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March 27, 2009

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

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COMMISSION
CLERK

090000-07

Re: Report of Seminole's Standards as required under H.B. 7135, Sec. 366.92

Dear Ms. Cole:

Please find attached Standards for Renewable Energy, Conservation, and Energy Efficiency for Seminole Electric Cooperative, Inc. (Seminole), as required by H.B. 7135, Sec. 366.92. Seminole is filing these Standards on behalf of itself and Central Florida Electric Cooperative, Clay Electric Cooperative, Glades Electric Cooperative, Peace River Electric Cooperative, Sumter Electric Cooperative, Suwannee Valley Electric Cooperative, Talquin Electric Cooperative, Tri-County Electric Cooperative, and Withlacoochee River Electric Cooperative.

If you or others have questions relating to this filing, please contact me at 813-739-1253 or at lmahaffey@seminole-electric.com.

Sincerely,

Lane Mahaffey
Director of Strategic Planning
and Legislative Affairs

Attachment

cc: M. Opalinski
Member Managers

**Standards for Renewable Energy, Conservation, and Energy Efficiency
To Meet Reporting Requirements under H.B 7135, Sec 366.92**

Seminole Electric Cooperative, Inc. (Seminole) hereby submits its Standards for Renewable Energy, Conservation, and Energy Efficiency on behalf of itself and the following Member Systems:

Central Florida Electric Cooperative
Clay Electric Cooperative
Glades Electric Cooperative
Peace River Electric Cooperative
Sumter Electric Cooperative
Suwannee Valley Electric Cooperative
Talquin Electric Cooperative
Tri-County Electric Cooperative
Withlacoochee River Electric Cooperative

Standards for Renewable Energy, Conservation, and Energy Efficiency To Meet Reporting Requirements under H.B. 7135

Renewable Energy Resources

General - 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 % 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 Members' consumer-owned renewable generating resources. There are approximately 50 small photovoltaic installations connected to Seminole's Member systems.

Energy Conservation and Efficiency Measures

General – Seminole and its Members 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 ten Member cooperatives in Florida. Seminole provides firm wholesale electric service under a single wholesale rate structure. Seminole also provides a non-firm service option to its Members under interruptible rate schedules. The rate signals contained in Seminole's rate schedules provide a cost-basis for our Members to gauge the cost effectiveness of demand management and energy efficiency programs. Seminole's Members assess the viability of these programs in their respective service areas and Seminole's load forecast of power supply needs reflects the effect of its Members' demand-side management and energy efficiency programs.

Currently, Seminole promotes demand management as a "first priority option" through two programs made available to our ten Member Systems. Under the Coordinated Load Management Program, Seminole's Members may install and operate 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 to the participating Member Systems. Under the Load Management Generator Program, Seminole's Member Systems may install (or partner with their 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.

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

Seminole's Approach to Resource Expansion - Seminole and its Members will engage the following strategies to achieve demand-side resource expansion and improved system-wide efficiencies:

- Consumer Education – Implement a statewide consumer education program promoting energy conservation and efficiency.
- On-Site Energy Audit/Survey - Broad implementation of on-site energy audits/surveys to assist consumers with their decisions relating to energy conservation and energy efficiency.
- On-Line Energy Audit/Survey – Broad implementation of interactive websites to provide consumers with on-line tools to assist in making intelligent energy decisions.
- Joint Energy Efficiency Working Group – Seminole and its Members 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.
- Time-of-Use Rate – Seminole has implemented a time-of-use energy rate at the wholesale level. Seminole's Members may use 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.
- Generating Plant Efficiency – Seminole will continue efforts to improve generating plant efficiency (heat rate) to stay amongst its industry peers, as gauged by comparison to published performance benchmarks.
- Generating Plant Modifications – Seminole will continue efforts to achieve greater plant efficiencies through physical modifications. One such modification is the redesign of the low pressure turbine on SGS Units 1 and 2 at the Seminole Generating Station.