

Ruth Nettles

090047-EM

From: Budnik, Bernie [Bernie.Budnik@disney.com]
Sent: Thursday, February 11, 2010 12:59 PM
To: Filings@psc.state.fl.us
Cc: Budnik, Bernie; Wagner, Doug
Subject: Reedy Creek Improvement District Fuel Emergency Plan Revision
Attachments: RCI Fuel Emergency Plan 2010 Review.pdf

In accordance with Rule 25-6.0185 of the Florida Administrative Code, Reedy Creek Improvement District is providing its recently revised long-term fuel emergency plan for Florida Public Service Commission review and approval.

The attached electronic file (RCI Fuel Emergency Plan 2010 Review.pdf) consists of 7 total pages. Pages 1 through 4 consist of the final revised procedure with highlighted segments to indicate modification or added procedural steps. For comparison purposes, pages 5 through 7 of the document is the previous version of the document. You will note page 1 of the electronic document contains my original signature.

Should you have any questions or problems with the electronic attachment please do not hesitate to contact me via email or at the phone number provided below.

Respectfully,

S/ Bernard A. Budnik
Manager Electric Operations & Network Services
Reedy Creek Energy Services
Office: 407-824-6441
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2/11/2010

DOCUMENT NUMBER-DATE
0935 FEB 11 2010
FPSC-COMMISSION CLERK



STANDARD OPERATING PROCEDURE

Generating Fuel Emergency Plan

Revision 4, Effective 02/15/10

Approved by: Bernie Budnik

Approved:

| REV. # | DATE | REVISION DESCRIPTION |
|--------|----------|---|
| 4 | 02/15/10 | Performed annual review, updated procedure format and added reference to NERC Energy Emergency classifications. |

1. FORWARD

- a) Reedy Creek Energy Services (RCES) is the operating agent for the Reedy Creek Improvement District (RCID) utility systems. RCES is responsible for procuring/generating the electrical capacity and energy to provide service to the RCID electrical customers. Currently RCES operates three generating units; one 55 MW combined cycle unit and two 2.5 MW diesel engines. The combined cycle unit has dual fuel capability with natural gas being the primary fuel and fuel oil as the alternate. Both diesel-generating units operate solely on fuel oil. RCID's generation equals roughly 30% of its electrical resources with the balance provided through purchase power agreements from neighboring utilities and generating resources.

2. PURPOSE

- a) The purpose of this procedure is to outline the responsibilities and actions taken by personnel to ensure a continuous source of fuel for RCID's electrical generation resources and contingency actions necessary in the event of a shortage of fuel resources.

3. REFERENCES

- a) Florida Public Service Commission Rule 25-6.0185
b) FRCC Generating Capacity Shortage Plan, July 2007
c) NERC Reliability Standard EOP-001-1; Emergency Operations Planning
d) NERC Reliability Standard EOP-002-2; Capacity & Energy Emergencies

4. NOTES

- a) Per Public Service Commission Rule 25-6.0185 this procedure is to be reviewed every three years with subsequent notification to the Commission of the review completion. Any modification to the plan requires Commission approval upon the notification of review.
- b) All modifications to the plan require notification and submission of the plan to the Florida Reliability Coordinating Council.
- c) This procedure serves as a supplement to the FRCC Generating Capacity Shortage Plan. Local action necessary to respond to and mitigate the impact of fuel emergencies are contained in this document. Regional reporting and coordination requirements are contained in the FRCC procedure and will not be reproduced within this document.

5. RESPONSE TO ENERGY EMERGENCIES DUE TO INADEQUATE FUEL SUPPLY

- a) Entrance Conditions – *The following conditions will constitute the declaration of a Energy Emergency and require action per the following steps:*
- i) Declaration of a fuel supply emergency by the Governor of Florida.
 - ii) Implementation of any element of the FRCC Generating Capacity Shortage Plan by the FRCC State Capacity Emergency Coordinator or designee.
 - iii) Inability to meet projected firm RCID electrical load due to inadequate (or *projected inadequate*) fuel supplies and/or purchase power.
 - iv) Inability to meet real-time firm RCID electrical demand due to inadequate fuel supplies.
- b) The RCES Energy Control Center shall be notified of the Energy Emergency as soon as possible after identification.
- c) The FRCC shall be notified of resource adequacy by means of the FRCC Daily Capacity Assessment report and by notification to the State Emergency Capacity Coordinator. **NOTE:** *The daily capacity assessment report is completed day ahead during winter months and morning of the peak during summer months. The FRCC State Capacity Emergency Coordinator may request more frequent capacity assessments during emergency conditions in order to more accurately assess the region's capabilities.*
- d) **The Energy Control Center shall communicate real time system condition to the FRCC Reliability Coordinator. As necessary, the Energy Control Center shall request the Reliability Coordinator to issue an Energy Alert in accordance with Attachment 1-EOP-002-2.1.**
- i) **An Energy Emergency Alert may be initiated for the following reasons:**
 - a) **When unable to, or it is projected to be unable to meet customer energy requirements, and has been unsuccessful in locating other systems with available resources from which to purchase, or**
 - b) **Resources cannot be scheduled due to, Available Transfer Capability (ATC) limitations or transmission loading relief limitations.**
 - ii) **Refer to EOP-002 Attachment 1 for Energy Alert Levels and circumstances necessary for the declaration of each.**
 - iii) **If ATC limitations are precluding the scheduling of energy imports, request the Reliability Coordinator to evaluate transmission limitations in accordance with EOP-002.**
- e) **Plant operations** personnel shall be notified of the Energy Emergency and determine the following:
- i) Generating unit availability and maximum capacity.
 - a) Report to Utility Business Affairs expected fuel burn on each fuel to achieve maximum capacity.
 - ii) Unit fuel source and availability of alternate fuels in the event of a primary fuel shortage.
 - a) Report to Utility Business Affairs alternate fuel inventory levels and any limitations of plant operation on alternate fuels due to equipment issues or regulatory requirements.

