

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COLUMBIA, SOUTH CAROLINA

PROCEEDING #16-11526

APRIL 21, 2016

10:30 A.M.

ALLOWABLE EX PARTE BRIEFING - ND-2016-14-E

NEXTERA ENERGY RESOURCES, LLC - Request for Allowable Ex Parte  
Communication Briefing to Introduce Company and Discuss Potential Solar Facility

TRANSCRIPT OF  
PROCEEDINGS

ALLOWABLE  
EX PARTE BRIEFING

COMMISSION MEMBERS PRESENT: Nikiya M. 'Nikki' HALL,  
*Chairman*; Swain E. WHITFIELD, *Vice Chairman*; and  
COMMISSIONERS John E. 'Butch' HOWARD, Elliott F. ELAM,  
JR., Comer H. 'Randy' RANDALL, and G. O'Neal HAMILTON

ADVISOR TO COMMISSION: Joseph Melchers, Esq.  
General Counsel

STAFF: F. David Butler, Senior Counsel; James Spearman, Ph.D.,  
Executive Assistant to Commissioners; B. Randall Dong, Esq., Josh  
Minges, Esq., and David W. Stark, III, Esq., Legal Staff; Douglas  
Pratt, Tom Ellison, and Lynn Ballentine, Advisory Staff; Jo  
Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter; and Deborah  
Easterling and Calvin Woods, Hearing Room Assistants

APPEARANCES:

**JOHN P. BOYD, ESQUIRE**, together with **JESSE  
MARSHALL** [*Project Director / Development, Solar -  
NextEra Energy Resources, LLC*], representing and  
presenting for NEXTERA ENERGY RESOURCES, LLC

**SHANNON BOWYER HUDSON, ESQUIRE**, representing  
the SOUTH CAROLINA OFFICE OF REGULATORY STAFF

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Please note the following inclusions/attachments to the record:

- PowerPoint Slides (PDF)

Please also note: For identification of additional referenced materials and/or links for same, please see Certification correspondence filed by the Office of Regulatory Staff.

P R O C E E D I N G S

1  
2           **CHAIRMAN HALL:** Be seated. Thank you. Good  
3 morning, everyone. We'll call the hearing to order  
4 and ask Mr. Melchers to read the docket, please.

5           **MR. MELCHERS:** Thank you, Madam Chairman.

6           Commissioners, we are here today pursuant to a  
7 Notice of Request for Allowable Ex Parte Briefing.  
8 The party requesting the briefing is NextEra Energy  
9 Resources, LLC.

10           It is scheduled for today, here in the  
11 Commission hearing room, April 21, 2016, at 10:30.  
12 And our subject matter to be discussed is:  
13 Introduction of NextEra Energy Resources, LLC, and  
14 Potential Solar Facility.

15           Thank you, Madam Chairman.

16           **CHAIRMAN HALL:** Okay. Thank you, Mr.  
17 Melchers.

18           Now, who represents NextEra?

19           **MR. BOYD:** Madam Chair, I do. My name is John  
20 Boyd, and I'd like to take a moment to introduce  
21 myself, if I can, or I can do that after –

22           **CHAIRMAN HALL:** Okay, yeah, let me let you do  
23 that after we –

24           **MR. BOYD:** Sure, absolutely.

25           **CHAIRMAN HALL:** – get Ms. Hudson's statement,

1 and then we'll come back to you.

2 Good morning. And for ORS.

3 **MS. HUDSON:** Good morning, Madam Chairman. My  
4 name is Shannon Bowyer Hudson. I'm Deputy Chief  
5 Counsel for the Office of Regulatory Staff.

6 At your permission, may I present the  
7 allowable ex parte rules?

8 **CHAIRMAN HALL:** Thank you.

9 **MS. HUDSON:** As I just said, my name is  
10 Shannon Hudson, and I'm Deputy Chief Counsel for  
11 the South Carolina Office of Regulatory Staff. I  
12 am the ORS's Executive Director's designee for this  
13 allowable ex parte proceeding.

