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April 26, 2002

- VIA HAND DELIVERY -

Blanca S. Bayó, Director
Division of the Commission Clerk
& Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

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COMMISSION
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Re: FPL's Supplemental Request For Proposal ("RFP")

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") is a copy of FPL's Supplemental Request for Proposal ("RFP") that is being noticed today in the Wall Street Journal. Included with the RFP is a copy of the press release related to the RFP as well as the advertisement running in today's Wall Street Journal. These materials are being filed pursuant to Florida Administrative Code Rule 25-22.082(7).

If you or your staff have any questions please contact me at 222-2300.

Very truly yours,

Charles A. Guyton
An Attorney for Florida Power
& Light Company

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**Florida Power & Light Company's
Supplemental Request for Proposals for Capacity**

April 26, 2002

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**Florida Power & Light Company's
Supplemental RFP for Capacity**

Table of Contents

	<u>Page Number</u>
I. Introduction	
A. Purpose of the Supplemental RFP	4
B. Projected Resource Needs	5
C. FPL's "Next Planned Generating Units"	6
D. Eligible Proposals	6
E. Ineligible/Non-Responsive Proposals	9
F. An Option to Buy	9
G. Schedule	9
H. Payment Structure	11
II. Bidder Exceptions, Bidder Obligations, and Regulatory Provisions	
A. Bidder Exceptions	12
B. Bidder Obligations	12
C. Regulatory Provisions	14
III. Proposal Development and Evaluation	
A. FPL's RFP Contact Person	15
B. Completion of the Proposal	15
C. Submitting the Proposal	15
D. RFP Fee	15
E. Proposal Confidentiality	16
F. Proposal Evaluation	17
G. Negotiations and FPL's Self-Build/Contract Extension Options	19

IV. Discussion of Bidder's Forms

A. Overview of the Required Ten (10) Forms	19
B. Discussion of Form # 1: Public Information Regarding Proposal	20
C. Discussion of Form # 2: Executive Summary of the Proposal	20
D. Discussion of Form # 3: Financial Information	20
E. Discussion of Form # 4: Operations and Engineering Information	21
F. Discussion of Form # 5: Pricing Information for Purchased Power or System Proposals	23
G. Discussion of Form #6: Pricing Information for Turnkey Project Sales	25
H. Discussion of Form # 7: Key Milestones and Completion Security Agreement	25
I. Discussion of Form # 8: Delivery Point(s) to FPL	27
J. Discussion of Form # 9: Bidder Exceptions	27
K. Discussion of Form # 10: Proposal Certification	27

V. Bidder's Forms

Form # 1: Public Information Regarding Proposal	29
Form # 2: Executive Summary of the Proposal	31
Form # 3: Financial Information	32
Form # 4: Operations and Engineering Information	34
Form # 5: Pricing Information for Purchased Power or System Proposals	39
Form # 6: Pricing Information for Turnkey Project Sales	44
Form # 7: Key Milestones and Completion Security Agreement	45
Form # 8: Delivery Point(s) to FPL	46
Form # 9: Bidder Exceptions	47
Form # 10: Proposal Certification	48

VI. FPL's "Next Planned Generating Units"

A. Overview	49
B. Required Information	49
C. Tables	50

Supplemental Request for Proposals

I. Introduction

A. Purpose of the Supplemental RFP

Florida Power & Light Company (FPL) issues this Supplemental Request for Proposals (RFP) for the purpose of identifying and potentially acquiring supply side projects that can deliver firm capacity and energy starting in the years 2005 and 2006.

Firm capacity and energy proposals will compete with FPL's power plant construction options. FPL invites proposals for firm capacity and energy that are based on any types of power plants or system resources including "turnkey" proposals.

For firm capacity and energy starting in the years 2005 and 2006, FPL seeks either power supply proposals for periods ranging from a minimum of three (3) years to as much as twenty-five (25) years or "turnkey" proposals. Proposals to provide firm capacity and energy must cover at least three (3) years beginning no later than either June 1, 2005 or June 1, 2006. Bidders may propose an earlier 2005 delivery date; indeed, FPL prefers a delivery date of January 1st for each of these years. Turnkey proposals may offer sale of a unit(s) on or before June 1, 2005 or June 1, 2006, or they may be made as hybrid proposals beginning as power supply arrangements for some period of time and then ending with the sale of the underlying unit(s) to FPL.

FPL seeks proposals that offer the greatest value to FPL and its customers. A successful bid will contain a number of favorable attributes including, but not limited to, price, flexibility in regard to operations and maintenance, and low risk. Low price alone will not necessarily result in a successful bid.

FPL is soliciting proposals both from Bidders which submitted proposals to FPL's August 13, 2001 RFP and from new Bidders. Bidders who submitted proposals in response to FPL's August 13, 2001 RFP may either resubmit their proposal or submit an entirely new proposal. FPL will not evaluate the proposals submitted in response to the August 13, 2001 RFP unless they are resubmitted. Any Bidder who submitted a proposal in response to FPL's August 13, 2001 RFP is entitled to submit an equivalent number of proposals in response to this RFP without incurring a new RFP fee. However, if a Bidder to the August 13, 2001 RFP submits more proposals in response to this RFP, each such additional proposal shall require an RFP fee. Bidders who did not submit a proposal in response to FPL's August 13,

2001 RFP may submit a proposal in response to this RFP. Each such proposal must be accompanied by an RFP fee.

FPL reserves the right to identify any number of short-listed Bidders to satisfy the needs identified herein in whole or in part with resources developed as a result of this RFP, to accept other than the lowest-priced proposal, to accept a combination of proposals, to waive any technical non-compliance in any proposal, to conduct negotiations with any short-listed Bidder, to reject any/all proposals, to modify or cancel the RFP, and to refine its cost estimates for FPL's resource options, up or down, based upon more recent data available when FPL performs its evaluation.

This RFP is not an offer to enter into a contract. It is a solicitation of firm offers from potential Bidders. Nothing in this RFP or any communication associated with this RFP shall be taken as constituting an offer or representation between FPL and any other party. Neither issuance of this RFP, nor the entry of FPL into negotiations with any Bidder, will be deemed to create any commitment or obligation on the part of FPL to enter into a binding agreement with any Bidder. Those who submit proposals do so without recourse against FPL or any of its affiliates for either rejection of their proposal(s) or for failure to execute a purchase agreement for any reason.

B. Projected Resource Needs

The proposals FPL is seeking are intended to address FPL's projection of needed firm capacity in 2005 and 2006. The approximate MW values needed to bring FPL to a 20 % Summer reserve margin for these two years are shown below.

Year of Need	Incremental Capacity Need (MW)	Cumulative Capacity Need (MW)
2005	1,122	1,122
2006	600	1,722

These MW values represent monthly firm capacity requirements starting no later than June 1st of each year shown. FPL may choose to acquire more or less capacity than shown above and may choose to exercise extension options in existing FPL purchase contracts or to build its own plants to provide a portion or all of the capacity needs shown above.

C. FPL's "Next Planned Generating Units"

Rule 25-22.082, Florida Administrative Code, requires that specific information about FPL's "next planned generating unit" be included in an RFP seeking firm capacity such as this RFP. That specific information is presented in Section VI of this document.

The "next planned generating units" described in Section VI are based on FPL's 2005 and 2006 projected capacity additions as presented in FPL's 2002 Site Plan, which was filed with the Florida Public Service Commission on April 1, 2002. These capacity additions are:

For 2005:

- conversion of 2 existing combustion turbines (CT's) at FPL's existing Martin site, plus the addition of 2 more CT's, into 1 combined cycle (CC) unit which adds 789 incremental MW (Summer);
- construction of a new four CT-based CC unit at FPL's existing Manatee site which adds 1,107 incremental MW (Summer);

For 2006:

- No additions

The Site Plan reports details and results of FPL's resource planning work during the year 2001. FPL periodically updates its planning data and will use the most current planning data to evaluate proposals and its self-build and contract extension options.

D. Eligible Proposals

All proposals for firm capacity and energy should satisfy all of the nine (9) Minimum Requirements listed below. Although FPL reserves the right to waive technical non-compliance with these Minimum Requirements, failure to comply with one or more of the Minimum Requirements can be grounds for determining a proposal ineligible.

Minimum Requirements for Proposals:

#1 Proposal Delivery Date & Time

Proposals must be received by the FPL Contact Person by 4:00 p.m. on May 24, 2002.

#2 Completeness of Proposal

All required forms, and the information requested on these forms, must be submitted. (FPL may, at its discretion, contact a Bidder to request that omitted information be provided.)

#3 Term

- a) The proposed term must be for a minimum of three (3) years.
- b) The firm capacity and energy delivery for 2005 must commence on or before June 1, 2005. The firm capacity and energy delivery for 2006 must commence on or before June 1, 2006.

#4 Year-round/seasonal capacity

Proposals must offer year-round firm capacity. However, the monthly levels of the firm capacity (and the corresponding payments) may vary as discussed in Section I.H.

