

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for certification as a qualifying facility pursuant to Rule 25-17.080, F.A.C., by Solid Waste Authority of Palm Beach County. | DOCKET NO. 080682-EQ
ORDER NO. PSC-09-0109-PAA-EQ
ISSUED: February 24, 2009

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING CERTIFICATION AS A QUALIFYING FACILITY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

The Solid Waste Authority of Palm Beach County (SWA) is a local governmental entity of Palm Beach County Florida constituting a "dependent special district" specifically authorized by the Florida Legislature to collect and dispose of municipal solid waste (MSW) produced in areas in and around Palm Beach County. The SWA is currently operating as a qualifying facility (QF) generating 62 megawatts (MW) via a steam turbine generator fired by MSW incineration. The SWA currently has a contract for firm energy and capacity with Florida Power & Light (FPL), which was executed in January 1987 and expires in March 2010. The SWA and FPL are engaged in negotiations to extend the contract.

The SWA has recently begun an expansion project to increase its generation to a maximum of 185 MW. The expansion is expected to increase the capacity to 180 MW, however an extra 5 MW is being requested in an abundance of caution. Although the current facility meets all the requirements of the Federal Energy Regulatory Commission (FERC) for qualification as a small power production facility, the expansion will cause the SWA facility to substantially exceed the 80 MW limit imposed by the FERC rules.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

The SWA filed a petition on November 19, 2008, seeking certification as a QF for its facility pursuant to Rule 25-17.080, F.A.C. We have jurisdiction over this matter pursuant to Sections 366.051, 366.80 through 366.85, and 366.91, Florida Statutes (F.S.).

Decision

The SWA is currently operating as a qualified small power producer under the FERC's rules. The SWA facility uses MSW incineration as fuel for a 62 MW steam turbine generator. However, the existing facility is nearing its tonnage incineration limits, and therefore the facility is being expanded to generate an additional 100 MW. In addition, the SWA is contemplating a landfill-gas fueled component which would provide approximately 18 MW of capacity. The total generating capacity would then be approximately 180 MW. However, in an abundance of caution, the SWA is requesting certification for 185 MW, which will substantially exceed the FERC's 80 MW maximum size limit.

The SWA's petition asserts that the expansion project meets all requirements for certification as a QF under the FERC rules with the exception of the 80 MW size limitation. Rule 25-17.080(1), F.A.C., adopts the FERC rules, but also offers an exception for small power producers which do not meet all the FERC criteria but "otherwise meet the objectives of economically reducing Florida's dependence on oil and the economic deferral of utility power plant expenditures."

We find the SWA facility meets the requirement of Rule 25-17.080(2)(b), F.A.C., in that it uses virtually 100 percent renewable fuel as an energy source. Municipal solid waste is defined as a renewable fuel, specifically biomass, under Rule 25-17.210, F.A.C. The SWA facility also meets the requirement of Rule 25-17.080(2)(c), F.A.C., in that it is a local governmental entity having no ownership by a utility, utility holding company, or subsidiary.

The SWA currently has a contract in place to sell firm capacity and energy to FPL and negotiations have begun to extend the contract, which expires in 2010, for an additional twenty years. However, certification as a QF does not guarantee approval of the contract extension. That issue will be addressed at such time as FPL files for cost recovery.

We find that the SWA expansion project meets all requirements for certification as a qualifying facility pursuant to Commission Rule 25-17.080, F.A.C. If a purchased power agreement is successfully negotiated, the expanded facility will provide additional electric energy which would replace fossil-fuel generation and contribute to the deferral of utility power plant expenditures for additional generation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition of the Solid Waste Authority of Palm Beach County for certification as a qualifying facility is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of February, 2009.



ANN COLE
Commission Clerk

(S E A L)

JEH

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 17, 2009.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.