14 There are a few rules for me to go over, so I  
15 just ask that everyone please bear with me as I go  
16 through these.

17 First, as the ORS designee, it is my duty to  
18 certify the record of this proceeding to the Chief  
19 Clerk of the Commission, within 72 hours, that this  
20 briefing was conducted in compliance with the  
21 provisions of South Carolina Code Annotated Section  
22 58-3-260(C). The requirements of that statute are,  
23 in part, that this allowable ex parte be confined  
24 to the subject matter that was noticed. In this  
25 case, the subject matter noticed was "Introduction

1 of NextEra Energy Resources, LLC, and potential  
2 solar facility." I, therefore, ask that everyone  
3 here please refrain from discussing any matters not  
4 related to NextEra Energy Resources and its  
5 potential solar facility.

6 Second, the allowable ex parte statute  
7 prohibits any participants, Commissioners, or  
8 Commission staff from requesting or giving any  
9 commitment, predetermination, or prediction  
10 regarding any action by any Commissioner as to any  
11 ultimate or penultimate issue, which either is or  
12 is likely to come before the Commission.

13 Third, I ask the participants, Commissioners,  
14 and staff to please refrain from referencing any  
15 documents, reports, articles, statutes, or written  
16 materials of any kind that are not already included  
17 in today's presentation, to prevent having to track  
18 down copies or links, since we're under the 72-hour  
19 time line.

20 Fourth, I ask that the presenters refrain from  
21 referencing or discussing any confidential  
22 materials. It is a public briefing. And I also  
23 ask Commission understanding if the presenters  
24 choose not to provide any confidential information  
25 in response to Commission questions.

1           Lastly, please make sure to read and sign and  
2           return the form that you got when you came in  
3           today. The form needs to be signed by each  
4           attendee, to certify that the requirements  
5           contained in South Carolina Code Annotated Section  
6           58-3-260(C) have been complied with today. Please  
7           read it. You must return the signed form to the  
8           Commission attendant before you today, so please  
9           sign and return it before you leave the room.

10           Thank everyone for listening to me and, Madam  
11           Chairman, thank you for my opening.

12           **CHAIRMAN HALL:** All right. Thank you, Ms.  
13           Hudson.

14           All right. Now, Mr. Boyd, you may go ahead,  
15           sir. Thank you.

16           **MR. BOYD:** Thank you, very much, Madam  
17           Chairman. As I said, my name is John Boyd. I'm a  
18           lawyer here in Columbia, South Carolina, with the  
19           firm Haynsworth Sinkler Boyd. And I haven't been  
20           out here in a while. I work with my partner, Steve  
21           Matthews, who some of you know, and some of you may  
22           remember Frank Mood, who was a partner in our firm  
23           for a long time. So I very much appreciate and  
24           enjoy being back out here before you. It's been  
25           awhile.

1 I'm here today as local counsel for NextEra  
2 Energy Resources, LLC.

3 Before I go any further, I would like to thank  
4 you all for your time. I appreciate you taking the  
5 time out of your schedule. I'd like to thank Mr.  
6 Melchers, Ms. Hudson, Commission staff – Ms. Wheat  
7 – and certainly, most of all, Jocelyn Boyd. I  
8 think the world of Jocelyn.

9 With me today is Jesse Marshall, who's a  
10 project director for Solar Development for NextEra.  
11 As you can see, Aundrea Williams, who was going to  
12 be here, she was coming from Houston – she's okay,  
13 but she didn't make it out. So we're going to put  
14 Jesse on the spot and let him do the presentation.

15 And with that, I'll sit down and let Jesse  
16 proceed.

17 **MR. JESSE MARSHALL (NEER):** Sure. Hello,  
18 Commissioners.

19 [Reference: Presentation Slide 1]

20 I really appreciate your time today. We're  
21 here mainly just to introduce our company, NextEra  
22 Energy Resources, and let you know that we are very  
23 interested in developing solar energy facilities in  
24 the State of South Carolina. And I just wanted to  
25 familiarize you all with our company and our

1 capabilities, and what we've been up to in other  
2 parts of the country, and let you know that we hope  
3 to sometime be back here talking to you about a  
4 future project in South Carolina.