#5 Resource Block Size (MW)

Unless the Bid is based on a Qualifying Facility (QF), the minimum resource block size that FPL will consider in a proposal is 50 MW. Bids based on a QF may be less than 50 MW.

Recognizing that economies-of-scale may result in a more competitive proposal, FPL encourages developers and operators of “small” facilities (i.e., facilities which are 50 MW in size or slightly larger) to aggregate/pool their facilities in order to submit a more attractive proposal. FPL also encourages developers and operators of facilities less than 50 MW to aggregate/pool their facilities in order to submit a joint proposal whose combined total firm capacity meets or exceeds 50 MW.

#6 Pricing

A Bid’s proposed prices must include any and all costs that FPL will be expected to pay to the bidder for delivered capacity and energy. Therefore, all costs for the offered capacity and energy, including all equipment, transmission

interconnection, fuel delivery and commodity costs, and all costs of meeting current and future environmental regulations, must be covered in the Bid price. Proposals must include all costs of delivering capacity and energy to the FPL system over intervening transmission systems. Transmission integration costs within FPL's system will be evaluated for the most economic proposals/combination of proposals.

Bidder's proposal(s) must remain open for 120 days from the submittal date.

In addition, the proposed prices must be presented in the appropriate format specified in Section IV.F. and Section IV.G. Prices for firm capacity and energy purchases, or for projects that initially offer purchases prior to a turnkey sale to FPL, must be provided on Pricing Information Form # 5. Prices for the sale of turnkey facilities must also be provided on Pricing Information Form # 6.

#7 Operational Flexibility

The proposal must address, at a minimum, the following operational requirements:

- Coordination of planned and maintenance outages with FPL's System Control Center; and,
- Coordination of dispatch of capacity and energy with FPL's System Control Center.

8 Completion Security

The proposal must provide Completion Security to FPL to protect against capacity and energy not being available on the scheduled Capacity Delivery Date (CDD). The Completion Security shall, at a minimum, be a deposit or other form of security acceptable to FPL in an amount equal to Fifty Thousand Dollars (\$50,000) per MW of the proposed Guaranteed Firm Capacity. Starting with the CDD, for each day the guaranteed firm capacity is not fully available to FPL, FPL shall be entitled to draw down the Completion Security at a rate of \$330/MW per day. When the Completion Security is fully drawn down, FPL shall be entitled to terminate the contract.

9 Identifiable Capacity Source

The proposal's capacity and energy must be from a specific power plant(s) that is clearly identified in the proposal or from a system sale. If the capacity and energy are from a system sale, a clear explanation of how the MW are to be obtained and delivered must be given in the proposal.

E. Ineligible/Non-Responsive Proposals

A proposal may be deemed ineligible or non-responsive for a variety of reasons. A discussion of some of the reasons a proposal may be deemed ineligible or non-responsive appears in Section III.F. (1). Proposals deemed ineligible or non-responsive will not be evaluated further.

F. An Option to Buy

"Turnkey" proposals may also be submitted. These proposals may offer sale of the power plant beginning on or before June 1, 2005, on or before June 1, 2006, or after some period of a firm capacity sale to FPL. The purchase price will be set by a predetermined price to be submitted by the Bidder in the proposal on Pricing Information Form # 6.

Turnkey proposals must be made assuming that the new power plant will be built at a non-FPL site.

FPL reserves the right to review and to request modification of any and all environmental permit conditions and values in regard to the Licensing and Permitting process of the Power Plant Siting Act prior to the issuance of the permit. For new generating units which are the basis for turnkey proposals submitted in response to this RFP, and for which applications for environmental permits have not yet been submitted, FPL reserves the right to review and request modifications, if any, prior to the submittal of these permit applications. For turnkey proposals based on new generating units whose permit applications have already been submitted, FPL reserves the right to review and request modifications, if any, prior to final issuance of these permits.

G. Schedule

FPL envisions that the schedule for the solicitation of proposals and the evaluation of the resulting Bids will be as described below. FPL reserves the right to change the schedule at its sole discretion. If a schedule change occurs before the Proposal Due Date, parties that have received the Supplemental RFP will be notified of the change electronically or in writing.

Milestone	Date	Comments
• Release Supplemental RFP Document	April 26, 2002	The Supplemental RFP document will be issued to parties requesting a copy starting on 4/26/02.
• Proposals Due	May 24, 2002	Proposals, together with the applicable RFP fee, must be received by the RFP Contact Person by 4:00 p.m. on this date.
• Short List Announcement	June 18, 2002	All Bidders will be notified of their status; initial negotiations begin.
• End of Initial Negotiating Period	July 2, 2002	All Short List Bidders will be notified of their status and whether negotiations will continue. If FPL's options are determined to be the superior options, FPL will terminate negotiations at this point.
• Florida Public Service Commission Filing	July 16, 2002	If FPL's options are determined to be the superior options, FPL will resume its Need Determination proceedings.
• Contract Completion Date	August, 2002	FPL will complete contract negotiations with winning bidders.
• Need Hearing	October 2 - 4, 2002	Need Determination Hearing on FPL options, if necessary.
• Florida Public Service Commission Filing	September, 2002	Winning Bidder(s) and FPL file Need Determination and/or Cost Recovery filing with the FPSC as required.
• Need Hearing	December 2002	Need Hearing on Bidder unit(s).

H. Payment Structure

For each winning Bid, FPL expects to enter into a pay-for-performance type purchase power contract.

Payments to be made would be capped at the prices contained in the Bid and would have the following three (3) payment provisions:

#1 Fixed Payment

FPL shall make a capacity payment on a monthly basis for the contract capacity. The payment will be based on a formula that takes into account the Bid's proposed prices for capacity payments per operational mode of the generating unit(s) and an agreed-upon level of performance. A sliding scale formulaic approach will be used thereby establishing a relationship between the level of performance and the actual monthly capacity payments. Performance below a specified level may result in no monthly capacity payments being made for one or more months (and may lead to default). Extended poor performance and/or default may result in liquidated damages per terms to be negotiated. Proposals that establish a seasonal relationship between delivered capacity and the level of capacity payments will be considered (e.g., higher payments during the peak months than during other months). However, as FPL is counting on the contracted capacity throughout the year, minimum levels of performance will be required for all months.

#2 Variable Payment

FPL shall make monthly energy payments for the energy purchased on a monthly basis per operational mode of the generating unit(s). The Energy Payment shall be calculated in accordance with the following formula:

$$EP = [(NEO * GHR * FP) + (NEO * VOM)]$$

Where:

EP = the Energy Payment expressed in dollars for the Billing Period;

NEO = the Net Energy Output for the Billing Period;

GHR = Guaranteed Heat Rate(s) (as specified in the Bidder's proposal);

FP = Fuel (Commodity and Transportation) Price*; and,

VOM = Guaranteed Variable O&M Price(s) (as specified in the Bidder's proposal).

* Fuel Prices may be as guaranteed in the proposal or indexed to a mutually acceptable benchmark.

#3 Start Up Payment

FPL shall also pay separately the amounts specified in the Bidder's proposal for prices associated with successful starts of the Facility. Successful starts are limited to one per dispatch cycle.

II. Bidder Exceptions, Bidder Obligations, and Regulatory Provisions

A. Bidder Exceptions

A Bidder may pose exceptions to the terms and conditions set forth in this RFP, other than Minimum Requirements. FPL will consider Bids that propose exceptions to the conditions, terms, or other facets of the RFP other than the Minimum Requirements. If a Bidder proposes exceptions, the exceptions must be explained in writing as part of the Bidder's proposal using Form # 9 (which is discussed below in Section IV.J. and presented in Section V). For each exception, the Bidder must fully explain in writing the condition, requirement, or facet of the RFP to which the Bidder takes exception and provide the replacement language proposed by the Bidder. FPL prefers Bids that make the least amount of and least significant exceptions.

A Bidder's failure to state exceptions and pose alternative language shall constitute acceptance of the terms and conditions set forth in this RFP. Any attempt by a Bidder to disclaim generally the terms and conditions of this RFP without stating specific exceptions will be grounds for determining a bid to be ineligible.

B. Bidder Obligations

The Bidder is responsible for acquiring all licenses, permits, and other regulatory approvals (including environmental) that will be required by federal, state, or other local government laws, regulations, or ordinances for the Bidder's proposal. (For a winning proposal that requires new power plant construction falling under Florida's Power Plant Siting Act, FPL will be a co-applicant in a Determination of Need filing.) FPL will cooperate with the winning Bidder(s) to provide information or such other assistance

as may reasonably be necessary for the Bidder(s) to satisfy licensing and regulatory requirements. The winning Bidder(s) shall fully support all of FPL's regulatory requirements associated with this potential capacity and/or energy arrangement.

The Bidder is responsible for the location, acquisition, and development of the plant site and other needed land which is needed for new generating units.

The Bidder will also be completely and solely responsible for ensuring that the implementation of any and all parts of the proposal is carried out in full compliance with any changes, modifications, or additions to laws, regulations, and ordinances (including environmental) that affect the proposal. FPL shall not bear any price or cost risk associated with any such changes, modifications, or additions, except in the case of turnkey proposals when, once FPL assumes ownership of the facility, FPL is responsible for such price or cost risks.

