

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL  
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In re: Petition of Florida Power )  
Corporation for determination that ) Docket No. 941101-EQ  
its plan for curtailing purchases )  
from Qualifying Facilities in ) Submitted for Filing:  
minimum load conditions is consistent ) 6-15-95  
with Rule 25-17.086, F.A.C. )  
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PASCO COGEN, LTD.'S POST-HEARING  
STATEMENT OF ISSUES AND POSITIONS

Pasco Cogen, Ltd. ("Pasco"), by its undersigned attorneys, submits the following Post-Hearing Statement of Issues and Positions as required by the Prehearing Order and the Commission's rules. Pasco is filing separately, but simultaneously, its Post-Hearing Brief in which the following positions are explained in detail.

PASCO'S BASIC POSITION

FPC's curtailment plan should not be approved because it permits curtailment in situations other than "operational circumstances" resulting in "negative avoided costs," and is therefore inconsistent with Rule 25-17.086.

Issues and Positions

ISSUE 1: Has Florida Power Corporation ("FPC") adequately demonstrated that the minimum load conditions for curtailment outlined in its plan comply with Commission Rule 25-17.086?

\*Pasco's Position: No. FPC's "minimum load" conditions are not "operational circumstances" or "system emergencies" of the type envisioned by 18 CFR §§ 292.304(f) or 292.307 (which Rule 25-17.086 implements), respectively. Contrary to the Commission rule, the plan permits FPC to curtail any time its generation will exceed its load.

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FPC-RECORDS/REPORTING

ISSUE 2: Has FPC adequately demonstrated that its plan incorporates all appropriate measures to mitigate the need for curtailment during minimum load conditions?

\*Pasco's Position: No. Although the Plan contains certain procedures designed to mitigate the need to curtail firm QF purchases, those measures are deficient when viewed in the context of the intent of PURPA and the FERC regulations implementing PURPA's requirements.

ISSUE 2a: Has FPC adequately demonstrated that it has attempted to mitigate any foreseeable imbalance between generation and load during minimum load conditions by committing the most appropriate combination of generation resources for the circumstances?

\*Pasco's Position: No. FPC's unit commitment practices ignore the minimum load periods FPC acknowledges it anticipates, causing overcommitment of baseload units, and thereby creating the imbalance between generation and load on which it relies as justification for curtailment of firm QF purchases.

ISSUE 2b: Does the proposed curtailment plan properly require FPC to take all appropriate measures to decrease other sources of generation to mitigate any imbalance between generation and load?

\*Pasco's Position: No. The FERC rule which Rule 25-17.086 implements must be read to require interruption of firm purchases from other utilities before curtailment of firm QF purchases. FPC's plan subordinates firm QF purchases to its purchases from other utilities, contrary to PURPA's intent and the FERC's implementing regulations.

ISSUE 2c: Does the proposed curtailment plan properly require FPC to take all appropriate measures to increase sales to mitigate any imbalance between generation and load?

\*Pasco's Position: No. FPC overprices attempted off-system sales during low load periods. When FPC's QF purchases and baseload units' outputs exceed system load, incremental generation cost for the excess is zero. The excess should be sold at an above-zero price, and firm QF purchases continued, resulting in no negative avoided costs.

ISSUE 3: Has FPC adequately demonstrated that the procedures for curtailment outlined in its plan are reasonable and appropriate?

\*Pasco's Position: No. The procedures for curtailment assume that, but provide for no determination whether, (a) failure to curtail firm QF purchases will result in negative avoided costs, and (b) such costs will result from "operational circumstances." Further, the procedures do not contemplate

FPC's exhausting available measures to mitigate minimum load conditions.

ISSUE 4: Has FPC adequately demonstrated that its proposed plan allocates justifiable curtailments among QFs in a fair and not unduly discriminatory manner?

\*Pasco's Position: No. Group B QFs are involuntarily curtailed by up to 50% before any involuntary curtailment is required of Group A QFs. This unfair and undue discrimination against Group B QFs is inappropriately premised solely on the Group A QFs' having agreed to output reductions.

ISSUE 5: If the procedures set forth in FPC's curtailment plan are consistent with Rule 25-17.086, did FPC properly implement the procedures during the curtailments that occurred from October 1994 through January 1995?

\*Pasco's Position: No. FPC curtailed more than necessary to respond to the minimum load situation. FPC would have incurred no negative avoided costs by accepting firm QF generation during the curtailment episodes. Curtailments could have been avoided had FPC subordinated utility purchases to firm QF deliveries.

ISSUE 6: Has FPC adequately demonstrated that the curtailments that have occurred from October 1, 1994, through January 31, 1995, were necessary to avoid negative avoided costs?

\*Pasco's Position: No. FPC failed to exhaust available measures to mitigate the occurrence of excess generation. Additionally, its analyses of its avoided costs were flawed through being based on its system as operated under normal (rather than expected minimum load) conditions, and use of inappropriate time frames and costs.

ISSUE 6a: In determining whether purchases of firm QFs' generation during an operational circumstance that satisfies Rule 25-17.086 would cause FPC to incur costs greater than the costs FPC would incur if FPC supplied the energy, what costs are appropriate to consider?

\*Pasco's Position: Variable production costs are the only appropriate costs to consider. Long-term cycling costs should not be considered.

ISSUE 6b: In determining whether purchases of firm QFs' generation during an operational circumstance that satisfies Rule 25-17.086 would cause FPC to incur costs greater than the costs FPC would incur if FPC supplied the energy, what is the appropriate time frame to measure?

\*Pasco's Position: The time period should be consistent with that used by FPC in evaluating the commitment of its own units rather than the curtailment period of approximately three to six hours used by FPC.

ISSUE 7: What is the permissible scope of Rule 25-17.086, Florida Administrative Code, in view of the federal standards implementing Section 210 of PURPA?

\*Pasco's Position: The scope of Rule 25-17.086 is co-extensive with the FERC rules [18 CFR §§ 292.307 and 292.304(f)] it was adopted to implement.

ISSUE 8: Should the Commission approve FPC's curtailment plan as being in compliance with Rule 25-17.086?

\*Pasco's Position: No. The proposed Plan is inconsistent with Rule 25-17.086, and FPC's petition in this docket should be denied.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Post-Hearing Statement of Issues and Positions of Pasco Cogen, Ltd. has been furnished this 15th day of June, 1995, by regular U.S. mail, to the following parties of record:

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