

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Determination of Need
for Proposed Electrical Power Plant in
Manatee County by Florida Power & Light Company.

Docket No. 020263-B
Filed April 12, 2002.

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PETITION TO INTERVENE OF CPV CANA, LTD.

Pursuant to Chapter 120, Florida Statutes, Sections 403.519 and 366.07, Florida Statutes ("F.S."), and Rules 25-22.039, 25-22.082, 28-106.201, and 28-106.205, Florida Administrative Code (F.A.C.), CPV Cana, Ltd., ("CPV Cana"), through its undersigned counsel, files this Petition to Intervene and in support, states the following:

- The name, address, and telephone number of CPV Cana, Ltd., are:
CPV Cana, Ltd.
35 Braintree Hill Office Park
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Braintree, MA 01284
(781) 848-0253
- The name, address, and telephone number of CPV Cana's attorneys in this

case are:

Jon C. Moyle, Jr.
Cathy M. Sellers
Moyle Flanigan Katz Raymond & Sheehan, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
(850) 681-3828

All filings, correspondence, and other documents and communications should be directed to Mr. Moyle and Ms. Sellers at this address and phone number.

- Florida Power & Light Company ("FPL") is an investor-owned electric utility subject to the Commission's jurisdiction. FPL serves retail customers in a service area that encompasses much of southern Florida and Florida's east coast.

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4. CPV Cana, Ltd. is an Exempt Wholesale Generator engaged in the business of providing bulk wholesale electric power to retail-serving utilities in Florida, such as FPL. CPV Cana is in the process of developing an approximately 250 MW combined cycle natural gas-fired electric power generating facility in St. Lucie County, Florida, with future expansion projected to 500 MW. CPV Cana's 250 MW facility is projected to be fully operational by 2004.

5. The affected agency is the Florida Public Service Commission ("Commission"), 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850.

CPV Cana's Substantial Interests Are Affected by this Proceeding

6. To have standing to intervene and participate as a party in this proceeding, CPV Cana must demonstrate that its substantial interests will be affected by this proceeding. To do so, CPV Cana must allege and show that as a result of this proceeding: (1) it will suffer, or is in eminent danger of suffering, an injury in fact of sufficient immediacy to entitle it to participate in this proceeding, and (2) that its alleged injury falls within the zone of interest this proceeding is designed to protect. Agrico Chemical Co. v. Department of Environmental Regulation, 406 So. 2d. 478 (Fla. 2d DCA 1981). As discussed herein, CPV Cana's substantial interests will be affected by this proceeding, so it is entitled to intervene and participate as a party.

a. Pursuant to Section 403.519, F.S., and Rule 22-25.082, F.A.C. (the "Bid Rule"), in August 2001, FPL issued a Request for Proposals ("RFP"), in which it solicited competitive alternatives for to the next planned generating units in its generation expansion plan. The RFP solicited generation alternatives for 1,750 MW of additional generation capacity to be added at FPL's Martin, Ft. Meyers, and Midway sites. In its RFP, FPL stated that its cost to construct the capacity identified in the RFP would be

approximately \$429 per installed KW on average. The in-service date for this additional capacity was projected as 2005 – 2006.

b. CPV Cana obtained a copy of the RFP, attended the bidders' conference, and timely submitted a response to the RFP that proposed to meet approximately 245 MW of FPL's generation capacity needs identified and set forth in the RFP.

c. In January 2002, FPL informed CPV Cana that rather than accepting its proposal, FPL would itself construct 1,900 MW of additional generating capacity. This is more than the amount of capacity for which proposals were solicited, and also involves the addition of capacity at FPL's Manatee facility, which was not covered in the RFP. As previously noted, FPL's RFP stated that its cost to construct the additional capacity in the RFP would be approximately \$429 per installed KW on average. However, after rejecting all responses to the RFP, including CPV Cana's, FPL subsequently estimated that its self-build option would average approximately \$579 per installed KW. This represents a thirty-five percent (35%) increase in the projected cost of the additional capacity, and this cost potentially is subject to further increase over time. CPV Cana's response to the RFP would have provided a more cost-effective alternative than the cost of FPL plans to self-build the additional capacity.