The Bidder is also completely responsible for securing, locating, or guaranteeing any emissions allowances or credits which may be required by the Title IV Clean Air Act Amendments or other federal, state, or local requirements to allow the construction and/or operation of the proposed facility. Turnkey proposal Bidders must secure the emission allowances or credits necessary to construct and operate the facility until ownership of the facility is transferred to FPL.

If a Bidder's proposal is based on a generating unit that is to be constructed, the Bidder is obligated to undertake reasonable public outreach activities with the local community. These outreach activities will be designed to enhance the likelihood that the new unit will receive all local permits and approvals necessary to build and operate the unit. (FPL, at its sole discretion, has the option to assist with these outreach activities.)

All Bidders are completely and solely responsible for all financing activities related to the project; engineering, design, procurement and construction of all aspects of the facility, including, but not limited to, the power block, environmental control systems, fuel delivery systems, electrical interconnections, etc.; the sourcing and contracting for a reliable fuel supply; and any other activity required for the reliable delivery of firm capacity and energy to FPL at the identified delivery or interconnection point.

The Bidder must secure with the appropriate transmission provider(s) all needed transmission facilities and arrangements required to bring the firm capacity and energy to FPL. FPL prefers proposals for facilities that are

directly connected to FPL's transmission system, although any proposal with firm transmission shall be considered.

All costs associated with the design, construction, operation and maintenance of the transmission interconnection facilities associated with the delivery of firm capacity and energy to FPL will be the responsibility of the Bidder.

Winning Bidder(s) of firm capacity and energy proposals agree by the act of submitting their proposal to file, as needed, an application under the Florida Power Plant Siting Act and to support, as requested by FPL, any FPL regulatory proceeding(s) related to firm capacity purchases and/or turnkey projects emanating from this solicitation.

In compliance with Rule 25-22.082, Florida Administrative Code, each participant (Bidder of a firm capacity proposal) is required

...To publish a notice in a newspaper of general circulation in each county in which the participant's proposed generating facility would be located. The notice shall be at least one-quarter of a page and shall be published no later than 10 days after the date that proposals are due. The notice shall state that the participant has submitted a proposal to build an electrical power plant and shall include the name and address of the participant submitting the proposal, the name and address of the utility that solicited proposals, and a general description of the proposed power plant and its location.

The Bidder of a firm capacity proposal must provide FPL with a copy of the newspaper notice mentioned above within seven (7) days of the notice appearing in the paper. The copy of this notice should clearly indicate the name of the newspaper and the date on which the notice appeared in the newspaper. ***Failure to either meet the 10-day newspaper notice or the 7-day notification to FPL will be grounds for deeming the Bidder's proposal ineligible or non-responsive.***

C. Regulatory Provisions

- 1) Any negotiated contract for the purchase of capacity and energy between FPL and a Bidder will be conditioned upon approval or acceptance of such contract without substantial change by any and all regulatory authorities that have, or claim to have, jurisdiction over any or all of the subject matters of this RFP and/or resulting contracts, including, without limitation, the Florida Public Service Commission and the Federal Energy Regulatory Commission.

- 2) In the event that the Florida Public Service Commission fails to allow cost recovery of any of the costs incurred pursuant to the contract between FPL and the Bidder, FPL will reduce payments to the Bidder in amounts equivalent to the amounts disallowed.

III. Proposal Development and Evaluation

A. FPL's RFP Contact Person

All proposals submitted for this RFP, plus all inquiries or communication about the RFP, are to be directed to:

Steve Sim
RFP Contact Person
Florida Power & Light Company
Resource Assessment & Planning Department
9250 West Flagler Street
Miami, Florida 33174
e-mail: steve_r_sim@fpl.com
Telephone: (305) 552-2246
Fax: (305) 552-2716

B. Completion of the Proposal

Bidders should follow all instructions contained in this RFP and provide all information requested on the forms in Section V of this document. Bidders are also expected to provide supporting documentation, and answer any follow-up questions from FPL, as requested. Bidders are encouraged to contact FPL with questions prior to the bid due date (May 24, 2002) to ensure complete and accurate submittals. FPL has no obligation to pursue incomplete or unclear proposals.

C. Submitting the Proposal

All proposals must be received by the RFP Contact Person by 4:00 p.m. on May 24, 2002. Bidders must submit two (2) bound hard copies, plus an electronic copy of the completed forms on a diskette (supplied with the RFP), by this date and time.

D. RFP Fee

In order for a firm capacity and energy proposal to be evaluated, a non-refundable (except for Bids deemed ineligible or otherwise non-responsive)

check of \$10,000 made out to "Florida Power & Light Company" must be submitted to the FPL RFP Contact Person at the same time and date (by 4:00 p.m. on May 24, 2002) as the proposal. If more than one proposal is submitted by a specific Bidder, then a separate, non-refundable \$10,000 check must accompany each proposal.

Note: Bidders who previously submitted proposals in response to FPL's August 13, 2001 RFP may now submit one new proposal, or resubmit an earlier proposal, for each proposal submitted in the original solicitation without submitting a new fee (i.e., one-for-one). **Unless resubmitted, proposals submitted in response to FPL's August 13, 2001 RFP will not be evaluated.**

One proposal consists of one total capacity level, one length of service (for example, 10 years), and one location. However, one proposal is allowed pricing values for both a 2005 start date and a 2006 start date.

Bids with variations of price, total capacity level, term-of-service, location, etc. will constitute a separate proposal.

E. Proposal Confidentiality

Other than the information to be submitted on the Public Information Regarding Proposal Form (see Section IV.B.), FPL will take reasonable precautions and use reasonable efforts to protect proprietary and confidential information contained in a proposal, provided that such information is clearly identified by the Bidder as "Proprietary and Confidential" on the page(s) on which the information appears. FPL requests that this clear identification be done by highlighting/shading the sensitive information on the forms. (A blanket statement that an entire page or proposal is proprietary and confidential will not be considered clear identification.)

FPL will attempt to maintain the confidentiality of the clearly identified proprietary and confidential information in the proposals. **However, this information will have to be disclosed to the Florida Public Service Commission and/may have to be disclosed to third parties in regulatory and/or legal proceedings.**

FPL currently has pending determination of need proceedings for the two combined cycle units identified as the "next planned generating units" in this Supplemental RFP. FPL has asked that those proceedings be suspended so that FPL may conduct this Supplemental RFP. At the close of FPL's evaluation, FPL may choose to resume on or both of those need determination proceedings. In those proceedings there is pending before the Prehearing Officer a joint motion to approve a nondisclosure agreement

which, if approved, would allow intervenors limited access to the proposals submitted in response to this RFP. Such access would be for the purpose of litigation in these proceedings. Several of the intervenors were Bidders in FPL's 2001 RFP and may be Bidders in this Supplemental RFP.

Bidders may request a copy of the nondisclosure agreement mentioned above by contacting FPL's RFP Contact Person.

F. Proposal Evaluation

In this RFP, FPL is requesting both price- and non-price information about each proposal. The forms described in Section IV and presented in Section V seek information about a number of attributes of each proposal including, but not limited to, the following:

- The costs of firm capacity and energy plus the timing/structure of these costs;
- whether the Bidder has a firm fuel supply for the duration of the proposed contract;
- the heat rate(s) of the generating unit(s) to be used to supply the firm capacity and energy by operational mode, i.e., base operation, duct firing, power augmentation, etc.
- the amount of capacity (MW) offered, availability of the resource, and length of time the capacity is offered;
- the financial viability and experience of the Bidder;
- the pollution control equipment/strategy to be utilized and the projected emission rates of the generating unit(s);
- the cooling method to be utilized;
- the dispatchability of the generating unit(s) to be used to supply the firm capacity and energy; and,
- the deliverability of the firm capacity and energy (in terms of construction schedules, transmission interconnection arrangements, etc.)

The actual evaluation of the individual proposals will involve a three (3) – step process:

1) A “Pass/Fail” Screening

In this initial step submittals that are ineligible or otherwise non-responsive to the RFP will be screened out. Submittals may be deemed ineligible or non-responsive for various reasons including, but not limited to, the following:

- One or more of the applicable Minimum Requirements for proposals were not met;

- the applicable RFP fee was not received by the due date;
- the delivery dates for the capacity and energy are not responsive to the delivery dates listed in the RFP;
- failure to publish the required newspaper notice or to timely inform FPL of this notice;
- the proposal's capacity and/or energy does not come solely from supply side resources; and,
- incomplete or unclear submittals

Submittals that are screened out in this initial step will be returned to the Bidder, along with an applicable RFP Fee, and will not be analyzed further.

2) **Economic Evaluation:**

In this step all remaining (after the initial screening) proposals will be evaluated to determine their economic impacts on the FPL system. Depending upon the capacity size (MW) offered in firm capacity and energy proposals and FPL's resource needs, a proposal may be evaluated by itself and/or in combination with other proposals.

