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RICHARD A. ZAMBO  
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PLEASE REPLY TO:  
PALM CITY

August 27, 1990

COGENERATION  
ALTERNATIVE ENERGY  
ENERGY REGULATORY LAW  
PUBLIC UTILITY LAW  
ADMINISTRATIVE LAW  
APPELLATE LAW  
**ORIGINAL FILE COPY**

**HAND DELIVERY**

Mr. Steve Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0870

Re: Florida Industrial Cogeneration Association (FICA)  
Response To Motions For Clarification Docket No. 900004-  
EU

Dear Mr. Tribble,

Enclosed find the original and 10 copies of "Response To  
Motions For Clarification" filed by and on behalf of Florida  
Industrial Cogeneration Association (FICA).

ACK  If you should have any questions regarding this filing  
please do not hesitate to call.

AFA \_\_\_\_\_

APP \_\_\_\_\_

CAF \_\_\_\_\_

CMU \_\_\_\_\_

CTR \_\_\_\_\_

EAC \_\_\_\_\_

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LIN 6 Enclosure

OPC \_\_\_\_\_

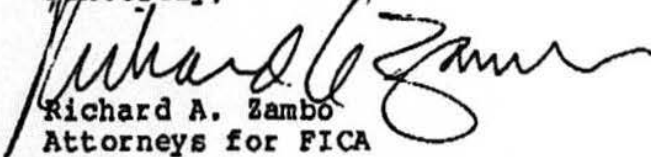
RCH \_\_\_\_\_

SEC /

WAS \_\_\_\_\_

OTH \_\_\_\_\_

Sincerely,



Richard A. Zambo  
Attorneys for FICA

RECEIVED & FILED

  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

07716 AUG 27 1990

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Plannings Hearings on )  
Load Forecasts, Generation )  
Expansion Plans and Cogeneration )  
Pricing for Peninsula Florida's )  
Electric Utilities )  
\_\_\_\_\_ )

DOCKET NO. 900004-EU

FILED: AUG. 27, 1990

RESPONSE TO MOTIONS FOR CLARIFICATION

The Florida Industrial Cogeneration Association (FICA) and its individual members, by and through their undersigned attorneys, and in accordance with applicable Commission rules, files this response to those certain motions for clarification of order No. 23235 filed in this proceeding by Florida Power & Light Company (FPL), The AES Corporation (AES), and, Nassau Power Corporation (Nassau). In response, FICA says:

1. Any responses to this filing or other documents in connection with this matter are to be served on:

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2. FICA and its members, having participated throughout this and previous "Planning Hearings", have a substantial interest in the Commission's resolution of the issues presented. FICA members are presently engaged in

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FPSC-RECORDS/REPORTING

negotiations for the sale of firm energy and capacity from qualifying facilities or are in the process of evaluating various generation expansion and/or sales options. The Commission's decision on the issues presented for clarification will therefore necessarily and directly impact FICA and its members.

3. The issue presented to the Commission for clarification is: "Whether negotiated contracts for the sale of firm energy and capacity from qualifying facilities should be "counted against" any subscription limit imposed on standard offer contracts?" The Commission addressed this issue in its Order No. 23235 and determined that

". . . the subscription limits . . . should only apply to the statewide avoided unit. Any contract outside of these boundaries should be judged against each utility's own avoided cost."

FICA strongly agrees with the Commission and urges it to affirm that determination.

(at page 3)

4. The motions for clarification result from an additional provision of Order No. 23235 which states that "Any negotiated contract with an in-service date later than 1996 should be evaluated against a utility's individual needs and costs . . .". (emphasis supplied, at page 3) FICA submits that changing the word "later" to "other" will accomplish the proper objective of only counting standard

offer contracts or negotiated contracts with the same in-service date as the avoided unit against the subscription limit.

5. Rather than repeat the valid arguments advanced by both AES and Nassau, FICA supports the analyses and resolution advocated by those parties. (FICA does not, however, agree with AES that "Florida utilities will not be able to negotiate contracts with cogenerators with in-service dates prior to 1996 . . ." FICA recognizes that utilities might rely on the ambiguity of the order as justification not to negotiate and for that reason the Order should be clarified.)

6. As to the motion filed by FPL, FPL appears to urge the Commission to require that negotiated contracts (regardless of in-service date), as well as standard offer contracts, be applied against the avoided unit subscription limit. FPL seems to be asking the Commission, contrary to sound public policy, to indefinitely suspend their obligation (and the obligation of other electric utilities) to purchase capacity and energy from qualifying facilities. Because there is presently in excess of 2000 MW of cogenerated power "signed-up against" the 500 MW 1996 avoided unit, the adoption of FPL's position would "freeze" cogeneration activities at their current levels in spite of

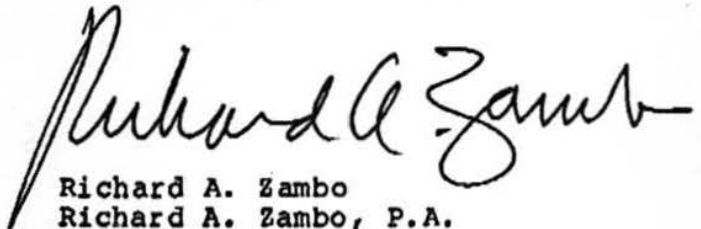
what appears to be an unprecedented need for electric generating capacity in the State. This dangerous result must be avoided.

7. The recommended language provided by AES at page 5 of their motion would clarify Order No. 23235 in a manner consistent with sound Commission policy and satisfactory to FICA and its members.

WHEREFORE, FICA respectfully urges the Commission to: (1) grant the motions for clarification requested by AES and Nassau; (2) adopt the recommended language changes presented by Nassau in its motion for clarification; and (3) deny the motion for clarification filed by FPL, to the extent that motion advocates that all negotiated contracts as well as standard offer contracts be counted toward the avoided unit subscription limit.

August 27, 1990

Respectfully Submitted,



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Attorneys for FICA

CERTIFICATE OF SERVICE  
DOCKET NO. 900004-EU

I HEREBY CERTIFY that a true and correct copy of Florida Industrial Cogeneration Association's (FICA) Motion For Clarification has been furnished to the following individuals by Hand Delivery or U.S. Mail on this 27th day of August, 1990.

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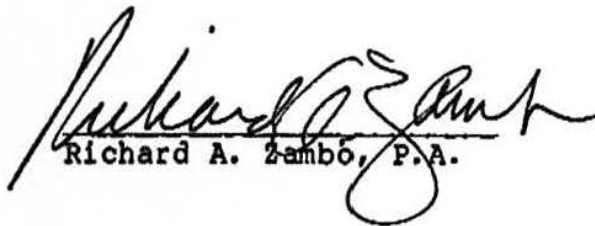
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