

FLORIDA PUBLIC SERVICE COMMISSION

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M E M O R A N D U M

SEPTEMBER 20, 1990

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING (TRIBBLE)
FROM: DIVISION OF ELECTRIC AND GAS (BALLINGER)^{TK}
DIVISION OF LEGAL SERVICES (PALECKI)^{MP JD JDJ}
RE: DOCKET NO. 900004-EU, PLANNING HEARINGS ON LOAD FORECAST, GENERATION
EXPANSION PLANS, AND COGENERATION PRICES FOR PENINSULAR FLORIDA'S
ELECTRIC UTILITIES
AGENDA: OCTOBER 2, 1990 - CONTROVERSIAL AGENDA - PARTIES MAY PARTICIPATE
CRITICAL DATES: NONE

ISSUE 1: Should the current 500 MW subscription limit and the current standard offer contract be closed?

RECOMMENDATION: Yes.

STAFF ANALYSIS: In Order No. 22341, the Commission approved a cogeneration subscription limit to the statewide avoided unit. This requirement was an attempt to reconcile the mismatch between statewide and individual utility pricing by limiting the amount of standard offer contracts that would be mandated to be purchased by the investor owned utilities.

To date, there has been over 2,500 MW's of cogeneration contracts signed which may defer the designated statewide avoided unit. Clearly this amount should ultimately result in the deferral of the statewide avoided unit. The only outstanding issue is the prioritization of the contracts which is discussed further in Issue 2 of this recommendation. Therefore, Staff would recommend that the Commission close the current standard offer contract until the Commission implements its new rules on cogeneration and selects a new statewide avoided unit or units.

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DOCKET NO. 900004-EU
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ISSUE 2: Should the Commission set for hearing, on its own motion, the issue of prioritization of the current subscription limit?

RECOMMENDATION: Yes. Due to the complexity and number of parties involved, Staff would recommend that the issues addressing the priority of the currently signed contracts would best be addressed in a formal hearing. October 26, 1990 is available for this proceeding.

STAFF ANALYSIS: At the September 11, 1990 Agenda Conference, Staff brought before the Commission a recommendation on the disposition of several Motions for Clarification of the PAA Order which established the guidelines for prioritization of contracts when calculating the subscription limit. At that Agenda, the parties brought up several other issues that are interrelated to the queuing of contracts in the subscription limit process. The Commission directed the parties to file briefs on their concerns by September 25, 1990. This process will only result in another lengthy agenda conference with another PAA order which has the possibility of a hearing being requested. Since it was clear that there was much confusion at the September 11, 1990 agenda and the parties seem to have differing opinions, Staff would recommend that the Commission set the issue of prioritization for hearing on October 26, 1990. This date was previously held for the FPL C/I Load Control docket but the parties stipulated to the program and that stipulation was approved by the Commission at the September 11, 1990 Agenda Conference. It is imperative that this issue be addressed as soon as possible because the Commission has received two need determination request which are governed by statutory time frames. These, or any other need determination proceedings filed by one of the affected parties, can not be fully disposed of until the issue of prioritization is settled. A formal hearing would be the most expedient method of addressing this issue.

The parties in this Docket should still file their briefs on this subject on September 25, 1990. If no material issues of fact are proffered in the briefs, then the proceeding will be an oral argument governed by the informal proceeding provisions of Section 120.57(2), Florida Statutes. If there are found to be material issues of fact in dispute, then the proceeding will be governed by the formal proceeding provisions of Section 120.57(1), Florida Statutes. Since the briefs will not be filed until after this recommendation is due, the determination of the type of proceeding should be decided at the October 2, 1990 Agenda Conference.