The economic evaluation will seek to identify the firm capacity and energy proposal(s) which result in the lowest electric rates for the FPL system. Therefore, the evaluation will examine each proposal's impact on the entire FPL system, including the estimated impact on FPL's cost of capital associated with entering into a purchased power agreement. It is anticipated that the EGEAS model, plus various spreadsheet calculations, will be utilized in this evaluation and that the evaluation will be conducted by FPL's Resource Assessment & Planning Department. Costs associated with unit startups and transmission integration will also be evaluated at least for the superior alternatives.

3) **Other Considerations**

In this final step, the proposals which were deemed the best economic choices for FPL's system will be evaluated for various risk factors and other considerations in order to determine which proposal(s) would be the best overall choice(s) for FPL. Factors which may be considered include, but are not necessarily limited to, the following:

- experience/track record of the Bidder;
- financial viability of Bidder (refer to Section IV.D);
- number and type of exceptions taken to the terms, conditions, and other facets of this RFP;

- proposed performance criteria;
- reasonableness of construction schedule milestones;
- operating and permitting limitations;
- likelihood of being able to deliver the proposed capacity and energy to FPL's system through transmission systems;
- likelihood of success in receiving all permits and approvals necessary to build and operate a generating unit;
- security of fuel supply;
- water supply;
- facility location;
- dispatchability and maintenance considerations;
- commitment of guaranteed firm capacity to FPL; and,
- other value-added benefits (if any).

FPL seeks to identify the proposal(s) with the best combination of low economic impact, low risk, and other desirable attributes. FPL reserves the right to analyze proposals in detail, to reject any and all proposals in whole or in part, and to award a contract or contracts which FPL, in the exercise of reasonable discretion, believes to be in its best interest and the best interests of its customers.

G. Negotiations and FPL's Self-Build/Contract Extension Options

Once FPL has evaluated all of the proposals, FPL will enter into initial negotiations with certain Bidders. After an initial negotiating period, FPL will either continue negotiations with one or more of those Bidders, reject all bids and pursue self-build options and/or existing purchased power contract extensions, or pursue some combination of purchasing and building.

IV. Discussion of Bidder's Forms

A. Overview of the Required Ten (10) Forms

There are ten (10) forms that all Bidders must complete and return to FPL by 4:00 p.m. on May 24, 2002.

These completed forms and requested attachments to these forms will, collectively, comprise a Bidder's proposal. If a Bidder is submitting more than one proposal, a separate set of forms must be completed for each proposal. These ten forms are described in the remainder of this Section.

The Bidder must submit two (2) bound hard copies of the proposal that contains the forms and requested information, and an electronic copy of the completed forms on a diskette, along with the RFP fee (if applicable). A diskette containing electronic versions of the forms is attached to this RFP. The Bidder must complete the forms contained on the diskette and return the diskette, plus the two bound hard copies of the completed forms, plus the RFP fee (if applicable), by 4:00 p.m. on May 24, 2002.

As previously discussed in Section III. E., FPL intends to treat as confidential all information contained in proposals which is clearly identified as "Proprietary and Confidential" except for the information to be submitted on Form #1, Public Information Regarding Proposal. FPL requests that Bidders highlight/shade information on the forms that they want treated as "Proprietary and Confidential".

B. Discussion of Form #1: Public Information Regarding Proposal

In order to provide general information to the public about the proposals received in response to this RFP, FPL requires that all proposal submittals include a completed Public Information Regarding Proposal form and an attached list of projects undertaken (constructed and/or operated) by the Bidder that are similar to the project being proposed by the Bidder in response to FPL's Supplemental RFP. *The information contained in this form will be treated as non-confidential and non-proprietary and may be released to the public at the sole discretion of FPL.*

C. Discussion of Form #2: Executive Summary of the Proposal

A one (1) page summary of the proposal and the Bidder is sought on this form. This executive summary should highlight any major value-added features of the proposal.

D. Discussion of Form #3: Financial Information

To mitigate risk, FPL will examine the Bidder's credit/corporate profile and financial guarantees. If a bidder or a parent/affiliate guarantor of the Bidder has a corporate bond or commercial paper rating, it should be either:

- 1) A corporate bond rating by at least two rating agencies, one of which should be either Moody's or Standard & Poor's, which is equivalent to or above a rating of BBB by Standard & Poor;
- 2) A commercial paper rating by at least two rating agencies, one of which should be either Moody's or Standard & Poor's, which is equivalent to or above 1 or 2.

If a Bidder or a parent or affiliate acting as a guarantor to the Bidder does not have a corporate bond or commercial paper rating, the Bidder must submit with its proposal sufficient, current financial information to demonstrate a financial position equivalent to a position that would be necessary to achieve a Standard & Poor's corporate bond rating of at least BBB or a commercial paper rating of 1 or 2.

This form requests the Bidder's and, if applicable, the parent/affiliate guarantor's corporate ratings for the two above-mentioned indices. If the Bidder or parent/affiliate guarantor does not have a corporate bond rating or commercial paper rating at the levels described above, then some form of additional security beyond that described in Section IV.H.(2) may be required by FPL in order to execute an agreement with the Bidder. Such a Bidder who does not show at least one financial rating for itself or its guarantor at the levels listed above must propose the type and amount of additional security they offer on Form # 3.

This security could be an irrevocable, unconditional letter of credit from a financial institution acceptable to FPL, a parent or affiliate guarantee (provided the parent or affiliate meets the credit requirements listed above) in form and substance acceptable to FPL, or an actual deposit of funds.

The type and amount of security required for any final agreement will depend upon the amount of firm capacity involved in the proposal and an assessment of the risk that FPL takes by entering into an agreement with the Bidder.

If a Bidder will be relying on any parent /affiliate guarantees, the Bidder shall also include a description of the corporate relationship between the Bidder and the guarantor and provide a description regarding the proposed guarantor's willingness to guarantee the Bidder's obligations and the terms of the guarantee.

E. Discussion of Form #4 : Operations & Engineering Information

Bidders submitting a proposal for firm capacity and energy must complete Form #4. Using this form, the Bidder must submit a detailed description of the performance of the generating facility or system facilities from which the firm capacity and energy sale will originate and describe various performance attributes. This description must be done in two parts.

Part 1 is basic information to be supplied on Form #4. Capacity (MW) and heat rate information is required regarding each "operational mode" (base operation, duct firing, power augmentation, etc.) of the generating unit(s) upon which the proposal is based. In addition, annual values for availability, forced outage rate, and planned outage hours are sought separately for a 2005 start date and a 2006 start date for each proposal. Part 2 is information

describing the following seven (7) items which are to be developed by the Bidder and added to Form #4:

1. Net reactive capability (leading and lagging)
2. Host dependency (if facility is a cogenerator).
3. Regulated voltage range
4. Any start-up and shut down operating restrictions
5. Dispatchability

FPL prefers to be able to dispatch the facility as if it were its own unit. This includes, but is not limited to, the following rights with respect to the facility/facilities:

- the right to commit and decommit;
- the right to control the real and reactive power output;
- the right to request and receive a specific output level from the facility with or without regards to system economics (e.g., to regulate the system, to control voltage levels, to verify the facility's/facilities' claimed capability, or due to safety or reliability reasons; and ,
- the right to make off-system sales from the unit.

FPL expects to be able to exercise its rights in full or in part at any time and at its own discretion. FPL may, at its option, dispatch the facility/facilities through Automatic Generation Control (AGC) or manually by directions to the Seller.

To better understand a proposal's dispatch potential, FPL may consider factors such as: ramp rates; incremental generating costs; incremental power purchase costs; incremental transmission losses; minimum and maximum range of operation (real and reactive power); hot and cold start-up times; minimum downtime; load following capability; and the ability to commit and decommit the facility (cycling) and any restriction on the total number of times or the frequency (e.g., once per day) of cycling the facility.

Bidders shall provide sufficient information on the above factors to allow FPL to consider the proposal's capabilities and desirability in this area.

6. Reactive Control

FPL currently operates an extensive high-voltage transmission system throughout the southwestern and eastern portions of Florida. In a variety of contingencies and operating scenarios, portions of this transmission system may be voltage-limited. As such, the reactive capability and control strategies of generating resources are very important. Units with greater power factor capability are preferred.

