

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause and generating
performance incentive factor.

Docket No: 20250001-EI
Filed: October 6, 2025

SOUTHERN ALLIANCE FOR CLEAN ENERGY'S
PREHEARING STATEMENT

The Southern Alliance for Clean Energy, Inc. ("SACE"), by and through its undersigned counsel, and pursuant to the Order Establishing Procedure, Order Number PSC-2025-0025-PCO-EI (the "OEP"), hereby submits its Prehearing Statement.

A. APPEARANCES

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On behalf of the Southern Alliance for Clean Energy, Inc.

B. WITNESSES

i. All Known Witnesses - SACE intends to offer the testimony of:

Direct

Witness	Subject Matter	Issues#
Ivan K. Urlaub	Recommendations to enable more robust quantification and realization of fuel cost savings in future proceedings.	31

ii. All Known Exhibits - SACE intends to offer the following exhibits:

Witness	Proffered By	Exhibit #	Description	Issue #
Ivan K. Irlaub	SACE	(IKU-1)	Florida Power & Light Energy by Source from 2025 Ten-Year Site Plan	31
Ivan K. Irlaub	SACE	(IKU-2)	Duke Energy Florida Energy by Source from 2025 Ten-Year Site Plan	31
Ivan K. Irlaub	SACE	(IKU-3)	Natural Gas Use in South Atlantic Power Sector	31
Ivan K. Irlaub	SACE	(IKU-4)	Fuel Cost for Natural Gas Power Plants (Electric Utilities only)	31
Ivan K. Irlaub	SACE	(IKU-5)	Premium Paid by Floridians for Natural Gas	31
Ivan K. Irlaub	SACE	(IKU-6)	Acute Spikes in Natural Gas Prices	31
Ivan K. Irlaub	SACE	(IKU-7)	The Florida gas pipeline network and relevant upstream supply	31
Ivan K. Irlaub	SACE	(IKU-8)	Venture Global Gator Express Flow Plot (Receipt)	31
Ivan K. Irlaub	SACE	(IKU-9)	Midcontinent Express Flows Shift to Support Plaquemines Feedgas	31
Ivan K. Irlaub	SACE	(IKU-10)	Florida Gas Transmission Flow Plot (Receipt)	31
Ivan K. Irlaub	SACE	(IKU-10)	Gulfstream, Sabal Trail, and Destin Flow Plots (Receipts)	31

C. STATEMENT OF BASIC POSITION

The Florida Public Service Commission should adjust its procedures in this docket going forward to identify and realize greater fuel cost savings and avoided future costs for the benefit of ratepayers by a) identifying and quantifying the natural gas fuel price and volatility risks utility ratepayers are increasingly exposed to, b) identifying and quantifying the opportunities for greater cost savings to the benefit of ratepayers if these natural gas fuel price and volatility risks are mitigated, and c) adjusting its review of the utilities' fuel-related planning and procurement to enable more robust fuel cost savings to be quantified and realized. Fuel costs are a significant and volatile share of ratepayer bills. But a one-year lookback or projection is inadequate for strategically reducing exposure to fuel costs.

The Commission should develop a fuel cost management policy applicable to all power generating jurisdictional electric utilities that extends the "look forward" in the fuel docket to match the Ten-Year Site Plan process to incrementally develop evidence-based, improved fuel management policies. In adjusting its policies and procedures, the Commission should also provide for commonality among jurisdictional utilities in the approach they use to manage fuel cost risk to more closely match that of FPL and in a more developed way so that fuel cost risk is addressed comprehensively and in the same manner for all of Florida's IOU customers. These IOUs should each be seeking resource diversification, utilizing the capacity release market,

Such an adjustment to Commission policies and procedures is justified for the reasons explained in the pre-filed testimony of Ivan K. Irlaub, filed in this docket on behalf of SACE.

D. SACE'S POSITION ON THE ISSUES

I. FUEL ISSUES

COMPANY-SPECIFIC FUEL ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2026 Risk Management Plan?

SACE'S POSITION: No position.

ISSUE 1B: What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2026?

SACE'S POSITION: No position.

ISSUE 1C: What is the appropriate Clean Energy Impact (CEI) credit, approved by Order No. PSC-2023-0191-TRF-EI, to be included in the fuel clause in 2026?

