

ORIGINAL

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001521-EU

RULE TITLE:

RULE NO.:

Adequacy of Supply

25-6.035

PURPOSE AND EFFECT: To clarify that the rule is intended to maintain equitable sharing of energy reserves rather than to set a prudent level of reserves for long-term planning or reliability purposes. References to Southeastern Reliability Council (SERC) standards are updated to Florida Reliability Coordinating Council (FRCC) standards.

SUMMARY: The amendment states that the purpose of the rule is to maintain equitable sharing of energy reserves, not to set a prudent level of reserves for long range planning or reliability purposes. The phrase "most severe single contingency" is amended to read "most severe single generating unit contingency".

References to Southeastern Reliability Council (SERC) are updated to Florida Reliability Coordinating Council (FRCC). The phrase "utility's maximum demand" and word "demand" are replaced by "control area's peak hour net energy for load" and "peak hour net energy for load", respectively. The time in which operating

reserves are required to be fully available is changed from "ten" to "fifteen" minutes.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No statement

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTP \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RBO \_\_\_\_\_
- SEC   I
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

03560 MAR 21 8

FPSC-RECORDS/REPORTING

was prepared.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 366.05(1), FS

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

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 a.m., April 20, 2001

PLACE: Room 152, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:

Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE 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 and operating reserve margin standards established herein are intended to maintain an equitable sharing of energy reserves, not to set a prudent level of reserves for long-term planning or reliability purposes. The planned reserve margin for each utility shall be calculated as follows:

$$RM = [(C - L)/L]*100 \text{ where;}$$

"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 generating unit 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 (FRCC SERE) capability of its largest unit or ownership share of a joint unit, whichever is greater. Fifty percent shall be allocated on the basis of peak hour net energy for load demand and fifty percent on the basis of the summer gross FRCC SERE 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), F.S.

Law Implemented: 366.03, 366.04(2)(c), (5), 366.055, F.S.

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

NAME OF PERSON ORIGINATING PROPOSED RULE: Tom Ballinger

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:

Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: March 13, 2001

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume

26, Number 45, November 9, 2000

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing 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).