7. Facility Outages

FPL expects that facility outages will be coordinated with, and acceptable to, FPL to meet its system needs. Bidder shall specify in the proposal a number of hours per calendar year to perform its facility maintenance/repair ("Planned Outage Hours" on Form #4). An example of FPL's desired terms follows: [By May 1st of the year preceding the Capacity Delivery Date, and by May 1st of the year preceding each succeeding calendar year of the Contract, the Seller shall submit to FPL its desired schedule of maintenance periods ("Scheduled Outages") for the following calendar year. Under no circumstances shall the Seller be permitted to request Scheduled Outages during the following months: January, February, June, July, August, September, and December. Following the Capacity Delivery Date, the Seller may request additional outages ("Maintenance Outages") for the purpose of performing work on specific components of the facility/facilities that would limit its output and which should not, in the reasonable opinion of the Seller, be postponed until the next Scheduled Outage. FPL will notify the Seller whether its requested outages (both Scheduled and Maintenance) are acceptable or whether they need to be rescheduled. The sum of Scheduled Outages and Maintenance Outages shall not exceed the Seller's total Planned Outage Hours included in the Bid. All other outages will be considered Forced Outages and may serve to reduce capacity payments through a performance adjustment mechanism as discussed in Section I.H. (Bids that do not provide assurance of scheduling flexibility and/or coordination in the scheduling of the facility's/facilities' maintenance may be rejected exclusively on that basis.)]

F. Discussion of Form #5: Pricing Information for Purchased Power or System Proposals

Pricing for firm capacity and energy proposals that offer power purchases or system sales only, or that initially offer power purchases prior to a turnkey

facility sale to FPL, must be presented on Pricing Information Form #5. (Pricing for firm capacity and energy proposals that offer the sale of turnkey facilities to FPL must be presented on Pricing Information Form #6.)

Separate cost information is to be supplied for both a 2005 start date and a 2006 start date for each proposal unless the Bidder wishes only one start date for the proposal to be considered. (In such a case, the Bidder should enter "NA" in the cost information spaces for the "unwanted" start date.)

1) Capacity Pricing

The Bidder must provide guaranteed, fixed price capacity payment values for the term of the proposed contract. Capacity payment levels in terms of \$/kW-month must be supplied for each operational mode (base operation, duct firing, power augmentation, etc.) of the generating unit(s) upon which the proposal is based. Proposals must include all costs of delivering capacity and energy to the FPL System over intervening transmission systems.

2) Energy Pricing

The Bidder may submit a guaranteed fuel commodity price (\$/mmBTU) for the proposed term of the contract. If the Bidder does not wish to provide guaranteed fuel commodity and transportation prices, FPL will use its own fuel cost projections for the purposes of proposal evaluation.

For guaranteed fuel transportation cost, the Bidder must either designate "FGT" or "Gulfstream" as the gas supplier, or provide a firm gas transportation cost (in \$/mmBTU).

In addition, the guaranteed annual variable O&M costs (in \$/MWH) of the proposal for the term for both the base operational mode and for any other operational mode (duct firing, power augmentation, etc.) must be provided.

3) Startup Pricing

The Bidder's guaranteed startup prices in \$/startup must also be provided. Successful starts are limited to one per dispatch cycle.

G. Discussion of Form #6: Pricing Information for Turnkey Project Sales

Pricing-related information required for the proposed sale of a turnkey facility is as follows:

- Date (month/day/year) of the proposed sale of the turnkey facility to FPL;
- Guaranteed sale price of the proposed facility on the Sale Date in total dollars* ;
- Projected average annual fixed O&M cost (\$/guaranteed Summer kW) over a ten (10)-year period from the Sale Date assuming no escalation over time;
- Projected average annual variable O&M cost (\$/mwh) over a ten (10)-year period from the Sale Date assuming no escalation over time; and,
- Projected average annual capital replacement cost (total dollars/year) over a ten (10)-year period from the Sale Date assuming no escalation over time.

* Turnkey proposal total sale pricing must cover all costs of delivering power to the FPL system over the intervening transmission systems.

H. Discussion of Form # 7: Key Milestones & Completion Security Agreement

1) Key Milestones

FPL's ability to maintain a certain level of system reliability for its customers and/or meet its customers needs will be dependent upon the Bidder's ability to meet the contracted Capacity Delivery Date(CDD). Since there is a possibility that the Bidder will not meet this date, FPL may have to make alternate arrangements to cover the capacity and energy shortfall. This will require FPL to monitor the Bidder's progress. Therefore, the Bidder must provide a list of key project milestones and their expected completion dates on part 1) of this form.

FPL intends in contract negotiations to seek terms beyond Completion Security to protect against any potential failure to meet key milestones. These terms will include, but not necessarily be limited to, the right to perform site inspections, the right to determine whether the project will be reliably available by the Capacity Delivery Date, and the right to terminate the contract.

2) Completion Security Agreement

The Capacity Delivery Date (CDD) listed on Form #7 will be the subject of a Completion Security provision in any purchased power contract entered into between FPL and a Bidder. At a minimum the Bidder must agree to the Completion Security arrangement set forth in Section I.D. #8. FPL prefers the following Completion Security provision.

To protect FPL from the Bidder failing to achieve its scheduled Capacity Delivery Date (CDD) the Bidder will pay FPL a deposit or provide some other form of security acceptable to FPL in an amount equal to Fifty Thousand Dollars (\$50,000) per MW of guaranteed firm capacity (Completion Security). For each day the Bidder fails to reliably deliver the guaranteed firm capacity, FPL shall be entitled to draw down the Completion Security by Three Hundred and Thirty Dollars (\$330) per MW of guaranteed firm capacity. Upon FPL's draw down of the entire Completion Security, if the Bidder is not able to reliably deliver the guaranteed firm capacity, FPL may terminate the contract. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Firm Capacity of the Proposal and associated energy is difficult to ascertain and that FPL may have to accept the above deposit as liquidated damages or resort to any other remedies which may be available to it under law or in equity.

Successful bidders should be prepared to address these issues in contract negotiations. For instance, FPL will seek contract terms that would allow it to terminate if the seller or its parent/affiliate guarantor enters, voluntarily or involuntarily, bankruptcy proceedings, or if the seller or its parent/affiliate guarantor's financial position deteriorates below the standards presented in Section IV. D.

Part 2) of this form requests the Bidder to indicate agreement or disagreement with the Completion Security provision language above. If the Bidder indicates disagreement, the Bidder is instructed to present revised language concerning a Completion Security Agreement that is acceptable to the Bidder.

I. Discussion of Form # 8: Delivery Point(s) to FPL

This Form is intended to identify the location of the delivery point(s) of each proposed capacity and energy source(s). Listing of the nearest substations is requested.

J. Discussion of Form # 9: Bidder Exceptions

All Bidders must complete and return the Bidder Exceptions form as part of their proposal submittal. On this form, the Bidder must either indicate that they take no exceptions to any of the terms, conditions, or other facets of the RFP or must indicate that they do take exception(s). In the case in which one or more exceptions are taken, then for each term, condition, or other RFP facet to which an exception is taken, the revised language the Bidder proposes must be presented in writing.

FPL will consider the number and significance of exceptions in its evaluation of non-price factors. FPL will not consider proposed exceptions to the RFP's Minimum Requirements.

K. Discussion of Form # 10: Proposal Certification

All Bidders must complete and return the Proposal Certification form as part of their proposal submittal. An officer of the bidding company is to certify that all information contained in the Bidder's proposal is complete and accurate; that the terms, conditions, and other facets of the RFP are acceptable, except as specifically noted by the Bidder on Form # 9; the proposal has been submitted in the legal name of the entity which would be bound by any resulting contract; and that the offer is firm and will remain open for 120 days from May 24, 2002.

The copy of this form that is included in the two bound hard copies of the proposal must be signed by an officer of the bidding company.

V. Bidder's Forms

The blank forms that follow on the remaining pages of this Section are the required forms which must be completed by all Bidders for each project they wish to offer.

FPL Capacity RFP

Form # 1: Public Information Regarding Proposal

Facility Name: _____

1) Name of Bidding Company: _____

2) Type of Generating Technology: _____

3) Type of Project (Check One):
Purchased Power _____
Turnkey _____
Other: (Specify:) _____

4) Location of Generating Facility (City/County): _____

5) Fuel:
Primary: _____
Secondary: _____

6) Bidder Classification (Check One):
Utility (retail serving): _____
Independent Power Producer: _____
Small Power Producer: _____
Cogenerator: _____
Other (explain): _____

7) Proposed Total Guaranteed Firm Capacity (Net MW) to FPL:
Summer: _____ Winter: _____

8) Proposed Capacity Delivery Start Date: _____

9) Proposed Capacity Delivery End Date: _____

FPL Capacity RFP

Form # 1: Public Information Regarding Proposal

Facility Name: _____

10) Use the space below to list of all major projects undertaken (constructed and/or operated) by the Bidder or Bidder's affiliates/parent company during the last five (5) years which are similar to the project being proposed by the Bidder in response to FPL's RFP.

11) Bidder: Company Name: _____

Contact Person: _____

Position Title: _____

Telephone: _____

Fax: _____

E-Mail: _____

FPL Capacity RFP

Form # 2: Executive Summary of the Proposal

Facility Name: _____

Please provide a one (1) page summary of the proposed project and the Bidder.

