



February 21, 2001

Ms. Blanca S. Bayó  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

**Re: Docket No. 001521-EU**

Dear Ms. Bayó:

JEA herein submits comments to proposed amendments to Rule 25-6.035, F.A.C., Adequacy of Resources. JEA is a member of the Florida Reliability Coordinating Council (FRCC), operates its own control area, and is a member of the FRCC's Operating Committee. Our need to be involved in this docket was recently recognized as a result of our intervention in the formation of GridFlorida LLC (GridFlorida). GridFlorida is a regional transmission organization proposed by Florida Power & Light, Florida Power Corporation, and Tampa Electric Company to the Federal Energy Regulatory Commission (FERC) in response to FERC Order 2000.

We suggest minor revisions to the second paragraph of Rule 25-6.035(1) that addresses the allocation of operating reserves. As currently proposed in the staff's *Pellab* revision to this rule, 50% of the FRCC's operating reserves would be allocated among utilities in proportion to each control area's peak hour net energy for load to the total of the peak hour net energy for load for all control areas. The remaining 50% would be allocated in proportion to the summer capability of each control area's largest unit or ownership share of a joint unit, whichever is greater, to the total of the summer capability of the largest unit in each control area. The allocation in the proposed amendment corresponds to the method in the present FRCC Operating Committee Handbook that was last revised in December 1999.

- AMP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC   /
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

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Under GridFlorida's proposal to the FERC, the definition of a "control area" may change. GridFlorida states that it "will operate a new single hierarchical overlay control area to manage congestion and administer the balancing energy market and ancillary services by redispatching generation on a least-cost real time basis, where applicable, by sending dispatch instructions to the existing control areas."<sup>1</sup> It is not clear whether GridFlorida will interpret itself as a control area for purposes of operating reserve allocation. If GridFlorida considers itself a single control area (in lieu of the existing control areas in GridFlorida), it would designate only a single largest unit to the operating reserve allocation (in lieu of each existing control area designating its largest unit). This interpretation would cause control areas that are not part of Grid Florida to have a larger share of the operating reserve allocated to them, simply because some of the larger generating units "dropped out" of the calculation. To more correctly align reserve responsibilities with firm load responsibilities, and make the allocation insensitive to arbitrarily drawn control area boundaries, we propose eliminating the 50% allocation based upon the largest unit and making the entire operating reserve allocation (100%) based upon the proportion of each control area's peak hour net energy for load. This will in no way diminish the total amount of operating reserve that FRCC utilities maintain. It will merely affect the allocation of those reserves among control areas.

Other North American Electric Reliability Council (NERC) regions determine a utility's operating reserves on the basis of its peak load. The Electric Reliability Council of Texas (ERCOT) and East Central Area Reliability (ECAR) region are examples of two NERC regions that set operating reserves on the basis of peak load.

We therefore propose to amend the second paragraph of Rule 25-6.035 to read as follows. Our proposed changes are shown in strike and underline format, using the staff's current draft as the base.

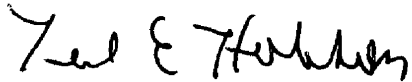
The following shall be utilized as the operating reserve standard for Peninsular Florida's utilities: operating reserves shall be maintained by the combined Peninsular Florida system at a value equal to or greater than the loss of generation that would result from the most severe single contingency. The operating reserves shall be allocated among the utilities in proportion to each control area's peak hour net energy for load for the preceding year, ~~and the summer gross Florida Reliability Coordinating Council (FRCC) 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 and fifty percent on the basis of the summer gross FRCC capability of the largest unit.~~ Operating reserves shall be fully available within fifteen 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.

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<sup>1</sup> FERC Docket No. RT01-67-000, *Order 2000 Joint Compliance Filing of Florida Power & Light Company, Florida Power Corporation, and Tampa Electric Company* (filed October 16, 2000), Appendix C, p. 4.

Due to the timing of our response with respect to the schedule of this docket, we are sending copies of these comments to members of the FRCC's Operating Committee, and are formally proposing these changes to the FRCC Procedures.

Respectively submitted,

A handwritten signature in black ink, appearing to read "Ted E. Hobson". The signature is written in a cursive style with a large initial "T".

Ted Hobson  
Vice President, System Operations  
(904) 665-7126

cc: FRCC Operating Committee  
Richard Bellak, Esq., FPSC Staff  
Mr. Tom Ballinger, FPSC Staff