

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: September 20, 2022

DEPARTMENT: Electric Utility

TITLE:

Facility Construction Agreement with Florida Power & Light for New Interconnection Project

SUMMARY:

Agreement with Florida Power & Light Company ("FPL") to establish a new interconnection between FPL's transmission system and the Lake Worth Beach Electric Utility transmission system at the Canal Substation Station

BACKGROUND AND JUSTIFICATION:

City's electric utility is connected the statewide electric high voltage transmission system via a single radial extension to the FPL transmission system which was first placed in service circa 1972 and later upgraded circa 1982. The existing radial transmission interconnection serves as the City's electric utility's sole pathway for accessing competitively priced wholesale electric energy and capacity from power plants located statewide in which it has ownership and other contractual interests, and provides reliability of electric supply as the City's electric supply needs are in excess of City's power plant capabilities to adequately of reliably provide.

Under the proposed Facility Construction Agreement for New Interconnection Project ("Construction Agreement") the City and FPL will memorialize their respective construction responsibilities with respect to a second interconnection to be located at City's Canal Substation. The additional interconnection will provide a second pathway to the FPL transmission system and greatly enhance City's ability to operate its electric utility reliably during storm events, as well as allowing for routine maintenance activities to be conducted without placing customers at risk of prolonged outages.

Under the terms of the Construction Agreement, FPL will bear its own costs to construct facilities to provide electric transmission service to the Canal Substation. Likewise, City will bear its own costs to construct facilities to receive electric transmission service at the Canal Substation. City and FPL have previously executed precursor agreements/contracts contemplating such a project. Among them are:

- Contract for Interconnection Operations ("CIO") dated December 3, 2013
- Letter of Intent ("LOI") dated October 1, 2020
- Scheduling Document for FPL Intertie at Canal Substation ("Scheduling Document") dated January 28, 2021

City and FPL have been working collaboratively under the afore mentioned agreements to meet an in-service date for the new interconnection of December 2023.

MOTION:

Move to approve/disapprove the Facility Construction Agreement with Florida Power & Light for New Interconnection Project.

ATTACHMENT(S):

Fiscal Impact Analysis – N/A
Facility Construction Agreement