FPL Capacity RFP

Form # 3: Financial Information

Facility Name: _____

1) Bidder's Legal Name: _____

2) Physical Address: _____

3) Financial/Credit Contact Person:

Name: _____

Position Title: _____

Telephone: _____

Fax: _____

E-Mail: _____

4) Federal Tax Identification Number: _____

5) Bidder is (check all that apply):	_____ Corporation	_____ Sole Proprietorship
	_____ Partnership	_____ Limited Liability Company
	_____ Joint Venture	_____ Limited Liability Partnership
		_____ Other (attached description)

6) State in which Bidder is incorporated or organized: _____

7) Bidder Information:

a) Dunn & Bradstreet Identification Number: _____

b) Corporate Bond Ratings: _____	Sources: _____
_____	_____

c) Commercial Paper Ratings: _____	Sources: _____
_____	_____

d) Dunn & Bradstreet Credit Appraisal Rating: _____

FPL Capacity RFP

Form # 3: Financial Information

Facility Name: _____

8) (If applicable) Parent/Affiliate Guarantor Information:

a) Name of parent/affiliate guarantor: _____

b) Dunn & Bradstreet Identification Number: _____

c) Corporate Bond Ratings: _____ Sources: _____

d) Commercial Paper Ratings: _____ Sources: _____

e) Dunn & Bradstreet Credit Appraisal Rating: _____

9) If Bidder is relying on any parent/affiliate guarantees, use the space below to describe the corporate relationship between the Bidder and the guarantor and to provide a statement regarding the proposed guarantor's willingness to guarantee the Bidder's obligation.

FPL Capacity RFP

Form # 4: Operations & Engineering Information

Facility Name: _____

Part 1:

1) Type of Generating Unit (Combustion Turbine, etc.): _____

2) Check One: New Unit _____ Existing Unit _____
 System Sale _____

If "Existing Unit", Date of Commercial Operation: _____

If "New Unit", Manufacturer Name: _____

 Model Number: _____

If "System Sale", use this space to provide details of the system sale: _____

3) Guaranteed Firm Capacity (Net MW) and Heat Rates :

<u>Operational Mode</u>	<u>Summer Capacity at 95 deg.F (MW)</u>	<u>Winter Capacity at 35 deg.F (MW)</u>	<u>Heat Rate at 75° F 100% Load, HHV (BTU/kwh)</u>
Base Operation	_____	_____	_____
<u>Additional Operational Mode *</u>	<u>Incremental Summer Capacity at 95 deg.F (MW)</u>	<u>Incremental Winter Capacity at 35 deg.F (MW)</u>	<u>Incremental Heat Rate at 95° F ** (BTU/kwh)</u>
Duct Firing	_____	_____	_____
Power Augmentation	_____	_____	_____
Other (specify) _____	_____	_____	_____
Total Guaranteed Capacity *** =	_____	_____	_____

* Provide incremental capacity provided by all operational modes of the generation upon which the proposal is based. Input zero MW if operational mode is not applicable.

** Provide heat rate for only the incremental MW provided by each operational mode.

*** Total Guaranteed Capacity value should equal the sum of the incremental capacities from all applicable operational modes.

4) Response (Ramp) Rates:

Under Manual Control : + _____ MW/Minute

Under Manual Control : - _____ MW/Minute

Under AGC: + _____ MW/Minute

Under AGC: - _____ MW/Minute

Turnaround rate: _____ MW/Minute

5) Minimum: Run Time: _____ Hours

 Shut-down Time: _____ Hours

6) Start-up Time from Cold Conditions: _____ Hours

Start-up Time from Warm Conditions: _____ Hours

FPL Capacity RFP

Form # 4: Operations & Engineering Information

Facility Name: _____

7) Start-up Time from Hot Conditions: _____ Hours
 Maximum Allowable Cycles (No. per Year): _____

8) Fuel Information:
 Primary Type of Fuel: _____
 Secondary/Backup Type of Fuel: _____

Secondary/Backup Fuel Stored On-Site (Check One): _____ Yes _____ No

If "Yes", number of hours unit can run at full output from on-site Secondary/Backup fuel storage facility without this stored fuel being replenished: _____ Hrs

9) Availability and Outage Information for Base Operational Mode:
 (Note: If there are operational constraints (for example, operate only X hours per year) for any of the other operational modes, include this information in response to item 12) on page 5 of 5 of this form.)

FOR 2005 START DATE PROJECT

<u>Contract Year</u>	<u>Equivalent Availability Factor (%)</u>	<u>Equivalent Forced Outage Rate (%)</u>	<u>Guaranteed Planned Outage Hours * (hrs/yr)</u>
2005	_____	_____	_____
2006	_____	_____	_____
2007	_____	_____	_____
2008	_____	_____	_____
2009	_____	_____	_____
2010	_____	_____	_____
2011	_____	_____	_____
2012	_____	_____	_____
2013	_____	_____	_____
2014	_____	_____	_____
2015	_____	_____	_____
2016	_____	_____	_____
2017	_____	_____	_____
2018	_____	_____	_____
2019	_____	_____	_____
2020	_____	_____	_____
2021	_____	_____	_____
2022	_____	_____	_____
2023	_____	_____	_____
2024	_____	_____	_____
2025	_____	_____	_____
2026	_____	_____	_____
2027	_____	_____	_____
2028	_____	_____	_____
2029	_____	_____	_____
2030	_____	_____	_____

* As described in Section IV.E.(7).

FPL Capacity RFP

Form # 4: Operations & Engineering Information

Facility Name: _____

7) Start-up Time from Hot Conditions: _____ Hours
 Maximum Allowable Cycles (No. per Year): _____

8) Fuel Information:
 Primary Type of Fuel: _____
 Secondary/Backup Type of Fuel: _____

Secondary/Backup Fuel Stored On-Site (Check One): _____ Yes _____ No

If "Yes", number of hours unit can run at full output from on-site Secondary/Backup fuel storage facility without this stored fuel being replenished: _____ Hrs

9) Availability and Outage Information for Base Operational Mode:
 (Note: If there are operational constraints (for example, operate only X hours per year) for any of the other operational modes, include this information in response to item 12) on page 5 of 5 of this form.)

FOR 2006 START DATE PROJECT

<u>Contract Year</u>	<u>Equivalent Availability Factor (%)</u>	<u>Equivalent Forced Outage Rate (%)</u>	<u>Guaranteed Planned Outage Hours * (hrs/yr)</u>
2006	_____	_____	_____
2007	_____	_____	_____
2008	_____	_____	_____
2009	_____	_____	_____
2010	_____	_____	_____
2011	_____	_____	_____
2012	_____	_____	_____
2013	_____	_____	_____
2014	_____	_____	_____
2015	_____	_____	_____
2016	_____	_____	_____
2017	_____	_____	_____
2018	_____	_____	_____
2019	_____	_____	_____
2020	_____	_____	_____
2021	_____	_____	_____
2022	_____	_____	_____
2023	_____	_____	_____
2024	_____	_____	_____
2025	_____	_____	_____
2026	_____	_____	_____
2027	_____	_____	_____
2028	_____	_____	_____
2029	_____	_____	_____
2030	_____	_____	_____

* As described in Section IV.E.(7).

FPL Capacity RFP

Form # 4: Operations & Engineering Information

Facility Name: _____

10) Transmission Facilities Information:

a) FPL Queue:

Does the generating unit on which the proposal is based currently have a place in FPL's Transmission Queue? (Check One) _____ Yes _____ No

If "Yes" list the Queue position number: _____

List all Queue-related studies completed by FPL in regard to this project: _____

Attach a copy of each of these completed studies to this form in the bound hard copy of the Proposal.

b) Other Utility Queues:

Will another utility's transmission system have to be used to deliver the proposed capacity and energy to FPL? (Check One): _____ Yes _____ No

If "Yes", list the name of the other utility: _____

Does the generating unit on which the proposal is based currently have a place in this other utility's transmission Queue ? (Check One): _____ Yes _____ No

If "Yes" list the Queue position number and name of the Queue: _____

List all other Queue-related studies in regard to this project: _____

11) Environmental Information:

a) NOx control equipment/strategy to be implemented: _____
NOx emission rate (lbs/mmBTU) _____

b) SO2 control equipment/strategy to be implemented: _____
SO2 emission rate (lbs/mmBTU) _____

FPL Capacity RFP

Form # 4: Operations & Engineering Information

Facility Name: _____

c) Cooling/Water Information:

Cooling method to be utilized: _____
 Total amount of water needed (gals/day): _____
 Source of water to be used (surface water, groundwater, gray water, other - specify): _____
 Water discharge points and quantities (surface water, groundwater, other - specify): _____

d.) Land Use/Zoning Information: (Continued)

Current land use designation:
 Change needed in land use designation? (Check One): _____ Yes _____ No
 Current zoning designation: _____
 Change needed in zoning designation? (Check One): _____ Yes _____ No
 Comprehensive Plan amendment needed? (Check One): _____ Yes _____ No

12) Operating Limitations:

Describe in detail any operating/run hour limitation by operational mode due to the facility's design or to applicable permits or environmental regulations:

<u>Operational Mode</u>	<u>Limitation:</u>
Base Operation	_____
Duct Firing	_____
Power Augmentation	_____
Other (specify) _____	_____

Part 2:

Use this space to provide the additional information requested for the seven (7) items discussed in Section IV.E.

