

Florida Power Corporation

Charles F. Reischmann
ASSISTANT COUNSEL

February 6, 1992

ORIGINAL
FILE COPY

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

Submitted for filing: 2/06/92
In re: Docket No. 900383-EQ

Re: NOTICE OF FILING BY FLORIDA POWER CORPORATION OF
SUPPLEMENTAL INFORMATION TO THE JOINT PETITION OF
FLORIDA POWER CORPORATION AND CFR-BIOGEN
CORPORATION FOR APPROVAL OF CONTRACT FOR PURCHASE
OF FIRM CAPACITY ENERGY AND MOTION FOR DISMISSAL OF
COMPLAIN FOLLOWING COMMISSION APPROVAL

Dear Mr. Tribble:

Enclosed for filing please find 15 copies of the above described Notice of
Filing by Florida Power Corporation in Docket Number 900383-EQ.

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG 1 _____
- LIN 6 _____
- OPC 1 _____
- RCH _____
- SEC 1 _____
- WAS _____
- STH _____

Thank you for your kind assistance in this matter.

Very truly yours,

Charles F. Reischmann

CFR/cs
Enclosure

cc: Richard Benton, Esquire

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

GENERAL OFFICE: 3201 Thirty-fourth Street South • Post Office Box 14042 • St. Petersburg, Florida 33733 • (813) 866-5787

A Florida Progress Company

DOCUMENT NUMBER-DATE

01390 FEB -6 1992

FPSC-RECORDS/REPORTING

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint by CFR-BIOGEN Corporation
against Florida Power Corporation for alleged
violation of standard offer contract, and request
for determination of substantial interest

Docket No. 900383-EQ

Submitted for filing:
February 6, 1992

NOTICE OF FILING BY FLORIDA POWER CORPORATION
OF SUPPLEMENTAL INFORMATION TO THE
JOINT PETITION OF FLORIDA POWER CORPORATION
AND CFR-BIOGEN CORPORATION FOR
APPROVAL OF CONTRACT FOR PURCHASE OF
FIRM CAPACITY ENERGY AND MOTION FOR DISMISSAL
OF COMPLAINT FOLLOWING COMMISSION APPROVAL

Florida Power Corporation (FPC) in response to the request by the Florida Public Service Commission staff hereby files the following supplemental information:

Exhibit A-1 and A-2. These exhibits summarize the status of future qualifying facility projects currently under contract to Florida Power Corporation.

Exhibit 2. This exhibit indicates major standard offer contract changes from the contract used in January 1991 bid.

Exhibit 3. This exhibit indicates major contract changes in CFR's contract from the contract used in 1992 bid.

DOCUMENT NUMBER-DATE
01390 FEB -6 1992
FPSC-RECORDS/REPORTING

Exhibit 4. This exhibit summarizes differences between CFR contract subject to this petition and previous CFR contract.

Respectfully submitted.

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By: 

CHARLES F. REISCHMANN
3201 34th Street South
Post Office Box 14042
St. Petersburg, FL 33733

Group 3

	Requested Delay?	Security Deposit Posted?	Financing Obtained?	Fuel Supplies Obtained?	Wheeling Obtained?	Status of Site Acquisition	Steam Host Secured?	Have QF Status?	Construction Commenced?
Dade County On-Line 11-23-91									
Seminole Fertilizer	27 Day Reg. Delay	N/A	Self-Financed	Yes	Yes	Complete	Yes	Yes	Yes
Lake Cogen ¹ (N.Canadian)	37 Day Reg. Delay	Yes	No, Letter of Intent	Yes	N/A	Complete	Yes	Yes	No
Pasco Cogen (Peoples/N. Canadian)	37 Day Reg. Delay	Yes	Yes	Yes	N/A	Complete	Yes	Yes	Yes
Royster (Royster/CMI)	37 Day Reg. Delay	Yes	No	Yes	No	Complete	Yes	No	No
Ridge Generating Station (Decker/Wheelabrator)	6 Mo. Force Majeure and 37 Day Reg. Delay	Yes	No	No	No	Optioned	N/A	No	No
Mulberry Energy ² (CSW/ARK)	6 Month Force Majeure and 37 Day Reg. Delay	Yes	No	No	N/A	Optioned	No	No	No
El Dorado (Mission Energy)	6 Mo. Force Majeure and 37 Day Reg. Delay	Yes	No	No	No	Complete	Yes	Yes	No
Orlando Cogen (Air Products)	37 Day Reg. Delay	Yes	No	Letter of Intent Signed	N/A	Optioned	Yes	Yes	No
Eco Peat (EcoEnergy/IPS)	No	Yes	No	No	N/A	Complete	N/A	No	No

Notes: 1. North Canadian purchased Peoples Cogeneration Co. share of the project.
2. CSW/ARK purchased the assets of Mulberry Energy from Westford Industries.

