



MEMORANDUM

AGENDA ITEM #IV.G

DATE: AUGUST 8, 2016

TO: COUNCIL MEMBERS

FROM: STAFF

SUBJECT: PROPOSED RESOLUTION URGING THE FLORIDA PUBLIC SERVICE COMMISSION TO DENY FLORIDA POWER & LIGHT THE ABILITY TO RECOVER COSTS FOR REMEDIATING ENVIRONMENTAL IMPACTS FROM THE TURKEY POINT POWER PLANT AT ADDITIONAL COST TO RATEPAYERS

Proposed Council Resolution 16-02 is similar to Miami Dade County Resolution R-502-16 which was adopted by the Board of County Commissioners on June 7, 2016. This Resolution requests that the Florida Public Service Commission deny Florida Power & Light the ability to shift costs for remediating environmental impacts from the Turkey Point Power Plant to ratepayers. At the Florida Senate joint committee hearing conducted in Homestead on April 29, 2016, FPL represented that remediation costs could be as high as \$50 million this year alone, and that the utility would seek to recover those costs from customers.

Recommendation

Approve the resolution.



RESOLUTION 16-02

RESOLUTION URGING THE FLORIDA PUBLIC SERVICE COMMISSION TO DENY FLORIDA POWER & LIGHT THE ABILITY TO RECOVER COSTS FOR REMEDIATING ENVIRONMENTAL IMPACTS FROM THE TURKEY POINT POWER PLANT AT ADDITIONAL COST TO RATEPAYERS

WHEREAS, the South Florida Regional Council is a regional public policy and planning agency representing the geographic area of Miami-Dade, Broward, and Monroe counties;

WHEREAS, the Council Board consists of county and municipal elected officials, gubernatorial appointees, and ex-officio representatives representing the South Florida Water Management District and the Florida departments of Transportation, Environmental Protection, and Economic Opportunity;

WHEREAS, the Council's mission is to work with, and provide assistance to, its member units of local governments and other regional stakeholders to develop and implement creative strategies that will result in more prosperous and equitable communities, a healthier and cleaner environment, and a more vibrant economy;

WHEREAS, Florida Power & Light (FPL) operates the Turkey Point Power Plant in south Miami-Dade County, adjacent to Biscayne National Park and Biscayne Bay; and

WHEREAS, operation of the Turkey Point Power Plant, and particularly use of the approximately 5,900-acre unlined cooling canal system to cool nuclear-powered Units 3 and 4, has had significant negative impacts to environmental resources in the area surrounding the plant, including the creation of a plume of dense "hypersaline" saltwater that is migrating outside the boundaries of the cooling canal system into the Region's drinking water aquifer, as well as leaching water tainted with ammonia and other contaminants into Biscayne Bay; and

WHEREAS, FPL has been aware of the environmental contamination emanating from the cooling canal system since at least 2010; and

WHEREAS, in 2015, Miami-Dade County's Division of Environmental Resources Management issued a Notice of Violation to FPL for its continued impacts to groundwater and entered into a Consent Agreement with FPL, requiring the utility to undertake various actions to reduce and remediate the impacts, including the installation of wells to intercept, capture, contain, and retract hypersaline groundwater; and

WHEREAS, since then, the Florida Department of Environmental Protection has also entered a final order requiring FPL to undertake certain actions to address the environmental damage from the cooling canal system; and

WHEREAS, at a Florida Senate joint committee hearing conducted in Homestead on April 29, 2016, FPL represented that the remediation costs could be as high as \$50 million this year alone, and that the utility would seek to recover those costs from customers; and

WHEREAS, South Florida region with more than 4.5 million residents would pay a significant portion of any rate increase; and

WHEREAS, in January 2016, FPL filed a request with the Florida Public Service Commission (PSC) to raise the base rate of the monthly bill of a typical customer by \$13 a month, which increase would be phased in over four years (\$8.50 in 2017, another \$2.50 in 2018 and \$2 in 2019); and

WHEREAS, the January 2016 request did not include the costs of remediating the environmental damage from Turkey Point; and

WHEREAS, under state law, FPL is allowed to earn an annual return on equity within a range established by the PSC, which is currently set between 9.5 percent and 11.5 percent; and

WHEREAS, regardless of the outcome of FPL's pending rate increase request, FPL's customers should not bear any additional burden of paying for FPL's environmental cleanup, which should instead be borne by FPL's shareholders,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE SOUTH FLORIDA REGIONAL COUNCIL, that the Council hereby urges the Florida Public Service Commission to deny any electricity rate increase or special assessment proposed by FPL to pay the costs of remediating the environmental impacts of the Turkey Point Power Plant to the extent such costs are not already covered by the previously-filed proposed electricity rate increase request.

ADOPTED BY THE SOUTH FLORIDA REGIONAL COUNCIL, THIS 8TH DAY OF AUGUST, 2016.

PATRICIA T. ASSEFF, CHAIR

Board Member Patricia T. Asseff
Board Member Mario J. Bailey
Board Member Margaret M. Bates
Board Member Mark Bogen
Board Member Frank Caplan
Board Member Daniella Levine Cava
Board Member Tim Daubert
Board Member Beam Furr
Board Member Cary Goldberg

Board Member Nelson Hernandez
Board Member Martin Kiar
Board Member George Neugent
Board Member David Rice
Board Member Greg Ross
Board Member Xavier Suarez
Board Member Paul Wallace
Board Member Sandra Walters
Board Member Jimmy Weekley

Ex Officio:

Board Member Laura Corry, SFWMD
Board Member Dat Huynh, P.E., FDOT

Board Member Jennifer Smith, FDEP
Board Member Roberto Martell, FDEO