FPL Capacity RFP

Form # 5: Pricing Information for Purchased Power or System Proposals

Facility Name: _____

1) Guaranteed Capacity Pricing: *

Provide guaranteed total capacity pricing for each operational mode identified on Form # 4. Please insert "NA" for operational modes that are not applicable to your proposal.

Contract Year	FOR 2005 START DATE PROJECT			
	for: Base Operational Mode	for: Duct-Firing Operational Mode	for: Power Augmentation Operational Mode	for: Other (specify) Operational Mode
	Guaranteed Total Capacity Payment (\$/kw-month)	Guaranteed Total Capacity Payment (\$/kw-month)	Guaranteed Total Capacity Payment (\$/kw-month)	Guaranteed Total Capacity Payment (\$/kw-month)
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

* Guaranteed capacity pricing values must include all proposed payments for at least the following:
 - generation, fuel delivery, transmission interconnection, and infrastructure capital;
 - fixed O&M; and,
 - capital replacement.

FPL Capacity RFP

Form # 5: Pricing Information for Purchased Power or System Proposals

Facility Name: _____

1) Guaranteed Capacity Pricing: *

Provide guaranteed total capacity pricing for each operational mode identified on Form # 4. Please insert "NA" for operational modes that are not applicable to your proposal.

Contract Year	FOR 2006 START DATE PROJECT			
	for: Base Operational Mode	for: Duct-Firing Operational Mode	for: Power Augmentation Operational Mode	for: Other (specify) Operational Mode
	Guaranteed Total Capacity Payment (\$/kw-month)	Guaranteed Total Capacity Payment (\$/kw-month)	Guaranteed Total Capacity Payment (\$/kw-month)	Guaranteed Total Capacity Payment (\$/kw-month)
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

* Guaranteed capacity pricing values must include all proposed payments for at least the following:
 - generation, fuel delivery, transmission interconnection, and infrastructure capital;
 - fixed O&M; and,
 - capital replacement.

FPL Capacity RFP

Form # 5: Pricing Information for Purchased Power or System Proposals

Facility Name: _____

2) Guaranteed Energy Pricing:

FOR 2005 START DATE PROJECT

Contract Year	Guaranteed Fuel Commodity Price (if applicable) * (\$/mmBTU)	Guaranteed Fuel Transportation Cost (if applicable) * * (\$/mmBTU)	(for Base Operational Mode) Guaranteed Variable O&M (\$/MWH)	(for all Other Operational Modes) Guaranteed Variable O&M (\$/MWH)
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

* If left blank, FPL will use its own fuel price forecast for purposes of proposal evaluation.

** Please fill in the blanks with one of the following: "FGT", "Gulfstream", or a numerical \$/mmBTU value. If filled in with either "FGT" or "Gulfstream", FPL will use its forecast for FGT or Gulfstream firm gas transportation costs for purposes of proposal evaluation. If filled in with a numerical \$/mmBTU value, FPL will use that value for evaluation purposes.

For evaluation purposes, FPL will apply the Guaranteed Fuel Transportation Cost to the capacity associated with the Base Operational Mode only.

FPL Capacity RFP

Form # 5: Pricing Information for Purchased Power or System Proposals

Facility Name: _____

2) Guaranteed Energy Pricing:

FOR 2006 START DATE PROJECT

Contract Year	Guaranteed Fuel Commodity Price (if applicable) * (\$/mmBTU)	Guaranteed Fuel Transportation Cost (if applicable) * * (\$/mmBTU)	(for Base Operational Mode) Guaranteed Variable O&M (\$/MWH)	(for all Other Operational Modes) Guaranteed Variable O&M (\$/MWH)
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

* If left blank, FPL will use its own fuel price forecast for purposes of proposal evaluation.

* * Please fill in the blanks with one of the following: "FGT", "Gulfstream", or a numerical \$/mmBTU value. If filled in with either "FGT" or "Gulfstream", FPL will use its forecast for FGT or Gulfstream firm gas transportation costs for purposes of proposal evaluation. If filled in with a numerical \$/mmBTU value, FPL will use that value for evaluation purposes.

For evaluation purposes, FPL will apply the Guaranteed Fuel Transportation Cost to the capacity associated with the Base Operational Mode only.

FPL Capacity RFP

Form # 5: Pricing Information for Purchased Power or System Proposals

Facility Name: _____

3) Guaranteed Startup Prices (\$/startup): * * * _____ (Hot: 0 - 12 hours offline)
 _____ (Warm: 12 - 72 hours offline)
 _____ (Cold: greater than 72 hours offline)

* * * Successful starts are limited to one per dispatch cycle.

FPL Capacity RFP

Form # 6: Pricing Information for Turnkey Project Sales

Facility Name: _____

- 1) Date (month/day/year) of the proposed sale of the turnkey facility to FPL: _____/_____/_____
- 2) Guaranteed total sale price of the proposed facility on the Sale Date (total dollars): _____
- 3) Projected average annual fixed O&M cost over a ten (10) - year period from the Sale Date (**\$/guaranteed total Summer kW**): _____*
- 4) Projected average annual variable O&M costs over a ten (10) - year period from the Sale Date (**\$/mwh**): _____*
- 5) Projected average annual capital replacement cost over a ten (10) - year period from the Sale Date (**total dollars/year**): _____*

* assumes no escalation over time

FPL Capacity RFP

Form # 7: Key Milestones & Completion Security Agreement

Facility Name: _____

	<u>Expected Completion Date</u>
1) Key Milestones	
a) Granted Need Determination (if applicable)	_____
b) Granted Site Certification	_____
c) Financial Closing	_____
d) Fuel Supply Arrangements Finalized	_____
e) Construction Start	_____
f) Major Equipment Deliveries (specify all)	_____
g) Acceptance Testing (specify all)	_____
h) Capacity and/or Energy Delivery Date	_____

2) Completion Security Agreement (for firm capacity Bids only):

Bidder (Insert One: "Agrees" or "Disagrees") _____ with the Completion Security Agreement provisions set forth in Section IV.H. (2) of this RFP.

If Bidder disagrees with the Completion Security Agreement provisions set forth in Section IV.H. (2) of this RFP, use the space below to present revised language concerning a Completion Security Agreement that is acceptable to the Bidder.

FPL Capacity RFP

Form # 8: Delivery Point(s) to FPL

Facility Name: _____

1) State the delivery point(s) to the FPL system including nearest substation(s):

2) Attach a transmission map highlighting the delivery point(s) listed above.

FPL Capacity RFP

Form # 9: Bidder Exceptions *

Facility Name: _____

* Note: FPL will not consider proposed exceptions to the RFP's Minimum Requirements for proposal eligibility.

1) With regard to this proposal, the Bidder takes **no** exception to terms, conditions, or other facets of the RFP (Check One): _____ Agrees _____ Disagrees

2) If the answer to item (1) above is "Disagrees", then for each term, condition, or other facet of the RFP which the Bidder takes exception to, use the space below to:

a) identify the language (citing page and paragraph) in the RFP for which an exception is made; and,

b) write out revised language proposed by the Bidder

FPL Capacity RFP

Form # 10: Proposal Certification

Facility Name: _____

The undersigned certifies that (i) all of the information submitted in its proposal to FPL is complete and accurate, (ii) the terms, conditions, and other facets of the RFP are acceptable, except as specifically noted on Form # 9, if any, (iii) the proposal has been submitted in the legal name of the entity which would be bound by any resulting contract, and (iv) the proposal is firm and will remain open for 120 days from May 24, 2002.

Name of Legal Entity: _____

State of Incorporation: _____

Business Address: _____

Name of Person Certifying Proposal: _____

Title: _____

Date: _____

Telephone: _____

Signature:* _____

(* An Officer of the bidding company must sign the copy of this form which is included in the bound hard copy of the proposal.)

VI. FPL's "Next Planned Generating Unit"

A. Overview

In its 2002 Ten Year Site Plan, FPL presented the following new capacity additions as its plans to meet its new capacity needs starting in 2005 and 2006:

For 2005:

- conversion of 2 combustion turbines (CT's) at FPL's existing Martin site, plus the addition of 2 more CT's into 1 combined cycle (CC) unit which adds 789 MW (Summer);
- construction of a new 4 CT-based CC unit at FPL's existing Manatee Site which adds 1,107 incremental MW (Summer).

For 2006:

- No additions.

Therefore, FPL presents these new capacity additions as its "next planned generating units" in accordance with Rule 25-22.082, Florida Administrative Code.

B. Required Information

Rule 25-22.082 (4) (a), Florida Administrative Code, requires a technical description of the utility's next planned generating units on which its RFP is based, including the following information:

- 1) a description of the utility's next planned generating unit and its proposed location;
- 2) the MW size;
- 3) the estimated in-service date;
- 4) the primary and secondary fuel type;
- 5) an estimate of the annual revenue requirements;
- 6) an estimate of the annual economic value of deferring construction;
- 7) an estimate of the fixed and variable operation and maintenance expenses;
- 8) an estimate of the fuel cost;
- 9) an estimate of the planned and forced outage rates, heat rate, minimum load and ramp rates;
- 10) a description and estimate of the costs required for associated facilities such as gas laterals and transmission interconnection;
- 11) a discussion of the actions necessary to comply with environmental requirements; and,
- 12) a summary of all major assumptions used in developing the above estimates.

