

NOTICE OF PROPOSED RULE DEVELOPMENT

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: 001521-EU

RULE TITLE:

RULE NO.:

Adequacy of Supply

25-6.035

RECEIVED
2000 NOV - 1 AM 11:14
DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

PURPOSE AND EFFECT: This rule is being amended to clarify the original intent and to update current operating reserve practices. Deletions reflect the fact that the reserve margin criterion contained in this rule is for pricing purposes and not a prudence determination or planning criterion. References to the Southeastern Reliability Council are updated to reference the Florida Reliability Coordinating Council.

SUBJECT AREA TO BE ADDRESSED: The amended rule addresses the subject area of operating reserve practices.

SPECIFIC AUTHORITY: SPECIFIC AUTHORITY: 366.05(1), FS

LAW IMPLEMENTED: 366.03, 366.04(2)(c)(5), 366.055, FS

IF TIMELY REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 a.m., November 30, 2000

PLACE: Betty Easley Conference Center, Room 152, 4075 Esplanade Way, Tallahassee, FL 32399-0850

THE WORKSHOP REQUEST MUST BE SUBMITTED IN WRITING WITHIN 14 DAYS OF

THE DATE OF THIS NOTICE TO THE COMMISSION'S DIVISION OF RECORDS AND

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FPSC-RECORDS/REPORTING

REPORTING, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FL 32399-0850.

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 hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Richard C. Bellak, Division of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

25-6.035 Adequacy of Resources.

(1) Each electric utility shall maintain sufficient generating capacity, supplemented by regularly available generating and non-generating resources, in order to meet all reasonable demands for service and provide a reasonable reserve for emergencies. Each electric utility shall also coordinate the sharing of energy reserves with other electric utilities in Peninsular Florida. ~~To achieve an equitable sharing of energy reserves, Peninsular Florida utilities shall be required to maintain, at a minimum, a 15% planned reserve margin. The planned reserve margin for each utility shall be calculated as follows:~~

$$RM = \frac{C - L}{L} * 100 \text{ where,}$$

~~"RM" - Is defined as the utility's percent planned reserve margin;~~

~~"C" - Is defined as the aggregate sum of the rated dependable peak-hour capabilities of the resources that are expected to be available at the time of the utility's annual peak; and~~

~~"L" - Is defined as the expected firm peak load of the system for which reserves are required.~~

The following shall be utilized as the operating reserve standard for Peninsular Florida's utilities: operating reserves shall be maintained by the combined Peninsular Florida system at a value equal to or greater than the loss of generation that would result from the most severe single contingency. The operating reserves shall be allocated among the utilities in proportion to each control area's peak hour net energy for load ~~utility's maximum demand~~ for the preceding year, and the summer gross Florida Southeastern Electric Reliability Coordinating Council (FRCCSERC) capability of its largest unit or ownership share of a joint unit, whichever is greater. Fifty percent shall be allocated on the basis of net energy for load ~~demand~~ and fifty percent on the basis of the summer gross FRCCSERC capability of the largest unit. Operating reserves shall be fully available within fifteen ~~ten~~ minutes. At least 25% of the operating reserves shall be in the form of spinning reserves which are automatically responsive to a frequency deviation from normal.

(2) - (5) No Change.

Specific Authority 366.05(1) FS.

Law Implemented 366.03, 366.04(2)(c), 366.04(5), 366.055, FS.

History--New 07-29-69, Formerly 25-6.35, Amended 09/05/96.