

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Determine) DOCKET NO. 930196-EQ
Need for Proposed Capital) ORDER NO. PSC-93-1215-PHO-EQ
Expansion Project of the Dade) ISSUED: August 20, 1993
County Resource Recovery)
Facility, an existing solid)
waste facility, by Metropolitan)
Dade County)
_____)

PREHEARING ORDER

Pursuant to Notice, a Prehearing Conference was held on August 16, 1993, in Tallahassee, Florida, before Chairman J. Terry Deason, as Prehearing Officer.

APPEARANCES:

ROSS A. McVOY, Esquire and ROBERT SCHEFFEL WRIGHT, Esquire, Fine Jacobson Schwartz Nash & Block, 215 South Monroe Street, Suite 804, Tallahassee, Florida 32301-1859

On behalf of Metropolitan Dade County

Robert V. Elias, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0863

On behalf of the Commission Staff.

Prentice P. Pruitt, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida 32399-0862

On behalf of the Commissioners.

PREHEARING ORDER

I. CASE BACKGROUND

On February 26, 1993, Metropolitan Dade County filed a Petition to determine the need for a proposed capital expansion project for the County's existing solid waste facility. The existing facility has an electric generating capacity of approximately 77 megawatts (61.4 MW net). On April 30, 1993, Metropolitan Dade County filed an Amended Petition reflecting certain changes to the scope of the proposed Capital Expansion

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Project. The revised project is referred to as the Modified Expansion Project (MEP). The Amended Petition seeks the Commission's determination of need for an increase in the facility's total generating capacity to approximately 110 MW (93 MW net). In order to allow the parties an opportunity to adequately review the amended filing, the final hearing set for May 19th and 20th, 1993, was continued to August 24th and 25th, 1993.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-

examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses shall be reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
<u>Direct</u>		
Tanhum Goldshmid, Ph.D.	Metro Dade	2,3,7,8,11,13
Kennard F. Kosky, P.E.	"	1,3,4,5,6,9,10, 11,12,13
Robert Dolan	Staff	3,4
<u>Rebuttal</u>		
Charles R. Strong, P.E.	Metro Dade	3,4,13

V. BASIC POSITIONS

METRO DADE:

Metropolitan Dade County seeks the Commission's determination of need for an expansion of the generating capacity of its Resources Recovery Facility. The expansion of this existing solid waste facility satisfies the statutory criteria of section 403.519, Florida Statutes, and the legislatively established goals of section 377.709, Florida Statutes, and accordingly, the Commission should issue its order determining the need for the modified expansion project.

The expanded solid waste facility will provide additional energy to the state's electric power supply grid at Commission-approved rates, and will therefore be at least as cost-effective as any other source for the energy. The expansion of Metropolitan

Dade County's Resources Recovery Facility will make additional capacity available, thereby enhancing the overall availability and reliability of the RRF and providing a slight positive contribution to the reliability and integrity of the state's electric system, particularly in southeast Florida.

Moreover, Dade County's RRF expansion is specifically consistent with the legislatively established policy in section 377.709, Florida Statutes, that "the combustion of refuse by solid waste facilities to supplement the electricity supply not only represents an effective conservation effort but also represents an environmentally preferred alternative to conventional solid waste disposal in this state." Dade County's expanded facility will serve these goals by:

- a. extending landfill life;
- b. deferring the need for new landfill capacity;
- c. providing cost-effective electric energy to the state's electric power supply grid; and
- d. generating electricity from the combustion of solid waste, thereby displacing the need to generate the same amount of electricity from fossil fuels, such as residual fuel oil, natural gas, and coal.

Accordingly, Dade County's Amended Petition for Determination of Need for the modified expansion of its solid waste facility should be granted.

STAFF:

Staff takes no position on the ultimate issue of whether or not the Amended Petition of Metropolitan Dade County should be approved pending the evidence developed at the Hearing. Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VI. ISSUES AND POSITIONS

ISSUE 1: Does the state have a need for the additional energy to be generated from Dade County's expanded solid waste facility in 1997?

Metro-Dade: Yes.

STAFF: Yes.

ISSUE 2: What associated facilities are required in conjunction with Dade County's expanded solid waste facility?

Metro-Dade: The expansion of Metro-Dade's Resources Recovery Facility includes a fuel delivery conveyor system that will transport fuel from the processing area to a storage or holding area adjacent to the new boiler, and a crane system for loading fuel from the storage area into a charging hopper at the boiler mouth, from which it is fed directly into the boiler. The expansion will also include a additional switchgear -- conductor, transformer(s), and metering equipment -- that will connect the new steam electric generating turbine to the bus in the existing switchyard. The electric interconnection of the RRF with FPL's system will remain unchanged following the expansion.

