

VOTE SHEET

DATE 4/17/90

RE: DOCKET NO. 900004-EU - Planning Hearings on Load Forecasts, Generation Expansion Plans, and Cogeneration Prices for Peninsular Florida's Electric Utilities. (Deferred from the January 30, 1990 Commission Conference)

Issue: 1. With regard to the subscription limits established in Order No. 22341, how should standard offer and negotiated contracts for firm capacity and energy be prioritized to determine the current subscription level?

Primary Recommendation: Initial priority should be given to all contracts based on the execution date or the last signature date of the contract. Priority would not become final until Commission approval for cost recovery purposes. For standard offer contracts, the execution and approval date are one and the same. However, if a standard offer contract and a negotiated contract are executed on the same day, the negotiated contract, upon approval by the Commission, should take precedence over the standard offer contract.

Secondary Recommendation: Due to the fact that under existing Rule 25-17.083(8), F.A.C., payments made pursuant to standard offer contracts are recoverable without further action by the Commission, standard offer

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COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' VOTES

APPROVED

APPROVED WITH MODIFICATIONS

DISAPPROVED

DEFER

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REMARKS/DISSENTING COMMENTS:

TO:

5/1/90  
Conference

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FPSC-RECORDS/REPORTING

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**Secondary Recommendation:** (continued) contracts should "trump" negotiated contracts when both are executed on the same date. As found by the Commission in the last planning hearing docket (Issue No. 25), both standard offer and negotiated contracts count toward the subscription limit. The current rules do not envision more than one standard offer at a time, i.e., a standard offer for each year a unit is identified in the designated utility's least-cost generation expansion plan.

**Issue: 2.** How should the utilities who are subject to the Commission-designated subscription amounts notify the Commission on the status of capacity signed up against the designated statewide avoided unit?

**Recommendation:** Utilities who are subject to Commission-designated subscription amounts should be required to submit to the Director of the Division of Electric and Gas an informal notice of contract execution within five days of the contract execution date. This notice should include, at a minimum: the type of contract, the in-service year of the project, the amount (MW) committed, the contracting party or parties, and the amount (MW) remaining under the utility's current subscription level. Either the utility or the cogenerator can submit the notice of contract execution. If a notice of contract execution is not received within five days, priority will then be based upon the date the notice is ultimately received. Filing of the contract should occur within 30 days of the date of the notice.

Issue: 3. What happens when a utility reaches its own subscription limit for a particular unit?

Recommendation: When a utility reaches its allocated limit for the Commission-approved statewide avoided unit, the utility should close out its current standard offer and provide a new standard offer based on the next approved statewide avoided unit. For example, when FPL subscribes 230 MW of the 1993 combined cycle unit, they would then offer a standard offer contract based on the Commission-approved statewide avoided unit, a 1994 combined cycle unit. Likewise, when FPL subscribes 230.6 MW of the 1994 avoided unit, they would open a new standard offer contract based on the Commission-approved 1995 statewide avoided unit.

Issue: 4. Does the subscription limit prohibit any utility from negotiating, and the Commission from subsequently approving, a contract for the purchase of firm capacity and energy from a qualifying facility?

Primary Recommendation: No. The subscription limits set forth in Order No. 22341 and the current criteria for approval of negotiated contracts should only apply to contracts negotiated against the current designated statewide avoided unit, i.e., a 1993 combined cycle unit. Any contract outside of these boundaries should be evaluated on a utility's individual needs and costs, i.e., it should be evaluated against the units identified in each utility's own generation expansion plan.

Secondary Recommendation: Yes. Although the recommendation of technical staff has merit, the rules as currently written simply do not envision cogeneration contracts that are not tied to the current statewide avoided unit.

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Issue: 5. Should a negotiated contract whose project has an in-service date which does not match the in-service date of the statewide avoided unit be counted towards that utility's subscription limit?

Primary Recommendation: No. The subscription limits set forth in Order No. 22341 and the current criteria for approval of negotiated contracts should only apply to the statewide avoided unit. Any contract outside of these boundaries should be evaluated against each utility's own avoided cost.

Secondary Recommendation: No. Utilities should be prohibited from negotiating for units which are beyond the date of the statewide avoided unit. If, however, such units are contracted for, these contracts should be judged for cost recovery purposes against the avoided costs of the 1994 and 1995 avoided units approved by the Commission in Order No. 22341. After 1995, these contracts should be judged against the units identified in the FCG's 1989 Long Range Generation Expansion Plan.