

State of Florida

Commissioners:  
Michael McK. Wilson, *Chairman*  
Thomas M. Beard  
Betty Easley  
Gerald L. (Jerry) Gunter  
Frank S. Messersmith



Division of Legal Services  
Robert D. Vandiver, *Director*  
(904) 487-2740

**Public Service Commission**

October 2, 1990

RECEIVED

OCT 3 1990

DER-BAQM

Mr. Hamilton S. Oven, Jr., P.E.  
Administrator, Office of Siting  
Coordination  
Department of Environmental Regulation  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Re: Consolidated Minerals, Inc. Pine Level Cogeneration Project, DOAH  
Case No. 90-4760 EPP, FPSC Docket No. 900732-EQ.

Dear Mr. Oven:

We have received the application of Consolidated Minerals, Inc. (CMI) regarding need certification for a 650 MW coal fired waste heat recovery cogeneration electrical power plant in DeSoto County, Florida. Pursuant to the "Florida Electrical Power Plant Siting Act", Sections 403.501-.519, Florida Statutes, the Commission is the exclusive forum for the determination of need for electrical generating capacity. As required by the Power Plant Siting Act, the Commission must determine whether CMI's application is sufficient. The information required by the Commission to process a power plant siting need determination application is set forth in Rules 25-22.080-.081, Florida Administrative Code.

After a review of the need determination filing, we have determined that the filing is insufficient and does not contain the information required by Rule 25-22.081, Florida Administrative Code, as detailed below:

1. A general description of the utility or utilities primarily affected, including the load and electrical characteristics, i.e., load flow diagrams, and interconnections;
2. A general description of the fuel supply modes, and the approximate costs of the proposed facility;

Mr. Hamilton S. Owen, Jr.  
FPSC Docket No. 900732-EQ  
October 2, 1990

3. A statement of the specific conditions, contingencies or other factors which indicate a need for the proposed electrical power plant including the general time within which the generating units will be needed by Florida Power and Light Company (FPL). Documentation of FPL's need shall include historical and forecasted summer and winter peaks, number of customers, net energy for load, and load factors with a discussion of the more critical operating conditions. Load forecasts for FPL's system shall identify the model or models on which they were based and shall include sufficient detail to permit analysis of the model or models. If a determination is sought on some other basis in addition to or in lieu of FPL's capacity needs, a detailed analysis and supporting documentation of the costs and benefits is required;
4. A summary discussion of the major available generating alternatives which were evaluated in lieu of the proposed plant. This discussion shall include a general description of the generating unit alternatives available to FPL, including purchases; and an evaluation of each alternative in terms of economics, reliability, long term flexibility and usefulness and any other relevant factors. The major generating technologies generally available to FPL and potentially appropriate for the timing of the proposed plant and other conditions specific to it shall be discussed.
5. A discussion of viable, nongenerating alternatives on the part of FPL including an evaluation of the nature and extent of reductions, and control in the growth of peak demand, KWH consumption and oil consumption resulting from the goals and programs adopted pursuant to the Florida Energy Efficiency and Conservation Act both historically and prospectively and the effects on the timing and size of the proposed plant; and
6. An evaluation of the adverse consequences to FPL and CMI if the proposed plant is not added in the approximate size sought or in the approximate time sought.

In addition to CMI's insufficient information contained in its application, the information which is FPL's responsibility has not been submitted. As stated in Commission Order No. 22341,

Mr. Hamilton S. Owen, Jr.  
FPSC Docket No. 900732-EQ  
October 2, 1990

"...to the extent that a proposed electric power plant constructed as a QF is selling its capacity to an electric utility pursuant to a standard offer or negotiated contract, that capacity is meeting the needs of the purchasing utility. As such, that capacity must be evaluated from the purchasing utility's perspective in the need determination proceeding, i.e., a finding must be made that the proposed capacity is the most cost-effective means of meeting purchasing utility X's capacity needs in lieu of other demand and supply side alternatives."

In order for CMI's project to be properly evaluated, the need which must be proven in this case is that of FPL, to which CMI is selling a portion of the electrical output of its proposed facility. Therefore, FPL will need to provide the Commission with the information as detailed previously. At this time, we have not received word whether FPL will provide the information. We have spoken with CMI's representatives who are aware of the lack of detail contained in the need portion of their application.

It has come to our attention that CMI has withdrawn execution of FPL's standard offer contract for the purchase of firm capacity and energy. The two parties have begun negotiations of a power sales contract. Presumably, a negotiated contract will result in FPL taking a more active and willing role in the need determination process. It is essential that a contract be filed as part of the information for the upcoming need determination. Such a contract should be filed in a timely fashion to permit technical staff to review the terms, conditions, and rates of the contract.

If you have any technical questions, contact Mark Futrell in the Division of Electric and Gas.

Sincerely,



Robert V. Elias  
Staff Counsel

RVE:LETTER1.SJ

xc: Joe Jenkins  
Mark Futrell  
Lawrence N. Curtin  
D. Bruce May