Other than these, no additional associated facilities are required in conjunction with the proposed expansion of Metro-Dade's Resources Recovery Facility.

STAFF: In past need determination proceedings, "associated facilities" have included fuel delivery systems, water supply systems, transmission and transportation facilities. The Dade County expansion project includes a fuel delivery conveyor system, fuel holding area and a crane system for loading fuel into a hopper at the boiler mouth.

ISSUE 3: Has Dade County provided sufficient information on the site, design, and engineering characteristics of the solid waste facility expansion to evaluate its proposal?

Metro-Dade: Yes.

STAFF: Yes.

ISSUE 4: Will Dade County's solid waste facility expansion contribute to the reliability and integrity of the state's electric system?

Metro-Dade: Yes. The expansion of Metropolitan Dade County's Resources Facility will make additional capacity available and will enhance the overall availability and reliability of the RRF. This will provide a slight positive contribution to the reliability and integrity of the state's electric system, particularly in south Florida.

In this case, Metro-Dade seeks the Commission's determination of need for an expansion of the Dade County Resources Recovery Facility, namely, the addition of a new electric generating "power block" comprising a new mass-burn solid waste fired boiler and a new 33 MW steam electric generating turbine. Metro-Dade objects to information regarding fluctuations in the electrical output of the existing four-boiler facility being considered or used as evidence relating to the reliability of the new electric generating facility for which the County seeks the Commission's determination of need in this case.

The new boiler employs both different fuel supply technology and different combustion technology than the existing boilers. As compared to the existing facility, the new power block's fuel supply system includes a fuel storage or holding area immediately adjacent to the proposed new boiler, from which fuel is transferred by overhead cranes into fuel charging hoppers at the boiler mouth that provide a continuous supply of fuel to the boiler. The new boiler also uses "mass burn" firing technology similar to that used in other waste-to-energy facilities in Florida. Therefore, evidence relating to the output fluctuations of the existing facility cannot form the basis for adverse conclusions regarding the reliability of the new generation facilities that are the subject of this case.

STAFF: Not unless electrical output fluctuation resulting from operating difficulties in the existing facility are satisfactorily addressed.

ISSUE 5: Will Dade County's solid waste facility expansion contribute to the provision of adequate electricity to the state at a reasonable cost?

Metro-Dade: Yes.

STAFF: Yes, with the understanding that the term "adequate electricity" refers to the quantity and not the quality of the output.

ISSUE 6: Is Dade County's proposed solid waste facility expansion the most cost-effective alternative available to the state's electric customers?

Metro-Dade: Yes. Because the electricity to be provided to Florida

utilities from the RRF expansion will be sold at Commission-approved as-available energy rates, which are equal to the purchasing utility's avoided energy costs, the generation from the expanded RRF will be at least as cost-effective as generation from any other source. In addition, the expanded facility's electricity generation from the combustion of solid waste will displace more expensive fuels, including oil and natural gas, consistent with the goals of section 366.81, Florida Statutes.

STAFF: Yes.

ISSUE 7: Has Dade County taken all conservation measures reasonably available to it that might mitigate the need for the expanded solid waste facility?

Metro-Dade: Yes, as to alternatives that would mitigate the need for the expanded solid waste facility as a solid waste management measure. Metro-Dade plans to expand the Resources Recovery Facility because this option represents a cost-effective and environmentally preferable solid waste management option for the County and its citizens. The electricity produced from the expanded facility will be sold to FPL (or possibly to another purchasing utility) on an as-available basis, and therefore it is utility conservation measures that might

mitigate the need for the additional electric energy to be generated from the expanded facility. Metropolitan Dade County's expanded Resources Recovery Facility will provide cost-effective electric energy to serve the energy needs of purchasing utilities' ratepayers even after all reasonably available conservation measures are implemented.

Moreover, Dade County's RRF expansion is specifically consistent with the legislatively established policy that "the combustion of refuse by solid waste facilities to supplement the electricity supply not only represents an effective conservation effort but also represents an environmentally preferred alternative to conventional solid waste disposal in this state." The expanded solid waste facility will conserve space in existing landfills, thereby extending landfill life and deferring the need to develop new landfills. Using combustible materials that would otherwise be disposed of in landfills to generate electricity will also conserve fossil fuels that would otherwise have been used to generate the same amount of electricity.

STAFF: Yes.

ISSUE 8: Has Dade County adequately explored the construction of alternative generation technologies in lieu of the proposed solid waste facility?

Metro-Dade: Yes.

STAFF: Yes.

ISSUE 9: Has Dade County adequately considered all reasonably anticipated costs of environmental compliance associated with its proposed solid waste facility?

Metro-Dade: Yes. In fact, a major component of the overall RRF expansion project is the upgrade of the environmental control systems on the existing RRF boilers.

