISSUE 2A: What is the appropriate revised SoBRA factor for the 2019 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

ISSUE 2B: What is the appropriate revised SoBRA factor for the 2020 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

ISSUE 2C: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2020 through December 2020, and how should that gain to be shared between FPL and customers?

ISSUE 2D: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2020 through December 2020?

ISSUE 2E: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No.

PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2020 through December 2020?

ISSUE 2F: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2020 through December 2020?

ISSUE 2G: What is the appropriate subscription credit associated with FPL’s SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2022?

ISSUE 2H: Should the Commission approve FPL’s 2022 Risk Management Plan?¹

Florida Public Utilities Company

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be sequentially numbered 3A, 3B, 3C, etc.

Gulf Power Company

ISSUE 4A: Should the Commission approve FPL’s 2022 Risk Management Plan?

Tampa Electric Company

ISSUE 5A: What was the total gain under TECO’s Optimization Mechanism approved by Order No. PSC-2017-0456-S-EI that TECO may recover for the period January 2020 through December 2020, and how should that gain to be shared between TECO and customers?

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2021 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2022 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2020 through December 2020?

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2021 through December 2021?

¹ FPL and Gulf filed a single 2022 Risk Management Plan applicable to both utilities. Document No. 08359-2021 (redacted).

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2022 through December 2022?

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2022 through December 2022?

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC.

No company-specific GPIF issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Florida Power & Light Company

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

Gulf Power Company

No company-specific GPIF issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

Tampa Electric Company

No company-specific GPIF issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 15A, 15B, 15C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 16: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2020 through December 2020 for each investor-owned electric utility subject to the GPIF?

ISSUE 17: What should the GPIF targets/ranges be for the period January 2022 through December 2022 for each investor-owned electric utility subject to the GPIF?

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2022 through December 2022?

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility’s levelized fuel factor for the projection period January 2022 through December 2022?

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2022 through December 2022?

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 23A: What adjustment amounts should the Commission approve to be refunded through the capacity clause in 2022 associated with the SoBRA III project, specifically Plants Santa Fe and Twin Rivers approved in Docket No. 20200245-EI?

ISSUE 23B: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF’s 2017 Settlement?

Florida Power & Light Company

ISSUE 24A: What is the appropriate true-up adjustment amount associated with the 2019 SOBRA projects to be refunded through the capacity clause in 2022?

ISSUE 24B: What is the appropriate true-up adjustment amount associated with the 2020 SOBRA projects to be refunded through the capacity clause in 2022?

ISSUE 24C: What are the appropriate Indiantown non-fuel base revenue requirements to be recovered through the Capacity Clause pursuant to the Commission’s approval of the Indiantown transaction in Docket No. 160154-EI for 2022?

ISSUE 24D: What is the appropriate true-up adjustment amount associated with Okeechobee Clean Energy Center Generation Limited Scope Adjustment as required by Order NO. PSC-2016-0560-AS-EI?

Gulf Power Company

No company-specific capacity cost recovery factor issues for Gulf Power Company have been identified at this time. If such issues are identified, they will be numbered 25A, 25B, 25C, and so forth, as appropriate.

Tampa Electric Company

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will be numbered 26A, 26B, 26C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January 2020 through December 2020?

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2021 through December 2021?

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2022 through December 2022?

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2022 through December 2022?

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2022 through December 2022?

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2022 through December 2022?

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2022 through December 2022?

III. EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

ISSUE 35: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?