- b) If alternate fuel inventory levels will not support the maximum allowed hours of operation based on the current air permit, inquire into the availability of fuel oil purchases to increase inventory.
 - iii) Ability to reschedule, restore or postpone maintenance activities impacting generating capability.
- f) RCES **Utility Business Affairs** will initiate contact with natural gas suppliers and/or the natural gas pipeline companies upon a natural gas energy emergency to determine the availability of additional natural gas supply volumes and/or pipeline capacity to support RCID generation facilities.
 - i) An evaluation shall be made of expected future natural gas delivery capabilities, alternate fuel inventory and available resource capacity to meet firm electrical demand.
- g) RCES **Utility Business Affairs** will contact all suppliers of its firm energy resources to verify and/or take action with regard to the availability of firm contractual energy capacity.
- h) RCES **Utility Business Affairs** will contact all regional electrical energy marketing entities to identify availability of electrical capacity and/or energy for the periods identified as being deficient and unable to meet load requirements.
- i) RCES **Utility Business Affairs** will maintain frequent communications with the RCES Energy Control Center and/or RCID's designated representative for the FRCC fuel emergency conference calls concerning fuel supply inventory and electrical energy availability.
 - i) During actual or potential fuel emergency conditions the FRCC will request periodic data submittals regarding fuel inventory levels and operating capabilities of each fuel.
- j) RCES **Utility Business Affairs** shall develop resource dispatch plans, with appropriate deference to economic dispatch, to preserve fuel types with limited availability or limited inventory while also operating within all operating permit requirements.
 - i) If available resource capacity is not sufficient to meet firm electrical demand due to limited fuel deliveries, fuel switching to the alternate fuel shall be considered.
- k) If load/resource imbalance conditions require, the **Energy Control Center** shall notify large customers to voluntarily curtail unnecessary electrical load.
- l) RCES **Energy Plant Operations** shall evaluate any current operational constraints imposed due to environmental limitations and consider requesting a waiver of those limitations. RCES **Environmental Compliance** personnel shall be consulted and utilized to coordinate any communications with environmental regulatory authorities.
- m) RCES **Utility Business Affairs** shall evaluate contractual options to acquire additional capacity and energy to meet load requirements.
- n) The **Energy Control Center** shall notify the FRCC Reliability Coordinator of the Energy Emergency status and the potential for shedding load if necessary.
- o) In the event sufficient energy resources cannot be obtained, the current Load Shed Procedure shall be initiated by the **Energy Control Center** to balance load/generation resources.

6. Restoration From Potential and Real-Time Energy Emergencies

- a) Energy emergency activities shall be restored from at the point at which the necessary energy resources are obtained to adequately serve all firm RCID electrical load. As required, the FRCC Reliability Coordinator shall be notified of the current condition of the RCID Balancing Area and all Energy Alerts shall be suspended.

7. Revision History

| REV. | DATE | REVISION DESCRIPTION |
|-------------|-------------|--|
| 3 | 01/29/09 | - Performed review and updated references – no other changes or modifications. |
| 2 | 12/6/08 | - Performed annual review during System Operator Training – no changes or modifications. Due to PCS reporting requirements – no change has been made to the revision number. |
| 2 | 12/18/07 | - Modified to fit new procedure template and added additional detail in responsibilities. |
| 1 | 01/27/06 | - Required three year review per Florida Public Service Commission |
| 0 | 03/07/03 | - Initial |



STANDARD OPERATING PROCEDURE GENERATING FUEL EMERGENCY PLAN

Revision 3, Effective 01/29/09

| REV. # | DATE | REVISION DESCRIPTION |
|--------|----------|--|
| 3 | 01/29/09 | Performed review and updated references – no other changes or modifications. |
| 2 | 12/6/08 | Performed annual review during System Operator Training – no changes or modifications. Due to PCS reporting requirements – no change has been made to the revision number. |
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- a) Florida Public Service Commission Rule 25-6.0185
- b) FRCC Generating Capacity Shortage Plan, July 2007
- c) NERC Reliability Standard EOP-001-1; Emergency Operations Planning

4. NOTES

- a) Per Public Service Commission Rule 25-6.0185 this procedure is to be reviewed every three years with subsequent notification to the Commission of the review completion. Any modification to the plan requires Commission approval upon the notification of review.
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 - b) If alternate fuel inventory levels will not support the maximum allowed hours of operation based on the current air permit, inquire into the availability of fuel oil purchases to increase inventory.
 - iii) Potential for rescheduling, restoring from or postponing maintenance activities.
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