

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

### -M-E-M-O-R-A-N-D-U-M-

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**DATE:** March 26, 2009

**TO:** Office of Commission Clerk (Cole)

**FROM:** Office of Strategic Analysis and Governmental Affairs (Garl, Matthews)  
Office of the General Counsel (Fleming)

**RE:** Docket No. 090047-EM – Request for approval of electric utilities' long-term energy emergency plans, filed pursuant to Rule 25-6.0185, F.A.C.

**AGENDA:** 04/07/09 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\SGA\WP\090047.RCM.DOC

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### Case Background

Rule 25-6.0185, Florida Administrative Code (F.A.C.), requires electric utilities that own or control electric generation facilities to file a long-term energy emergency plan and periodic updates with the Florida Public Service Commission (Commission) and the Florida Reliability Coordinating Council (FRCC). The 15 affected utilities are required to review their plans every three calendar years and either submit a revised plan for Commission approval or provide a letter indicating the adequacy of the existing plan. In Order No. PSC-06-0438-PAA-EU, issued May 22, 2006, in Docket No. 060226-EU, titled In re: Requests for approval of electric utilities' long-term energy emergency plans, filed pursuant to Rule 25-6.0185, F.A.C., the Commission approved the utilities' long-term energy emergency plans and ordered the utilities to file new plans, or a letter indicating no changes were made, no later than January 31, 2009.

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The following utilities submitted plans: Florida Power & Light Company, Progress Energy Florida, Inc., Tampa Electric Company, Gulf Power Company, Orlando Utilities Commission, JEA, Utilities Commission of New Smyrna Beach, City of Lakeland, Seminole Electric Cooperative, City of Tallahassee, Florida Municipal Power Agency, Reedy Creek Improvement District, Homestead Energy Services, Gainesville Regional Utilities, and Florida Keys Electric Cooperative Association. The Commission has jurisdiction to approve these plans pursuant to Sections 366.04 and 366.05, Florida Statutes (F.S.).

### **Discussion of Issues**

**Issue 1:** Should the current long-term energy emergency plans be approved?

**Recommendation:** Yes. After a thorough review of the utilities' long-term energy emergency plans, staff believes that all plans meet the established requirements set out in Rule 25-6.0185, F.A.C. Changes to the plans primarily consist of position name and duty changes as well as personnel name updates. (Garl, Matthews)

**Staff Analysis:** Rule 25-6.0185, F.A.C., requires electric utilities that own or control electric generation facilities to file a long-term energy emergency plan and periodic updates with the Commission and the FRCC. The 15 affected utilities<sup>1</sup> are required to review their plans every three calendar years and either submit a revised plan for Commission approval or provide a letter indicating the adequacy of the existing plan. Each plan submitted was carefully reviewed by staff to confirm compliance with Rule 25-6.0185, F.A.C. Specifically, the rule requires all plans to contain: (1) a description of specific actions to be taken by the utility upon the Governor's declaration of a fuel supply emergency; (2) a description of the interchange of energy and the physical sharing of fuel stocks and/or fuel deliveries; (3) a description of priorities for customer interruptions; and (4) objective criteria for notifying the Chairman of the FRCC Reliability Assessment Group (RAG) of the existence of a long-term emergency. The plans from the 15 affected utilities meet the established criteria for long-term energy emergency plans. Changes to the plans primarily consist of position name and duty changes as well as personnel name updates. A more detailed summary of plan changes by each utility is presented in Attachment A. Below is a summary of how each section of the rule is addressed by the plans.

### **Identification of Specific Actions**

Upon the declaration of a fuel emergency either by the Governor or the utility itself, the general order of specific actions is as follows: (1) reduce power usage at utility-owned facilities, (2) public appeals to conserve energy, (3) optimization of fuels, (4) direct customer appeals, (5) voltage reductions to conserve fuels, (6) implement interruptible and load management programs, (7) initiate request for relaxation of environmental constraints, and (8) implementing firm load curtailment procedures.

### **Interchange of Energy and the Sharing of Fuels**

All utilities monitor and forecast energy supplies for generation as well as load reserves on a constant basis. The plans specify the actions to be taken when the energy supply falls below a specific threshold or in the event of the Governor's declaration of an emergency. The utilities' plans generally address these requirements by ceasing exports, obtaining power from affiliates or other utilities, and purchasing fuel from other utilities or any available suppliers.

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<sup>1</sup> Florida Power & Light Company, Progress Energy Florida, Inc., Tampa Electric Company, Gulf Power Company, Orlando Utilities Commission, JEA, Utilities Commission of New Smyrna Beach, City of Lakeland, Seminole Electric Cooperative, City of Tallahassee, Florida Municipal Power Agency, Reedy Creek Improvement District, Homestead Energy Services, Gainesville Regional Utilities, and Florida Keys Electric Cooperative Association

### **Priorities for Customer Interruptions**

The utilities' plans address priorities for customer interruptions as follows: (1) appeals for voluntary consumption reductions by both residential and commercial customers; (2) load management and interruptible load-shedding procedures; and (3) curtailment of firm load as necessary. These actions are described in detail in the plans or referenced procedures. At all stages, provisions were made to insure customer notification. Special provisions were included to insure firm power to customers on life support and for essential services such as fire and police services, hospitals, national defense, water, sanitation and communication services, cold storage facilities, and public and commercial transportation.