SACE'S POSITION: No position.

ISSUE 1D: What is the appropriate amount of the storm cost recovery true-up to be credited to the fuel clause in the period January 2025 through December 2025 per Order No. PSC-2025-0204-FOF-EI?

SACE'S POSITION: No position.

Florida Power & Light Company

ISSUE 2A: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL may recover for the period January 2024 through December 2024, and how should that gain to be shared between FPL and its customers?

SACE'S POSITION: No position.

ISSUE 2B: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2024 through December 2024?

SACE'S POSITION: No position.

ISSUE 2C: 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-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2024 through December 2024?

SACE'S POSITION: No position.

ISSUE 2D: 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-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2024 through December 2024?

SACE'S POSITION: No position.

ISSUE 2E: 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 2026?

SACE'S POSITION: No position.

ISSUE 2F: Should the Commission approve FPL's 2026 Risk Management Plan?

SACE'S POSITION: No position.

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 numbered 3A, 3B, 3C, and so forth, as appropriate.

Tampa Electric Company

ISSUE 4A: What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2021-0423-S-EI that TECO may recover for the period January 2024 through December 2024, and how should that gain to be shared between TECO and its customers?

SACE'S POSITION: No position.

ISSUE 4B: Should the Commission approve TECO's 2026 Risk Management Plan?

SACE'S POSITION: No position.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate final fuel adjustment true-up amounts for the period January 2024 through December 2024?

SACE'S POSITION: No position.

ISSUE 6: What are the appropriate fuel adjustment actual/estimated true-up amounts for the

period January 2025 through December 2025?

SACE'S POSITION: No position.

ISSUE 7: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 8: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2026 through December 2026?

SACE'S POSITION: Projected total fuel cost recovery amounts for the one-year period of 2026 should be approved contingent on the requirements that DEF and TECO develop and submit in this docket a fuel diversification plan, and that FPL affirm and continue its current fuel diversification strategies.

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 9A, 9B, 9C, 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 10A, 10B, 10C, 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 11A, 11B, 11C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 12: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2024 through December 2024 for each investor-owned electric utility subject to the GPIF?

SACE'S POSITION: No position.

ISSUE 13: What should the GPIF targets/ranges be for the period January 2026 through December 2026 for each investor-owned electric utility subject to the GPIF?

SACE'S POSITION: No position.

FUEL FACTOR CALCULATION ISSUES

ISSUE 14: 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 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 15: 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 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 16: What are the appropriate levelized fuel cost recovery factors for the period January 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 17: 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?

SACE'S POSITION: No position.

ISSUE 18: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

SACE'S POSITION: No position.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 19A: 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 for 2026?

SACE'S POSITION: No position.

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 20A, 20B, 20C, 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 21A, 21B, 21C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 22: What are the appropriate final capacity cost recovery true-up amounts for the period January 2024 through December 2024?

SACE'S POSITION: No position.

ISSUE 23: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2025 through December 2025?

SACE'S POSITION: No position.

ISSUE 24: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 25: What are the appropriate projected total capacity cost recovery amounts for the period January 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2026 through December 2026?

SACE'S POSITION: No position.

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January 2026 through December 2026?

SACE'S POSITION: No position.

III. EFFECTIVE DATE

ISSUE 29: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

SACE'S POSITION: No position.

ISSUE 30: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

SACE'S POSITION: No position.

ISSUE 31: Should this docket be closed?

SACE'S POSITION: No. The Commission should: 1) Continue this docket and amend the scope and requirements of the processes involved in the docket to attain its current purposes, but to improve visibility to additional potential multi-year cost savings by providing a 5-year look back and a 10-year look forward; and 2) Expand TYSP requirements to include the expanded information from this docket.

SACE reserves the right to identify additional exhibits for the purpose of cross-examination or rebuttal.

E. OTHER

Stipulated Issues – None at this time.

Pending Motions – None at this time.

Pending Confidentiality Claims or Requests – None at this time.

Objections to Witness Qualifications as an Expert – None at this time.

Compliance with Order No. PSC-2025-00520PCO-EI – SACE has complied with all of the requirements of the OEP, including modifications, if any.

RESPECTFULLY SUBMITTED this 6th day of October, 2025.

/s/ William C. Garner

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on this 6th day of October, 2025 via electronic mail on:

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