STATUS OF FUTURE QFs - 1-31-92

Group 4

	Requested Delay?	Security Deposit Posted?	Financing Obtained?	Fuel Supplies Obtained?	Wheeling Obtained?	Status of Site Acquisition	Steam Host Secured?	Have QF Status?	Construction Commenced?
Pinellas County	One Year	N/A	No	Yes	N/A	No	N/A	No	No
Timber Energy ¹	No	N/A	No	No	N/A	Complete	N/A	Yes	No
General Peat ² (GPR/EcoEnergy/Destec)	No	N/A	No	No	N/A	No	No	No	No
CFR Bio-Gen ³	Yes, 12-95	No	No	No	N/A	No	No	No	No
Panda ⁴	No	Yes	No	No	N/A	Optioned	Yes	No	No

- Notes:
1. Timber Energy has indicated that they question the feasibility of this project.
 2. General Peat has asked to combine the three contracts and will build a natural gas-fired combined cycle facility with Destec as a new partner.
 3. CFR Bio-Gen and FPC have concluded renegotiations awaiting FPSC approval. CFR is presently negotiating with several developers of QF projects regarding a partnership.
 4. Panda has been awarded a Standard Offer Contract pending FPSC approval.

MAJOR STANDARD OFFER CONTRACT CHANGES
FROM CONTRACT USED IN JANUARY 1991 BID

- Avoided unit is an advanced combustion turbine (Appendix C, Schedule 1).
- Performance Adjustment is optional (Section 9.1.3).
- "Regulatory Out" clause was eliminated.
- Completion Security Guaranty (deposit) is due sixty (60) days after execution (Section 13.1). Panda paid a Security Guaranty of \$749,000 on January 24, 1992.
- QF will be credited or debited for sulfur dioxide emissions (and rain) reductions provided by the avoided emissions unit (Section 10.3).
- QF can receive tax credits if applicable (Section 10.2).

CFR'S MAJOR CONTRACT CHANGES FROM CONTRACT
USED IN JANUARY 1991 BID

- CFR's maximum committed capacity (C.C.) limited to contracted C.C. of 74 MW {see Section 7.1 and 7.2}
- Dispatchable on AGC between minimum capacity (20%) and full (C.C.) and may be schedule (cycled) off line
- Levels delivered above dispatch paid at system marginal costs less penalty {see Section 9.1}
- All energy received when the QF at its option is not on AGC will be discounted by 5% (penalty will encourage AGC) {see Section 9.1}
- Energy delivered above full C.C. when dispatched to that level will be paid at system marginal costs {see Section 9.1}
- Dispatched energy paid on a pro-rata basis of the avoided unit (700 MW PC)
- QF has the characteristics of the 700 MW PC avoided unit scaled down to the Committed Capacity (74 MW) {heat rate, start-up, shutdown, etc}
- The QF facility will be operated at a minimum dispatch level of at least 50% annual capacity factor {see Section 5.4.1}
- Completion Security Guaranty (deposit) of \$5/KW due 30 days after Contract Approval Date and \$5.00 per KW 2.5 years before the Contract In-Service Date (previously entire \$10/KW due 60 days after Contract Approval Date) {see Section 13.1}
- All energy received above the dispatch level and/or C.C. will not be included in the EAF calculation {see Section 8.3}

New CFR Contract Compared to Old CFR Contract

These contracts were compared using PROSCREEN with the 1991 Need for Power base case assumptions. The first case includes the addition of a 74 MW cogenerator modelling the old CFR contract pricing. The second case includes the addition of a 74 MW dispatchable cogenerator modelling the new CFR contract pricing. Comparison of the cases shows a system cumulative present worth revenue requirements savings of \$5,152,000 for the new contract in year 2030.