

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF STAFF WORKSHOP

TO

ALL ELECTRIC UTILITIES

AND

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: MERCHANT PLANT STUDY

ISSUED: April 6, 1999

NOTICE is hereby given pursuant to Rule 25-22.001, Florida Administrative Code, that the Staff of the Florida Public Service Commission will conduct a workshop in the above-referenced undocketed matter at the following time and place:

10:00 a.m., Monday, May 3, 1999  
Room 152, Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, Florida

PURPOSE

The purpose of this workshop is to explore issues relative to merchant power plants in Florida. Attached is a list of issues proposed by Commission Staff for discussion at the workshop. Interested persons are encouraged to submit issues they wish to have addressed. Please file issue statements on or before April 23, 1999.

One or more of the Commissioners of the Florida Public Service Commission may attend and participate in the workshop. Minutes of this workshop will be taken in accordance with Section 286.011(2), Florida Statutes.

Any person requiring some accommodation at this workshop because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the workshop. Any person who is hearing or speech impaired should

DOCUMENT NUMBER-DATE

04418 APR-68

FPSC-RECORDS/REPORTING

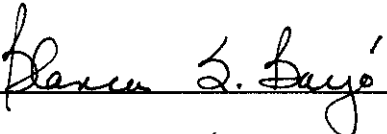
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contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

JURISDICTION

Jurisdiction is vested in this Commission pursuant to Chapter 366, Florida Statutes.

By DIRECTION of the Florida Public Service Commission, this 6th day of April, 1999.



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

LJP

### **Proposed Staff Issues For Discussion**

1. Whether merchant capacity should be considered to supplement the FRCC's 15% reserve margin. If so, what amount of supplementary reserve margin is considered reasonable and prudent for reliability purposes?
2. The number of merchant plants which should be permitted in Florida and the maximum amount of supplementary reserve margin considered reasonable and prudent for reliability purposes.
3. Criteria for choosing among proposed merchant plants.
  - a. Consideration of a selection criterion for subscription under a merchant power plant MW cap based on number of proposed megawatts of solar photovoltaic capacity.
  - b. Consideration of selection criterion based on efficiency ratings of plants.
4. The impact, if any, of merchant plants on investment in, and operation of, existing plants in utilities' rate base.
  - a. Whether merchant plants selling in the wholesale market at market prices cause stranded costs to any retail-serving electric utility.
5. Impact, if any, of merchant plants on economic development in Florida.
  - a. Job creation/enhancement.
  - b. Increase in state and local tax base.
6. Establishment of a wholesale, market price, merchant cost-effectiveness standard. Reporting requirements for wholesale market prices for the purpose of determining the optimum level of merchant power plants.
7. Impact, if any, of merchant plants on the environment.
  - a. Use of allowable ambient air pollution increments by merchant power plants.
  - b. Use of available power plant sites and other finite resources.

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8. Impact, if any, of merchant plants on conservation goals and plans.
9. Minimum reporting requirements for entities owning merchant transmission, generation or distribution. (For example, size, type and location.)
10. Pricing thresholds for purposes of limiting cost recovery at which a utility may interrupt firm or non-firm load to avoid a power purchase or make a power sale.
11. Appropriate Peninsular Florida minimum percent planning reserve margin. Percent of firm load unserved when another Christmas 1989 occurs.
12. Diversity of ownership with respect to market power issues.
13. Fuel diversity - what is it and is it needed?
14. Florida retail-serving electric utilities being allowed to build merchant plants in Florida and being allowed to charge market prices.
15. Continuing, closing, or deferring until 2000, Docket No. 981890-EU, Generic Investigation Into The Aggregate Electric Utility Reserve Margins Planned For Peninsular Florida.

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## **A G E N D A**

### **FLORIDA PUBLIC SERVICE COMMISSION STAFF WORKSHOP**

#### **UNDOCKETED - MERCHANT PLANT STUDY**

Monday, May 3, 1999  
Room 152, Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, Florida  
10:00 a.m. - 5:00 p.m.

The purpose of this Staff Workshop is to explore topics of concern raised by Commissioners regarding merchant plant activity in Florida. Topics raised by Commission staff and other interested persons will also be discussed.

- 10:00 a.m.        Introductory Remarks by Staff (Jenkins)
  
- 10:30 a.m.        Discussion of Topics (see attached list)
  
- 12:00 p.m.        Lunch
  
- 1:00 p.m.        Continuation of Discussion of Topics
  
- 5:00 p.m.        Adjourn

**This meeting is open to the public.**