C. Tables

The technical information required by Rule 25-22.082 (4) (a) is presented in Tables VI-1 and VI-2 for each of the capacity additions listed above.

Table VI – 1

Planned Unit Data – Conversion of 2 Martin CT's to CC Unit in 2005

The following data represent FPL's current estimates for this capacity addition. These estimates are provided for information purposes only. These planning estimates are subject to further refinement in regard to site specific costs, detailed engineering, or vendor quotes. The final actual cost of a project could be appreciably greater or smaller than that shown. Parties responding to this RFP should rely on their own independent evaluations and estimates of project costs in formulating their proposals. FPL periodically updates its planning assumptions and will use its most current planning data to evaluate proposals and its self-build options.

1. A 4x1 combined cycle generating unit to be located on FPL's existing Martin site in Martin County, Florida.
2. Planned size 1107 MW (summer rating after conversion).
3. Commercial operation for the facility is proposed to be June, 2005.
4. The primary fuel is natural gas. Low Sulfur Light Oil will be the secondary fuel type.
5. The estimated total direct cost (without AFUDC) is \$426 million (in 2005\$).
6. The estimated annual levelized revenue requirement with AFUDC is \$74.9 million over 25 years.
7. The estimated annual value of deferral with AFUDC of this unit is \$60.00/kw-yr (2005\$).
8. The estimated fixed O&M and capital replacement expense is \$7.75 million (2001\$). The estimated variable O&M is \$0.30 million (2001\$).
9. The estimated fuel cost is \$3.41/MMBtu (2005\$), plus fixed transportation at a rate of \$0.60/MMBtu.
10. The following are the estimates for:

Planned Outage Factor	2%
Forced Outage Rate	1%
Heat Rate at maximum capacity	6850 Btu/kWh
	@75F 100% (Base Operational Mode)
Minimum load	270 MW
Ramp Rate	15 MW/min
11. The estimated transmission interconnection and integration costs associated with this unit are \$37 million (in 2005\$).
12. Air and water discharge permits will be required for this unit. It is the Company's plan to comply with all air and water quality standards of both the State and Federal governments.
13. The major financial assumptions in the development of these numbers were:

Construction escalation	1.7%
General escalation	2.5%
Fuel escalation	Varies by year
Capital Structure	45% debt @ 7.40%
	55% equity @ 11.7

Table VI – 2

Planned Unit Data – Manatee No. 3 CC Unit in 2005

The following data represent FPL's current estimates for this capacity addition. These estimates are provided for information purposes only. These planning estimates are subject to further refinement in regard to site specific costs, detailed engineering, or vendor quotes. The final actual cost of a project could be appreciably greater or smaller than that shown. Parties responding to this RFP should rely on their own independent evaluations and estimates of project costs in formulating their proposals. FPL periodically updates its planning assumptions and will use its most current planning data to evaluate proposals and its self-build options.

1. A 4x1 combined cycle generating unit to be located on FPL's existing Manatee site in Manatee County, Florida.
2. Planned size 1107 MW (summer rating).
3. Commercial operation for the facility is proposed to be June, 2005.
4. The primary fuel is natural gas. No secondary fuel is proposed.
5. The estimated total direct cost (without AFUDC) is \$505.1 million (in 2005\$).
6. The estimated annual levelized revenue requirement with AFUDC is \$89.6 million over 25 years.
7. The estimated annual value of deferral with AFUDC of this unit is \$76.80/kw-yr (2005\$).
8. The estimated fixed O&M and capital replacement expense is \$14.35 million (2001\$). The estimated variable O&M is \$0.30 million (2001\$).
9. The estimated fuel cost is \$3.41/MMBtu (2005\$), plus fixed transportation at a rate of \$0.60/MMBtu.
10. The following are the estimates for:

Planned Outage Factor	2%
Forced Outage Rate	1%
Heat Rate at maximum capacity	6850 Btu/kWh
	@75F 100% (Base Operational Mode)
Minimum load	270 MW
Ramp Rate	15 MW/min
11. The estimated transmission interconnection and integration costs associated with this unit are \$23 million (in 2005\$).
12. Air and water discharge permits will be required for this unit. It is the Company's plan to comply with all air and water quality standards of both the State and Federal governments.
13. The major financial assumptions in the development of these numbers were:

Construction escalation	1.7%
General escalation	2.5%
Fuel escalation	Varies by year
Capital Structure	45% debt @ 7.40%
	55% equity @ 11.7



Florida Power & Light Company
Corporate Communications
Media Line: 305-552-3888
April 22, 2002

FOR IMMEDIATE RELEASE

**FPL will issue supplemental request for proposals
for generation projects to meet customer needs in 2005**

JUNO BEACH, Fla. – Florida Power & Light Company today told the Florida Public Service Commission it plans to issue a supplemental “request for proposals” and ask companies to compete to provide added generating capacity for its customers starting in 2005. The RFP will be issued later this week, and companies will be asked to submit their bids by May 24.

Last year, FPL issued an initial RFP to which 15 companies, plus FPL, submitted proposed power plant projects. After the RFP was issued, FPL engineers developed a proposal utilizing leading-edge technology. After an extensive review of all proposals submitted, the FPL proposal to build new plants at its Manatee County and Martin County existing sites was the most cost-effective. The supplemental RFP will provide detailed cost information on the two FPL proposed projects – setting a new target for the second round of competition.

“FPL is committed to providing the lowest cost power to our customers,” said Paul Evanson, president of FPL. “We have no vested interest in building power plants. This is a classic build or buy decision. If we can get a lower price for our customers by buying power from someone else’s power plant, we will do that.”

Mr. Evanson said, “FPL complied with the Commission’s guidelines in determining the most cost-effective option during the initial RFP process. By issuing this supplemental RFP, we are providing an additional opportunity to identify an even lower cost bid and then take that bid forward for Commission review and approval.” It is the responsibility of the Public Service Commission, under the need determination provisions of the Florida Electric Power Plant Siting Act, to review and agree that a proposed generation project is needed and is the most cost-effective for customers.

FPL estimates that the new RFP will be issued Friday with a deadline of May 24 for proposals and mid-July for a decision on what projects will move forward. Any company can participate in this bidding process, and proposals will be considered as long as the participating companies are creditworthy. FPL has asked that the PSC “need determination” proceeding be held in abeyance.

FPL plans to continue its dialogue with local communities in Martin and Manatee counties to keep them apprised of the status and plans for the FPL projects in the event they are selected to go forward. As part of a separate initiative, FPL had announced plans at Manatee to begin this year burning natural gas in addition to oil in its two existing Manatee generating units. Those plans remain unchanged.

Florida Power & Light Company is the principal subsidiary of FPL Group, Inc. (NYSE: FPL), nationally known as a high quality, efficient and customer-driven organization focused on energy-related products and services. With annual revenues of more than \$8 billion and a growing presence in more than a dozen states, FPL Group is widely recognized as one of the country’s premier power companies. Florida Power & Light Company serves 4 million customer accounts in Florida. FPL Energy, Inc., FPL Group’s energy-generating subsidiary, is a leader in producing electricity from clean and renewable fuels. Additional information is available on the Internet at www.fpl.com, www.fplgroup.com and www.fplenergy.com.

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02049

Request for Proposals

Florida Power & Light Company (FPL) is soliciting proposals for a supply of up to 1,722 megawatts of firm capacity and energy to FPL starting in 2005 and 2006.

The 1,722-megawatt solicitation is for firm capacity and energy projects that could be more economical than FPL's next planned capacity additions for 2005. FPL's projects for 2005, as described in its 2002 Ten-Year Power Plant Site Plan, are as follows:

Two combustion turbines (CT's) at FPL's Martin site, plus two new CT's that would be added to the site, are planned to be converted into a four CT-based combined cycle (CC) unit that will supply 789 incremental MW (Summer). A four CT-based CC unit that will supply 1,107 incremental MW (Summer) is also planned for construction at FPL's Manatee site.

Parties interested in submitting proposals for this solicitation need to request a copy of the RFP document from Steve R Sim, RFP Contact Person, Florida Power & Light Company, Resource Assessment and Planning Department, P.O. Box 029100, Miami, FL 33102-9100, (305) 552-2246. Copies of the RFP will be available starting on April 26, 2002. Responses to the RFP are due back to FPL by May 24, 2002. Initial negotiations with a short list of proposers will begin June 18, 2002 and is scheduled to conclude July 2, 2002. The final announcement of a contract is projected for August 2002.

FPL reserves the right to reject all proposals, to modify or cancel the RFP, or to refine its cost estimates for FPL's own resource options, up or down, based upon more recent data available when FPL performs its evaluations.



an FPL Group company