

ORIGINAL

In re: Generic investigation into
the aggregate electric utility
reserve margins planned for
Peninsular Florida

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Filed on: October 7, 1999

RECORDS AND
REPORTING

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RELIANT ENERGY POWER GENERATION, INC.'S
PREHEARING STATEMENT

Pursuant to Order No. PSC 99-0760-PCO-EU and 99-1042-PCO-EU, Reliant Energy Power
Generation, Inc. (REPGI) files its Prehearing Statement.

A. APPEARANCES:

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B. WITNESSES:

REPGI intends to call the following witness to offer testimony on the issues indicated below:

<u>Witness</u>	<u>Issues Addressed</u>
Lance Muckelroy (direct)	#16

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C. **EXHIBITS:**

None.

D. **STATEMENT OF BASIC POSITION:**

Any target reserve margin applicable to retail utilities, whether on an individual or an aggregate basis, must be regarded as a floor and not a limitation. An attempt to artificially limit reserve margin would impede wholesale market forces which have the potential to increase supply, lower costs, and enhance reliability at no increased risk to ratepayers.

E. **STATEMENT OF ISSUES AND POSITIONS:**

1. **Issue:** What is the appropriate methodology, for planning purposes, for calculating reserve margins for individual utilities and for Peninsular Florida?

REPGI: No position.

2. **Issue:** What is the appropriate methodology, for planning purposes, for evaluating reserve margins for individual utilities and for Peninsular Florida?

REPGI: No position.

3. **Issue:** How should the individual components of an individual or Peninsular Florida percent reserve margin planning criterion be defined?

REPGI: No position.

4. **Issue:** How should generating units be rated (MW) for inclusion in a percent reserve margin planning criterion calculation?

REPGI: No position.

5. **Issue:** How should individual utility's reserve margins be integrated into the aggregated reserve margin for Peninsular Florida?

REPGI: No position.

6. **Issue:** Should there be a limit on the ratio of non-firm load to MW reserves? If so, what should that ratio be?

REPGI: No position.

7. **Issue:** Should there be a minimum of supply-side resources when determining reserve margins? If so, what is the appropriate minimum level?

REPGI: No position.

8. Issue: What, if any, planning criteria should be used to assess the generation adequacy of individual utilities?

REPGI: No position.

9. Issue: Should the import capability of Peninsular Florida be accounted for in measuring and evaluating reserve margins and other reliability criteria, both for individual utilities and for Peninsular Florida?

REPGI: No position.

10. Issue: Do the following utilities appropriately account for historical winter and summer temperatures when forecasting seasonal peak loads for purposes of establishing a percent reserve margin criterion?

- A. City of Homestead
- B. City of Lake Worth Utilities
- C. City of Lakeland
- D. City of Tallahassee
- E. Florida Power and Light Company
- F. Florida Power Corporation
- G. Florida Municipal Power Agency
- H. Gainesville Regional Utilities
- I. Jacksonville Electric Authority
- J. Kissimmee Utility Authority
- K. Orlando Utilities Commission
- L. Reedy Creek Improvement District
- M. Seminole Electric Cooperative
- N. Tampa Electric Company
- O. Utilities Commission of New Smyrna Beach

REPGI: No position.

11. Issue: Has the Florida Reliability Coordinating Council's 15 percent reserve margin planning criterion, or any other proposed reserve margin criterion, been adequately tested to warrant using it as a planning criterion for the review of generation adequacy on a Peninsular Florida basis? If the answer is no, what planning criterion should be used?

REPGI: No position.

12. Issue: What percent reserve margin is currently planned for each of the following utilities, and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Florida?

- A. City of Homestead
- B. City of Lake Worth Utilities

- C. City of Lakeland
- D. City of Tallahassee
- E. Florida Power and Light Company
- F. Florida Power Corporation
- G. Florida Municipal Power Agency
- H. Gainesville Regional Utilities
- I. Jacksonville Electric Authority
- J. Kissimmee Utility Authority
- K. Orlando Utilities Commission
- L. Reedy Creek Improvement District
- M. Seminole Electric Cooperative
- N. Tampa Electric Company
- O. Utilities Commission of New Smyrna Beach

REPGI: No position.

13. Issue: How does the reliability criteria adopted by the FRCC compare to the reliability criteria adopted by other reliability councils?

REPGI: No position.

14. Issue: Should the Commission adopt a reserve margin standard for individual utilities in Florida? If so, what should be the appropriate reserve margin criteria for individual utilities in Florida? Should there be a transition period for utilities to meet that standard?

REPGI: No position.

15. Issue: Should the Commission adopt a reserve margin standard for Peninsular Florida? If so, what should be the appropriate reserve margin criteria for Peninsular Florida?

REPGI: No position.

16. Issue: Should the Commission adopt a maximum reserve margin criterion or other reliability criterion for planning purposes; e.g., the level of reserves necessary to avoid interrupting firm load during weather conditions like those experienced on the following dates: 01/08/70; 01/17/77; 01/13/81; 01/18/81; 12/19/81; 12/25/83; 01/21/85; 01/21/86; and 12/23/89?

REPGI: No. Any reserve margin standard should be a minimum criterion.

17. Issue: What percent reserve margin is currently planned for Peninsular Florida, and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Peninsular Florida?

REPGI: No position.

18. Issue: Can out-of-Peninsular Florida power sales interfere with the availability of Peninsular Florida reserve capacity to serve Peninsular Florida customers during a capacity shortage? If so, how should such sales be accounted for in establishing a reserve margin standard?

REPGI: No position.

19. Issue: Based on the resolution of Issues 1 through 18, what follow-up action, if any, should the Commission pursue?

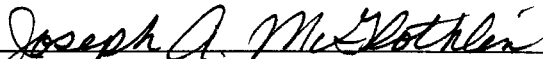
REPGI: No position.

F. **STIPULATED ISSUES:**

None.

G. **PENDING MOTIONS:**

As of the date of this pleading, REPGI's Petition to Intervene is pending.



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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true copy of Reliant Energy Power Generation, Inc.'s Prehearing Statement has been furnished by U.S. mail and or hand-delivery(*) on this 7th day of October, 1999 to the following:

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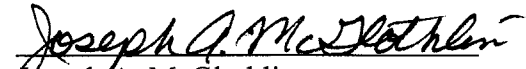
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