d. On March 22, 2002, FPL filed a Petition for Determination of Need for an Electrical Power Plant, seeking an affirmative determination of need for the additional generation capacity at FPL's Manatee electrical generating facility, in connection with its expressed intent to construct additional combined cycle generating capacity at that facility.

e. As a participant in FPL's RFP process for providing a portion of the projected 1,750 MW generation capacity need, CPV Cana's substantial interests will be affected by this determination of need proceeding. Pursuant to Section 403.519, F.S., this proceeding will address the issue of whether FPL's proposed self-build option for the capacity addition is the most cost-effective alternative available. FPL's position is that its self-build option for the Manatee capacity is more cost-effective than the alternatives submitted by the respondents, including CPV Cana, to its RFP. However, CPV Cana's proposal was designed to compete with FPL's self-build option and with proposals submitted by other entities responding to the RFP.¹ To that end, CPV Cana's substantial interest in being selected as an alternative generation capacity supplier would be immediately and directly injured by a Commission determination that FPL's self-build option is the most cost-effective alternative for the generation capacity addition to the Manatee plant. Village Park Mobile Home Association v. Department of Business Regulation, 506 So. 2d. 426, 433 (Fla. 1st DCA 1987).

f. Further, CPV Cana's asserted interests fall within the zone of interest of this proceeding. A key purpose of this determination of need proceeding is to ensure selection of the most cost-effective capacity addition alternatives for FPL's proposed additions to its Manatee facility. To that end, the Bid Rule requires investor-owned utilities, prior to filing determination of need petitions, to solicit, obtain, and consider competitive proposals for supply-side alternatives to the utility's next planned generating

¹ CPV Cana has filed a Petition to Intervene in Docket No. 020175-EI, In re: Complaint of Reliant Energy Power Generation, Inc. Against Florida Power & Light Company, which was filed to address FPL's failure to comply with the Commission's Bid Rule, Rule 25-22.082, F.A.C. Without concurring with FPL's position on CPV Cana's standing in the complaint proceeding, CPV Cana notes that in FPL's response to CPV Cana's Petition to Intervene, FPL concedes that the issues raised by CPV Cana would be cognizable in the need determination proceeding addressing the capacity for which CPV Cana submitted a proposal in response to FPL's RFP. That need determination is being addressed in this proceeding.

capacity additions. Rule 25-22.082(1)(b), F.A.C. As a potential electric generation capacity supplier responding to FPL's RFP, CPV Cana's interest is to provide the most cost-effective alternative for the additional generation capacity at the Manatee facility. Rule 25-22.081(4), F.A.C., requires utilities, as part of their determination of need petitions, to address the major available generating alternatives that were examined and evaluated in arriving at the decision to pursue the proposed generating unit. Pursuant to this provision, CPV Cana's interest as a respondent to FPL's RFP will be addressed in this determination of need proceeding. Accordingly, CPV Cana's interest clearly falls within the scope and zone of interest of this proceeding, thus entitling CPV Cana to intervene and participate as a party.

g. Moreover, CPV Cana has standing by rule to intervene and participate in this proceeding. As a respondent to FPL's RFP, CPV Cana is a "participant" as that term is defined in the Bid Rule, Section 25-22.082(1)(c), F.A.C. The Bid Rule contemplates that participants in utilities' RFPs are entitled to intervene and participate as parties in the "determination of need" proceedings associated with the RFPs. In fact, the Bid Rule expressly excludes potential generation capacity suppliers who were not "participants" from participating in the determination of need process, the clear implication being that potential suppliers who are participants in the Bid Rule process are entitled to participate in the determination of need proceeding. Accordingly, CPV Cana is made a party to this proceeding by provision of rule. Section 120.52(12)(b), F.S., Section 120.569(1), F.S.

