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April 4, 2016

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Ms. Cindy Mulkey, Program Administrator
Siting Coordination Office
Florida Department of Environmental Protection
2600 Blainstone Road, MS 5500
Tallahassee, Florida 32399-2400

Dept. of Environmental Protection
Siting Coordination Office

RE: Florida Power & Light Company Okeechobee Clean Energy Center
Site Certification Application PA15-58

Dear Ms. Mulkey:

Please find enclosed the Department of Economic Opportunity's "Agency Report," prepared and submitted pursuant to Section 403.507, Florida Statutes, for the Florida Power & Light Company Okeechobee Clean Energy Center Site Certification Application PA15-58. On September 25, 2015, Florida Power & Light Company filed its site certification application for the Okeechobee Clean Energy Center under the Florida Electrical Power Plant Siting Act, Chapter 403, Part II, Florida Statutes. If you have any questions concerning this Agency Report, please contact Scott Rogers, Planning Analyst, at (850) 717-8510, or email at Scott.Rogers@deo.myflorida.com.

Sincerely,

Taylor Teepell, Director
Division of Community Development

TT/sr

Enclosure: Agency Report

cc: Matthew J. Raffenberg, Environmental Services Director, Florida Power & Light Company

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FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY

AGENCY REPORT

ON

FLORIDA POWER & LIGHT COMPANY

OKEECHOBEE CLEAN ENERGY CENTER

SITE CERTIFICATION APPLICATION NO. PA15-58

April 4, 2016

Agency Report pursuant to Section 403.507, F.S.

**AGENCY REPORT
ON
FLORIDA POWER & LIGHT COMPANY
OKEECHOBEE CLEAN ENERGY CENTER
SITE CERTIFICATION APPLICATION NO. PA15-58**

On September 25, 2015, Florida Power & Light Company (FPL) filed its Site Certification Application (Application No. PA15-58) for the Okeechobee Clean Energy Center (Project) under the Florida Electrical Power Plant Siting Act, Chapter 403, Part II, Florida Statutes (F.S.). Under the Act, the Florida Department of Environmental Protection (FDEP) coordinates the Site Certification Process with input from various state, regional, and local agencies, along with interested citizens. The Florida Department of Economic Opportunity "Agency Report" on the FPL Okeechobee Clean Energy Center (Site Certification Application PA15-58) is prepared and submitted pursuant to Section 403.507, F.S., of the Florida Electrical Power Plant Siting Act.

I. Project Summary

The proposed Okeechobee Clean Energy Center project site is approximately 2,341 acres located in the unincorporated area of northeastern Okeechobee County. The project includes construction and operation of a new combined cycle natural gas fired generating unit (OCEC Unit 1) providing approximately 1,600 megawatts (MW) of electric generation in year 2019, an area designated for potential future development of approximately 200 MW of photovoltaic solar generation, and associated linear facilities. The primary fuel for the plant is natural gas, and the gas will be provided through an associated off-site pipeline. Future solar generation on the site would be the subject of a supplemental application for certification under Section 403.517, F.S. The project site is located adjacent to an existing 500-kilovolts transmission system, and off-site associated facilities include a minimal transmission line interconnection to existing 500-Kilovolts transmission lines and improvements to an existing access roadway.

According to the Site Certification Application, by using natural gas as the primary fuel and technology that is recognized by FDEP as the Best Available Control Technology for minimizing air emissions, the power plant will be among the cleanest and most efficient fossil fuel electric-power generating units in Florida. FPL estimates that the power plant will generate enough power for approximately 300,000 homes.

According to the Site Certification Application, the Project is expected to provide economic benefits to Okeechobee County, Indian River County, and the State of Florida. Direct economic benefits from construction include construction workforce jobs and the purchase and rental of equipment and materials. Direct economic benefits from OCEC Unit 1 operation include capital expenditures, operation and maintenance expenditures, employment and property tax revenues.

FPL estimates that the total Project capital costs will be approximately \$1.196 billion. On-site construction activities are anticipated to begin in 2017 and conclude in the summer of 2019, and FPL estimates that OCEC Unit 1 construction activities are anticipated to have a regional economic benefit of more than \$500 million during the construction period, including direct, indirect, and induced benefits. FPL estimates the peak construction workforce to be approximately 650 people, with an average construction workforce estimated at 290 people. FPL estimates the construction payroll for the Project to be \$58 million during the peak year (2018), with an annual average of \$33 million for the period 2017 through 2019. It is anticipated that a majority of the Project's expenditures, including major equipment, will be made within Okeechobee County, Indian River County, and the surrounding region. These expenditures will create additional demands for goods and services, creating a multiplier effect in the area – generating additional jobs, earnings, and tax revenues. Other businesses would benefit from the increased economic activity generated by the Project.

According to the Site Certification Application, FPL estimates the total fixed and variable operation and maintenance costs of OCEC Unit 1, excluding fuel costs, to be approximately \$6.5 million starting in 2019 and approximately \$400 million for the period 2019-2049. The operation of the power plant will create employment opportunities and generate cumulative *ad valorem* tax revenue of \$238.8 million from 2019 to 2048.

II. Recommendations: State Comprehensive Plan and Other Matters (Section 403.507(2)(a), F.S.)

The proposed Okeechobee Clean Energy Center (OCEC) is located in Okeechobee County, and Okeechobee County is part of a "Rural Area of Opportunity" (County exhibits economically distressed conditions). The location of the OCEC has the potential to encourage economic development in this economically distressed area and provide local and regional economic benefits as described above in this Agency Report.