5 [Reference: Presentation Slide 2]

6 So, I guess, just starting off with the slides  
7 here, we'll go over the agenda here. So, pretty  
8 short and sweet, here. We really just wanted to  
9 tell you a little bit about our company at the high  
10 level, and then talk a little bit about some of our  
11 activities in the Southeast that are underway right  
12 now. We're under construction on a number of large  
13 solar facilities, utility scale, which I think,  
14 from our perspective, is probably 20 megawatts and  
15 up.

16 So, if we go on to the next slide, here...

17 [Reference: Presentation Slide 3]

18 So, NextEra is comprised of two main  
19 businesses. So, at the parent level, we have  
20 NextEra Energy, Inc., which includes NextEra Energy  
21 Resources' sister company, which is Florida Power &  
22 Light, which serves about 4.6 million customers in  
23 southern Florida. So as you can see, at the parent  
24 level, we have about 14,300 employees in 27 states,  
25 with over 46,000 megawatts in operation, \$75

1 billion in total assets, and \$17½ billion in  
2 operating revenue.

3 The part of the company that I work for, which  
4 is an independent power producer conducting  
5 business outside of Florida, is NextEra Energy  
6 Resources. NextEra Energy Resources is the US  
7 leader in renewable generation. We have assets in  
8 25 states and Canada, with over 21,000 megawatts in  
9 operation, as of today. So we are a very large  
10 player in the renewable space. We have a lot of  
11 experience. We are very financially capable, and  
12 our business model is, you know, we take projects  
13 from inception, through the development process,  
14 through construction, and are long-term operators  
15 of power plant assets.

16 So, if we go on to the next slide here..

17 [Reference: Presentation Slide 4]

18 And at any time if you all have questions,  
19 feel free to stop me and ask.

20 So here's a little bit about where we are  
21 doing business and where we have facilities, as of  
22 today. So, NextEra Energy Resources, together with  
23 its affiliated entities, is the world's largest  
24 generator of renewable energy from the wind and  
25 sun. So, as I mentioned, we have over 21,000

1 megawatts in operation. As of now, we have over  
2 1000 megawatts of solar in our portfolio. And  
3 between, I think, around last year and, basically,  
4 by the end of this year, we'll have 1100 new  
5 megawatts of solar installed. We have facilities  
6 in 25 states and four Canadian provinces.

7 So, this is as things sit today. In the past  
8 year or two, we have done quite a bit of new  
9 business in the Southeast region, which I can show  
10 you on the next slide, here.

11 [Reference: Presentation Slide 5]

12 So, NextEra Energy is expanding in the  
13 Southeast and under construction on over 600  
14 megawatts of new construction. That does include  
15 some solar facilities that are being constructed by  
16 our sister company Florida Power & Light, in  
17 Florida. But outside of Florida, we have projects  
18 being constructed in Arkansas, Alabama, and  
19 Georgia.

20 So we've gotten a – we feel like the projects  
21 that we're developing are good projects that our  
22 customers, or the offtakers, are very happy with.  
23 We're delivering prices that are good for the  
24 ratepayers of our customers, and delivering things  
25 on schedule and on budget.

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So, we'll go to the next slide, here.

[Reference: Presentation Slide 6]

This is just a little bit about our financial strength here. Our credit rating is at A-, so it's investment grade. And, typically, for projects that – we usually do balance-sheet financing for our projects. You know, unless we're talking very large facilities, you know, we are able to move forward and construct our facilities off of our balance sheet.

So that's really all that we're trying to say on this slide: We're very financially capable.