In sum, CPV Cana has standing, both as a person whose substantial interests will be affected and by Commission rule, intervene and participate as a full party to this proceeding.

Disputed Issues of Material Fact

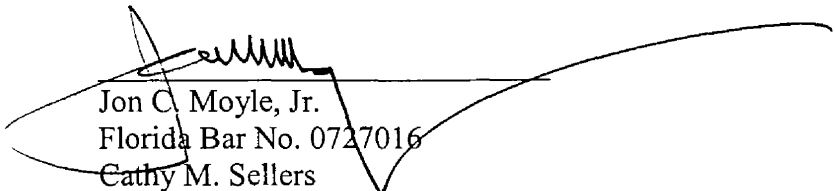
7. The disputed issues of material fact that are anticipated to be addressed in this determination of need proceeding include, but are not limited to:
- a. In its RFP, did FPL specify inappropriate or incorrect criteria to be applied in its consideration of power supply generation alternatives?
 - b. Did FPL apply the appropriate criteria fairly and accurately in making its decision concerning provision of the additional generation capacity at the Manatee facility?
 - c. Did FPL fail to include all costs attributable to its self-build option in preparing its RFP?
 - d. Did FPL's failure to include all costs attributable to its self-build option in preparing its RFP prejudice the comparison of alternatives, including CPV Cana's proposal, in favor of FPL's self-build option?
 - e. Does FPL's proposal to construct, own, and operate 1900 MW of additional capacity serve to cost-effectively manage the risks borne by ratepayers, relative to alternative resources that include more purchased power, including power purchased from CPV Cana?
 - f. Did FPL fail to comply with the terms of its RFP, and if so, what action should the PSC take?
 - g. What action should the Commission take to ensure that FPL contracts with the providers of the most cost-effective options available to FPL's ratepayers?
 - h. Assuming CPV Cana's requested intervention is granted, CPV Cana reserves the right to adopt any other issues raised by any other parties to this proceeding,

and to take discovery, present testimony and cross-examination on, and otherwise participate with respect to those issues.

Statement of Ultimate Facts Alleged

8. Ultimate facts alleged by CPV Cana include, but are not limited to:
 - a. FPL applied inappropriate criteria, thus prejudicing CPV Cana's proposal for the Manatee facility generation capacity.
 - b. FPL did not comply with the terms of its RFP in the Bid Rule process under Rule 25-22.082, F.A.C.
 - c. FPL has not demonstrated or proven its entitlement to an affirmative determination of need for the Manatee facility.
 - d. When incorporated into a power purchase contract, CPV Cana's proposal would reduce the risk profile of FPL's portfolio of generation resources, thus providing a benefit to FPL ratepayers. This benefit should be recognized in the evaluation of the alternatives submitted for the proposed additional Manatee generation capacity. Any attempt by FPL to penalize CPV Cana's proposal in the scoring of alternatives, by ascribing to CPV Cana a negative impact on FPL's cost of capital, is unwarranted and prejudicial to CPV Cana, and, ultimately, to FPL's ratepayers.
 - e. The proposals that CPV Cana submitted to FPL in its RFP constitute the most cost-effective means of providing a portion of the projected additional capacity need at the Manatee facility, to ensure reliability and adequate electricity at reasonable cost to FPL's retail ratepayers.

WHEREFORE, CPV Cana, Ltd. requests the Commission to (1) enter an Order granting permission to CPV Cana to intervene and participate as a full party to this proceeding; (2) dismiss or deny FPL's petition for a determination of need for its Manatee facility; (3) require FPL to issue a revised RFP pursuant to directives designed to ensure reasonable criteria and a fair evaluation; and (4) take any and all other actions necessary to ensure that ratepayers' best interests are served.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition to Intervene of CPV Cana, Ltd. has been furnished by U.S. Mail on this 12th day of April, 2002, to those listed below without an asterisk, and by hand delivery to those marked with an asterisk:

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