Dorothy Menasco

From: Ryan, Ed [Ed.Ryan@lcec.net]
Sent: Thursday, March 19, 2009 1:54 PM
To: Filings@psc.state.fl.us
Subject: E-Filing re: Reports for HB 7135, Section366.91 (6), F.S. and Section 366.92 (5), F.S.
Attachments: FPSC Filing 03-31-09.pdf

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Filing is for two reports:

1) Interconnection and Net Metering of Customer Owned Renewable Generation Report for Period Ending December 31, 2008 in accordance with Commission Rule 25-6.065 (10), F.A.C. and meets requirements for H.B. 7135, Section 366.91 (6), F.S. – 1 page
2) Standards for Renewable Energy, Conservation and Energy Efficiency Report for April 1, 2009 meeting the requirements for H.B. 7135, Section 366.92 (5), F.S. – 3 pages

s/ Edward J. Ryan
Manager – Marketing and Energy Services
Lee County Electric Cooperative, Inc. (LCEC)

LCEC
PEOPLE. POWER. POSSIBILITIES.

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March 19, 2009

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Reports for H.B. 7135, Section 366.91 (6), F.S. and Section 366.92 (5), F.S.

Dear Ms. Cole:

Please find attached two reports. The first report is the Interconnection and Net Metering of Customer Owned Renewable Generation Report for the period ending December 31, 2008. This report was prepared in accordance with Commission Rule 25-6.065 (10), F.A.C. and meets requirements for H.B. 7135, Section 366.91 (6), F.S.

The second report is the Standards for Renewable Energy, Conservation and Energy Efficiency Report for April 1, 2009. This report meets the reporting requirements for H.B. 7135, Section 366.92 (5), F.S.

If you have questions, please feel free to contact me at (239) 656-2236.

Sincerely,

Edward J. Ryan
Manager, Marketing and Energy Services
LCEC

Attachments

Standards for Renewable Energy, Conservation, and Energy Efficiency To Meet Reporting Requirements under H.B. 7135 (for April 1, 2009)

Renewable Energy Resources

General - Seminole is the full requirements wholesale supplier to Lee County Electric Cooperative, Inc. (LCEC). Seminole has contracted to purchase renewable capacity and energy from a variety of sources including landfill gas, woody biomass, municipal solid waste, and distributed photovoltaic. At present, Seminole's contractual commitment to the purchase of renewable resources holds a leadership position among Florida electric utilities, in terms of the percentage of system energy served.

Targeted Expansion – Seminole will promote and encourage the continued expansion of its renewable resources, even though it may be exempted from any future Renewable Portfolio Standard which might be passed by the Florida Legislature. Seminole will strive to expand its renewable portfolio to retain its role as a leader among Florida's utilities in the production of energy from in-state traditional renewable energy resources.

Seminole's Approach to Resource Expansion – Seminole will engage the following strategies to achieve continuing expansion of its renewable energy resource portfolio:

- Open Door Negotiation Policy – Seminole will continue to proactively seek out renewable resource partners and retain its open door policy for arm's length negotiations with all renewable providers.

- Competitive Bid – Seminole will continue to utilize competitive bidding as one of its tools for acquiring competitively priced conventional and renewable resources. All of Seminole's bid solicitations for conventional power supply resources will also allow for renewable resources to be proposed. In addition, Seminole will periodically issue bid solicitations which exclusively seek renewable resources. Similar to past bid solicitations of this type, Seminole will not charge the respondents a bidding fee.

- Price Point – Seminole uses a future avoided unit as its avoided cost price point for negotiating renewable contracts. Integral in this approach is an assumed value for capacity, energy, renewable energy credits/green tags (RECs), carbon emissions cost, and a fuel price forecast which is correlated with the carbon cost forecast.

- Ease of Contracting – Seminole will strive to reduce the administrative burdens associated with the contracting process and ongoing contract administration. Efforts will be made to structure performance guarantee terms that are fair and do not impose significant administrative burden and/or risk on either party.

- Demonstration Project – Seminole is investigating various renewable technologies as well as those which may be applicable for a demonstration and/or promotional

project. Seminole is currently engaged in discussions with solar developers concerning the feasibility of solar photovoltaic and/or solar thermal projects.

- Co-Firing Biomass – Seminole has initiated an investigation regarding the feasibility of biomass fuels for co-firing at an existing coal generating plant.

- Consumer-Owned Renewable Resources – Seminole has amended its wholesale power contract with its ten Members to provide for net metering service for the LCEC consumer-owned renewable generating resources. There are approximately 50 small photovoltaic installations connected to Seminole's Member system.