### **Notification of the FRCC**

Utilities addressed the notification of the FRCC as a step in their plans with some utilities listing the person assigned to this function.

### **Conclusion**

All plans meet the established criteria for long-term energy emergency plans. The majority of the changes to the plans consist of position name and duty changes as well as personnel name updates. After a thorough review of the utilities' long-term energy emergency plans, staff believes that the plans meet the established requirements specified in Rule 25-6.0185, F.A.C., and, therefore, recommends Commission approval.

**Issue 2:** When should affected utilities file a compliance letter or plan update?

**Recommendation:** Each affected utility should file with the Commission Clerk the next plan update, or letter indicating no changes, no later than January 31, 2012, and every three-calendar years thereafter. Each plan update should include a clean copy and a type-and-strike version which clearly indicates changes to the plan. (Garl, Matthews)

**Staff Analysis:** Rule 25-6.0185(2), F.A.C., requires each utility subject to the rule to notify the Commission in writing every three calendar years that the utility has reviewed its fuel emergency plan. Each affected utility, therefore, should file the next plan update, or letter indicating no changes, with the Commission Clerk no later than January 31, 2012, and every three-calendar years thereafter.

To reduce review time, staff recommends that the utilities file a type-and-strike version of their plan which clearly indicates what changes were made as well as a clean copy of the plan.

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**Issue 3**: Should this docket be closed?

**Recommendation**: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Fleming)

**Staff Analysis**: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

## **PLAN CHANGES**

### **FLORIDA POWER & LIGHT COMPANY**

- a. Non-substantive changes of formatting and organizational and title changes
- b. Adds process flowcharts and a communications matrix
- c. Changes overall structure to achieve consistency with the federal Incident Command System model
- d. Removes section addressing response to severe storms which is unnecessary in the fuel emergency plan

### **PROGRESS ENERGY FLORIDA, INC.**

- a. Renames company oversight group to Fuels and Power Optimization Group
- b. Adds reference to company's General Load Reduction Plan

### **TAMPA ELECTIC COMPANY**

- a. Updates section titles and page numbering in Table of Contents
- b. Revises authority and department responsibilities for specific actions
- c. Expands potential coal transportation modes
- d. Delays news release to media, daily briefings to the media, and promotion of load conservation by the public until second level (35 days of fuel remaining versus 50 days) of emergency
- e. Deletes the request for voluntary 5 percent load reduction of firm wholesale customers at the first level of an emergency. The first load reduction request is 15 percent at the second level of the emergency (35 days of fuel remaining).

### **GULF POWER COMPANY**

No modifications from previously filed plan

### **ORLANDO UTILITY COMMISSION**

- a. Changes format of document and made it one of many specific plans referenced by a top-level document for general emergencies
- b. Creates separate plans from information previously included as a section in this plan
- c. Assigns some responsibilities to a new position, Manager of Fuel Services

### **JEA**

- a. Changes title of plan
- b. Makes extensive formatting changes and reworked arrangement of information
- c. Delineates responsibilities for various departments
- d. Incorporates references to other formally documented procedures
- e. Generalizes procedures and consolidated steps of plan
- f. Adds section outlining internal and external notification procedures
- g. Adds section on activation aligning with FRCC fuel supply shortage plan

**UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH**

- a. Reformats the general Emergency Response Plan
- b. Fuel shortage emergencies are now addressed in a separate document

**CITY OF LAKELAND**

- a. Expands purpose to include short-term energy emergencies
- b. Deletes “long-term” as a criteria for plan implementation
- c. Personnel names, title, and telephone number changes
- d. Defines “total fuel supply” as on property and in delivery pipeline
- e. Adds implementation of a plan for switching fuels
- f. Adds maximizing generation from units using non-limited fuel
- g. Specifies use of firm load curtailment as a last resort

**SEMINOLE ELECTRIC COOPERATIVE**

- a. Adds petroleum coke as a fuel source
- b. Updates the name of the previous Payne Creek Facility to its new designation as the Midulla Generating Station
- c. Changes solid fuel normal operating inventory range of 35-55 days to an annual average of 50 days or more
- d. Establishes natural gas fuel inventory (Midulla only) to 50 to 100 hours burn time for full load operation
- e. Updates natural gas storage availability to 570,000 Dth for May through October
- f. Updates Seminole’s position titles and contact names at the electrical cooperatives served by Seminole

**CITY OF TALLAHASSEE**

Revises system description including fuel receiving and storage capabilities

**FLORIDA MUNICIPAL POWER AGENCY**

- a. Adds the City of Fort Meade, Beaches Energy Services (Jacksonville Beach), and the City of Newberry to the list of municipalities supplied by the All-Requirements Project
- b. Replaces Orlando Utilities Commission dispatch center with Florida Municipal Power Pool Balancing Authority as the action agency for many emergency procedures
- c. Revises instructions for notification of the Department of Energy Emergency Operations Center
- d. Updates names and telephone numbers on emergency contact lists
- e. Reformats the list of generating stations and capacities

**REEDY CREEK IMPROVEMENT DISTRICT**

Revises date of FRCC Generating Capacity Shortage Plan to July 2007



**HOMESTEAD ENERGY SERVICES**

Changes to number of customers, peak load, and firm capacity resources

**GAINESVILLE REGIONAL UTILITIES**

No changes

**FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.**

No changes