[Reference: Presentation Slide 7]

I guess this next one is, you know, just a picture of some of our facilities. I think one of the reasons we've been able to be successful developing these solar facilities is because of the magnitude at which we do our projects. We're able to leverage the procurement across the nation on a very large scale. For example, we placed one of the world's largest solar-module orders, which is 1.6 gigawatts of new solar modules, from a company called Hanwha. So, when you're buying at that scale, you're able to get better pricing on your equipment, and at the end of the day that leads to

1 better PPA pricing that we're able to offer our  
2 customers, for the offtakers throughout the areas  
3 we do business in.

4 We're very excited; these projects, you know,  
5 bring a lot of value to the communities and the  
6 economies that we construct them in, you know, in  
7 the form of, you know, some permanent jobs, a lot  
8 of construction jobs, a big influx in the economies  
9 of where the projects are being built. You know,  
10 all the people, all the workers, are expending  
11 money and eating out at the restaurants and staying  
12 at hotels and things. So these definitely have a  
13 positive influence on the communities' economy that  
14 the projects are built in.

15 Let's see. So, really, I mean, that, I think,  
16 covers the majority of what we were hoping to come  
17 in and talk to you about. It was really just an  
18 introduction to our company, to let you know that  
19 we're actively pursuing opportunities in the State  
20 of South Carolina to construct new utility-scale  
21 solar facilities, and that we hope to make some  
22 progress with some of our potential customers, work  
23 towards getting a power-purchase agreement, and  
24 believe that our capabilities allow us to deliver a  
25 low-priced renewable-energy product to our

1 customers, which is good for meeting the goals of  
2 our offtaker customers and, you know, a good deal  
3 for the ratepayers of those utilities.

4 **CHAIRMAN HALL:** Thank you, Mr. Marshall.

5 Commissioners, questions for Mr. Marshall?  
6 Mr. Whitfield – Commissioner Whitfield.

7 **VICE CHAIRMAN WHITFIELD:** Madam Chairman, I  
8 was just wondering if Mr. Marshall had a handout  
9 with him, with these presentations. Do you have  
10 a –

11 **MR. JESSE MARSHALL (NEER):** Yes. Yes, we – I  
12 think we have a few copies.

13 **VICE CHAIRMAN WHITFIELD:** A lot of times, we  
14 have that, you know, distributed, the handouts, up  
15 here.

16 **MR. BOYD:** We do. I think we – I apologize  
17 for that. We didn't quite have seven, but we  
18 certainly will –

19 **VICE CHAIRMAN WHITFIELD:** Okay.

20 **MR. BOYD:** – before we leave today, and we'll  
21 get copies.

22 **MR. JESSE MARSHALL (NEER):** And you can have  
23 mine here, too.

24 **MR. BOYD:** And that makes seven, yeah.

25 [Document distributed to Commissioners]

1                   **VICE CHAIRMAN WHITFIELD:** That's all I have,  
2                   Madam Chair, right at the moment.

3                   **CHAIRMAN HALL:** Okay. Commissioner Howard.

4                   **COMMISSIONER HOWARD:** I want to thank you for  
5                   your presentation. I have to admit, you've  
6                   probably got one of the better websites I've ever  
7                   seen. I mean, it's so much information on that  
8                   website that it was amazing. But I think you said  
9                   on the website that you had – your generation mix  
10                  was only 4 percent solar. Is that correct?

11                  **MR. JESSE MARSHALL (NEER):** Commissioner, I  
12                  believe that is an accurate statement. I think  
13                  that's reflective of the amount of gas-fired plants  
14                  that we have in our fleet, as of now. We are – in  
15                  addition to our solar activities, we are also far  
16                  and away the largest wind-energy generator in the  
17                  country. And as of now, I believe we have over  
18                  14,000 megawatts of wind installed. So, solar,  
19                  with the cost of the solar coming down so much,  
20                  it's become much more competitive throughout the  
21                  country. That part of our business has grown  
22                  exponentially over the past few years because of  
23                  the cost of solar modules coming down. It's a much  
24                  more competitive product than it was even five  
25                  years ago. So it's catching up to our wind fleet.