The proposed Okeechobee Clean Energy Center (OCEC) is consistent with the following goals and policies of the State Comprehensive Plan (SCP) (Section 187.201, F.S.):

1. SCP Policy 6 of Goal 10 Air Quality (Section 187.201(10), F.S.); and Policy 8 of Goal 15 Land Use (Section 187.201(15), F.S.):

The OCEC is a natural gas fueled power plant with the potential for additional photovoltaic solar energy power generation (both low-carbon-emitting), and this furthers Policy 6 of Goal 10 (Air Quality) and Policy 8 of Goal 15 (Land Use):

Policy 6: "Encourage the development of low-carbon-emitting electric power plants."

Policy 8: "Provide for the siting of low-carbon-emitting electric power plants, including nuclear power plants, to meet the state's determined need for electric power generation."

2. SCP Goal 11 Energy (Section 187.201(11), F.S.); and Policies 6 and 9 of Goal 11:

The OCEC is a natural gas fueled power plant with the potential for additional photovoltaic solar energy power generation (both low-carbon-emitting), and this furthers Goal 11 and Policy 9. The OCEC will utilize an energy efficient design for a public utility system and this furthers Policy 6:

Goal 11: "Florida shall reduce its energy requirements through enhanced conservation and efficiency measures in all end-use sectors and shall reduce atmospheric carbon dioxide by promoting an increased use of renewable energy resources and low-carbon-emitting electric power plants."

Policy 6: "Increase the efficient use of energy in design and operation of buildings, public utility systems, and other infrastructure and related equipment."

Policy 9: "Promote the use and development of renewable energy resources and low-carbon-emitting electric power plants."

3. SCP Goal 21 The Economy (Section 187.201(21), F.S.); and Policy 1 of Goal 21:

The OCEC will help provide Florida with a stable source of electric power and this enhances the economic stability of the state (furthers Goal 21), and the OCEC will provide jobs (furthers Policy 1):

Goal 21: "Florida shall promote an economic climate which provides economic stability, maximizes job opportunities, and increases per capita income for its residents."

Policy 1: "Attract new job-producing industries, corporate headquarters, distribution and service centers, regional offices, and research and development facilities to provide quality employment for the residents of Florida."

4. SCP Goal 24 Employment (Section 187.201(24), F.S.); and Policy 4 of Goal 24:

The OCEC will provide jobs and this promotes economic opportunities for the unemployed and economically disadvantaged (furthers Goal 24). The OCEC is located in Okeechobee County, which is part of a "Rural Area of Opportunity" (County exhibits economically distressed conditions), and the location of the OCEC has the potential to encourage economic development in this economically distressed area and provide local and regional economic benefits as described above in this Agency Report (furthers Policy 4):

Goal 24: "Florida shall promote economic opportunities for its unemployed and economically disadvantaged residents."

Policy 4: *"Encourage economic development in economically distressed areas."*

III. Local Government Comprehensive Plans and Land Development Regulations
Section 403.507(2)(a), F.S.

Pursuant to Section 403.50665(2), F.S., Okeechobee County issued its determination on November 5, 2015, that the site for FPL's Okeechobee Clean Energy Center is consistent with the land use plans and zoning ordinances of Okeechobee County. The County determined that the site is designated "Agriculture" on the Future Land Use Map of the adopted Okeechobee County Comprehensive Plan (Plan), and under Future Land Use Element Policy L9.5 of the Plan, electrical power plants are an allowed use in that land use category, subject to compliance with the Power Plant Siting Act, the County's Comprehensive Plan, and applicable land development regulations. Specifically, Future Land Use Element Policy L9.5 states that "Public utilities needed to service existing and future land uses shall be permitted in all future land use classifications, provided the performance standards in the Power Plant Siting Act, the Transmission Line Siting Act, the Okeechobee County Comprehensive Plan, Okeechobee County land development regulations, and any other applicable land development regulations are met." Thus, the site for the electrical power plant is consistent with the Okeechobee County Comprehensive Plan. The County determined that the project site is zoned "Agricultural" under the Okeechobee County zoning ordinances, and electrical power plants are allowed in this zoning district. Thus, the site is consistent with the zoning regulations of Okeechobee County.

The Project includes off-site associated facilities located in Indian River County, and these facilities include a short transmission line interconnection to FPL's existing 500-kV electrical transmission lines and improvements to an existing private roadway that will provide access to the Project facility from State Road 60. Pursuant to Section 403.50665(2), F.S., Indian River County issued its determination on November 6, 2015, that the associated facilities for the FPL Okeechobee Clean Energy Center that are to be located within Indian River County constitute a use that is consistent with the land use plan and zoning ordinance of Indian River County.

IV. Section 403.507(3)(a), F.S.

Pursuant to Section 403.507(3)(a), F.S., the Agency Report shall contain *"A notice of any nonprocedural requirements not specifically listed in the application from which a variance, exemption, exception, or other relief is necessary in order for the proposed electrical power plant to be certified."* The Department of Economic Opportunity has not identified any such nonprocedural requirements.

V. Recommendation for Approval or Denial of the Application (Section 403.507(3)(b), F.S.)

Pursuant to Section 403.507(3)(b), F.S., the Agency Report shall contain *"A recommendation for approval or denial of the site certification application."* The Department of Economic Opportunity recommends approval of the Site Certification Application (Application

No. PA15-58) for the FPL Okeechobee Clean Energy Center contingent on the Project meeting all applicable certification requirements.

VI. Proposed Conditions of Certification (Section 403.507(3)(c), F.S.)

Pursuant to Section 403.507(3)(c), F.S., the Agency Report shall contain *“Any proposed conditions of certification on matters within the jurisdiction of such agency. For each condition proposed by an agency in its report, the agency shall list the specific statute, rule, or ordinance which authorizes the proposed condition.”* The Department of Economic Opportunity has no proposed conditions of certification.