STAFF: Yes.

ISSUE 10: Are there any adverse consequences to electric utility customers in the state if Dade County's expanded solid waste facility is not completed in the time frame proposed?

Metro-Dade: If the proposed expansion of the RRF is not completed in the proposed time frame, there will be slight adverse consequences to electric utility customers in that the incremental gain in system reliability from the expanded RRF capacity would not be realized and in that some amount of more expensive fuel resources will be used to generate the electricity that would otherwise be made available from the expanded RRF.

STAFF: No.

ISSUE 11: Are there any adverse consequences to Dade County and its citizens if the expanded solid waste facility is not completed in the approximate time frame proposed?

Metro-Dade: Yes. If the proposed RRF expansion is not completed in the approximate time frame proposed, the County's available landfill capacity will be used up sooner, resulting in the County's having to site another solid waste management facility earlier than currently planned and possibly resulting in the County's having to rely on less reliable and environmentally less desirable solid waste disposal technologies. Moreover, if the proposed expansion is not completed in the approximate time frame proposed, the County and its citizens would incur higher costs for solid waste disposal and for recovery of ferrous metals from the waste stream.

STAFF: Yes.

ISSUE 12: Is Dade County's expanded solid waste facility consistent with the legislative policy and goals set forth in section 377.709, Florida Statutes?

Metro-Dade: Yes. In enacting section 377.709, Florida Statutes, the Legislature declared that "the combustion of refuse by solid waste facilities to supplement the electricity supply not only represents an effective conservation effort but also represents an environmentally preferred alternative to conventional

solid waste disposal in this state." Dade County's expanded facility will serve these goals by:

- a. extending landfill life;
- b. deferring the need for new landfill capacity;
- c. providing cost-effective electric energy to the state's electric power supply grid; and
- d. generating electricity from the combustion of solid waste, thereby displacing the need to generate the same amount of electricity from fossil fuels, such as residual fuel oil, natural gas, and coal.

STAFF: Yes.

ISSUE 13: Based on the resolution of the preceding factual and legal issues, should Dade County's petition for determination of need for the expanded solid waste facility be granted?

Metro-Dade: Yes.

STAFF: No position at this time.

VII. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Goldshmid Metro Dade		_____(TG-1):	Dade County Solid Waste Generation Projections
"	"	_____(TG-2):	Projected Deficiencies in Dade County's Solid Waste Disposal Capacity.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Goldshmid	Metro Dade	_____ (TG-3):	Dade County Resolution No. 311-93 Approving Amendment to O&M Agreement With Montenay-Dade, Ltd.
Kosky	"	_____ (KFK-1):	FPSC Report on Initial Site Certification Application, October 6, 1977.
"	"	_____ (KFK-2):	Final Order of the Power Plant Siting Board Re: Approval of Land Use for Expansion, February 24, 1993.
"	"	_____ (KFK-3):	FERC Order Granting Montenay - Dade Certification as a Qualifying Small Power Production Facility, March, 19, 1992.
"	"	_____ (KFK-4):	Dade County Resolution No. R-561-91 Approving Power Sales Contract With Florida Power Corporation, Including Contract.
"	"	_____ (KFK-5):	Dade County Resolution No. R-1177-91 Approving Wheeling Agreement With FPL, Including Agreement.
"	"	_____ (KFK-6):	FPSC Order No. PSC-92-1226-FOF-EU Approving Interconnection Agreement Between Dade County and FPL.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Kosky	Metro Dade	_____ (KFK-7)	FPSC Order No. 22341, December 26, 1989, in 1989 Planning Hearings.
"	"	_____ (KFK-8)	U.S. Army Corps of Engineers Permit for Stormwater Management and Retention Pond for the Dade County Resources Recovery Facility.
Dolan	Staff	_____ (RDD-1)	Boiler Supply Conveyor Layout for Dade County RRF
Dolan	Staff	_____ (RDD-2)	Dade County, FPC, FPL Interconnection
Dolan	Staff	_____ (RDD-3)	Dade County RRF Output Profile
<u>Rebuttal</u>			
Strong	Metro Dade	_____ (CRS-1)	General Arrangement Drawing of Fuel Bin
		_____ (CRS-2)	Schematic Diagram of Current Fuel Supply System

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. STIPULATION

The Dade County Resources Recovery Facility, in both its present and expanded configurations, is and will be a "solid waste facility" within the meaning of section 377.709, Florida Statutes, and Commission Rule 25-17.091.

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IX. PENDING MOTIONS

None.

It is therefore,

ORDERED by Chairman J. Terry Deason, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman J. Terry Deason, as Prehearing Officer, this 20th day of August, 1993.



J. Terry Deason, Chairman
and Prehearing Officer

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial

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review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.