1           But I believe that would be accurate, and  
2           that's purely because of the size. We operate – in  
3           addition to wind and solar, we do operate – we're  
4           the nation's third-largest operator of nuclear  
5           facilities. We're also one of the largest  
6           consumers of natural gas for our fleet of natural  
7           gas plants, as well. So, you know, when you have  
8           such a large generating fleet, you know, I think  
9           that's – we're catching up; we're making a bigger  
10          dent, but at the end of the day, that 4 percent –  
11          if that's on our website, I would believe that that  
12          is accurate, Commissioner.

13                 **COMMISSIONER HOWARD:** I guess I should have –  
14                 I'm premature; I should have asked Ms. Hudson if I  
15                 can ask questions from the website.

16                 **MS. HUDSON:** We can get – as long as we can  
17                 pull it up and add it to our certification list.

18                 **COMMISSIONER HOWARD:** Do you do any offshore  
19                 wind? I know you have a lot of onshore or land  
20                 wind, but do you do offshore wind?

21                 **MR. JESSE MARSHALL (NEER):** We have elected  
22                 not to pursue any offshore wind projects, at this  
23                 point. We feel like there are still a lot of  
24                 worthwhile onshore wind opportunities to pursue,  
25                 and I think our company's position is that there

1 are a lot of additional things to be concerned with  
2 when you start constructing wind facilities  
3 offshore versus onshore.

4 **COMMISSIONER HOWARD:** Okay. Well, again, I  
5 enjoyed your website, particularly your question-  
6 and-answer section. It's a great website. Thank  
7 you, very much.

8 **MR. JESSE MARSHALL (NEER):** Thank you,  
9 Commissioner. I appreciate it.

10 **CHAIRMAN HALL:** Thank you.

11 Commissioners, any other questions?

12 [No response]

13 Okay. I just have one. What is your  
14 projected timeframe for a project here in South  
15 Carolina, and how long does it take you, once  
16 you're in the locale, to finish?

17 **MR. JESSE MARSHALL (NEER):** Yeah, thank you  
18 for the question, Commissioner. So, I think our  
19 hope, we would love to be back in, you know,  
20 beginning the siting process with you all, this  
21 year, if that worked. But, you know, the reality  
22 is we need to have an offtaker signed up and have  
23 an executed power-purchase agreement in order to  
24 begin that process. And so our hope is that we  
25 would be back in here, you know, I would say by the

1 end of next year – is, I think, what we're aiming  
2 for.

3 And then as far as construction timeline, you  
4 know, I think our feeling is that the best value  
5 for the ratepayer is with the larger utility-scale  
6 projects that are really able to take advantage of  
7 the economies of scale. And because of that, I  
8 think we would be looking to pursue a larger  
9 utility-scale facility. And I believe a  
10 conservative estimate for construction of something  
11 like that would be probably in the 9-to-12-month  
12 timeframe for construction. And that's from when  
13 the construction teams are mobilized and actually,  
14 you know, moving dirt.

15 **CHAIRMAN HALL:** Okay. All right, excellent.  
16 Thank you, so much. Okay.

17 Mr. Marshall and Mr. Boyd, thank you so much.  
18 I don't think any Commissioners have any other  
19 questions. We are glad to have you this morning.  
20 Thank you. And we are adjourned.

21 **MR. JESSE MARSHALL (NEER):** Thank you very  
22 much for your time. We appreciate it.

23 **CHAIRMAN HALL:** Thank you.

24 [WHEREUPON, at 10:47 a.m., the  
25 proceedings in the above-entitled matter

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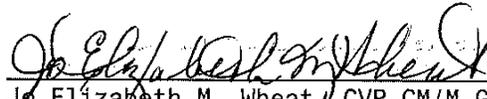
were adjourned.]

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C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had in an Allowable Ex Parte Proceeding held before THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA in Columbia, South Carolina, according to my verbatim record of same.

IN WITNESS WHEREOF, I have hereunto set my hand, on this the 22<sup>nd</sup> day of April, 2016.

  
Jo Elizabeth M. Wheat, CVR-CM/M-GNSC  
Hearings Reporter, PSC/SC  
My Commission Expires: January 27, 2021.