Energy Conservation and Efficiency Measures

General – Seminole and LCEC are jointly committed to the active promotion of cost effective conservation and energy efficiency by Member consumers. Seminole is the full requirements wholesale supplier to LCEC. Seminole provides firm wholesale electric service under a single wholesale rate structure. Seminole also provides a non-firm service option to LCEC under interruptible rate schedules. The rate signals contained in Seminole's rate schedules provide a cost-basis for LCEC to gauge the cost effectiveness of demand management and energy efficiency programs. LCEC assesses the viability of these programs and Seminole's load forecast of power supply needs reflects the effect of LCEC's demand-side management and energy efficiency programs.

Currently, Seminole promotes demand management as a "first priority option" through two programs made available to LCEC. Under the Coordinated Load Management Program, LCEC has installed and operates direct control load management systems for the purpose of reducing coincident peak demand. The resulting reductions in Seminole's coincident peak demand reduce Seminole's requirements for system generating capacity (and associated reserves) and provide demand cost reductions LCEC. Under the Load Management Generator Program, LCEC has installed (or partnered with retail customers to install) distributed peaking generation. These generators serve a dual need (1) to enhance reliability by providing back-up generation during transmission and/or distribution system outages, and (2) to offset and avoid a portion of Seminole's system generation requirements.

LCEC has implemented a range of energy efficiency and energy conservation programs which have reduced Seminole's total requirements for electric energy. These reductions have not been specifically quantified or estimated but are included in Seminole's load history. As such, Seminole's load forecast effectively extrapolates the growth of past programs into the future.

Targeted Expansion – Seminole will promote and encourage the continued expansion of its demand management and energy conservation/efficiency resources. Seminole will work jointly with LCEC to ensure that cost-effective demand management and energy conservation/efficiency alternatives are pursued as a first-priority resource. Through

these joint efforts, Seminole and LCEC have resolved to expand their aggregate demand management capability in order to further reduce future supply side requirements. Similarly, Seminole and LCEC have resolved to expand consumer education, energy efficiency, and conservation programs in order to mitigate further growth in kWh usage per consumer.

LCEC's Approach to Resource Expansion - LCEC has implemented the following strategies to achieve demand-side resource expansion and improved system-wide efficiencies:

- Consumer Education – Consumer education program promoting energy conservation and efficiency.

- On-Site Energy Audit/Survey - Conduct on-site energy audits/surveys to assist consumers, both residential and commercial, with their decisions relating to energy conservation and energy efficiency.

- On-Line Energy Audit/Survey – Provide an interactive website to provide consumers with on-line tools to assist in making intelligent energy decisions.

- Joint Energy Efficiency Working Group – Seminole, LCEC and other cooperatives have formed a joint working group to share information on successful energy conservation and energy efficiency programs and to assess the feasibility of specific programs.

- Inverted Block Rate – LCEC has implemented an inverted block rate for its residential rate customers to encourage energy conservation/efficiency.

- Time-of-Use Rate – Seminole has implemented a time-of-use energy rate at the wholesale level. LCEC will evaluate the use of this alternative rate to structure time-of-use rate options for eligible retail customers (residential and/or commercial/industrial).

- Distribution Losses – Seminole's ten Members are continuing to upgrade their distribution systems by moving to higher delivery voltages and improved equipment efficiency specifications. Over the past 15 years, Seminole's Members have achieved, in aggregate, a 3% reduction in their total energy requirements due to loss reduction alone.

Lee County Electric Cooperative, Incorporated
Interconnection and Net Metering of Customer Owned Renewable Generation
Report (for period ending December 31, 2008)

This report is being filed in accordance with Commission Rule 25-6.065, F.A.C.

10 Lee County Electric Cooperative, Incorporated is required to file as a part of the tariff a copy of its Standard Interconnection Agreement form for Customer owned renewable generation. Lee County Electric Cooperative, Incorporated is currently developing the Net Metering Tariff to comply with requirements defined in Section 366.91(6), F.S. by July 1st, 2009. Tariff development, including Standard Interconnection Agreements forms are yet to be created. Therefore, a copy of the Standard Interconnection Agreement form cannot be filed with this report. The Standard Interconnection Agreement Form will be filed when Net Metering Tariff development is completed on or before July 1st, 2009.

10(a) Total number of customer-owned renewable generation interconnections as of the end of the previous calendar year: No Activity;

10(b) Total kW capacity of customer-owned renewable generation interconnected as of the end of the previous calendar year: No Activity;

10(c) Total kWh received by interconnected customers from the electric utility, by month and by year for the previous calendar year: No Activity;

10(d) Total kWh of customer-owned renewable generation delivered to the electric utility, by month and by year for the previous calendar year: No Activity;

10(e) Total energy payments made to interconnected customers for customer-owned renewable generation delivered to the electric utility for the previous calendar year, along with the total payments made since the implementation of this rule: No Activity;

10(f) For each individual customer-owned renewable generation interconnection:

- Renewable technology utilized: No Activity;
- Gross power rating: No Activity;
- Geographic location by county: No Activity; and
- Date interconnected: No Activity.