

3. Statement of Substantial Interests. Reliant Energy Power Generation, Inc. (“Reliant”) is a developer of independent power projects throughout the United States. Reliant is negotiating for the acquisition of certain generation assets in Florida that are presently owned by the Orlando Utilities Commission and is otherwise exploring opportunities to participate in the wholesale generation market in Florida. As a participant in the wholesale generation market, Reliant will provide resources with which load-serving utilities will satisfy a portion of the energy and reliability requirements of the retail customers they serve. In this docket, the Commission will consider the reserve margin that the peninsular load-serving retail utilities should be required to plan and meet. Among other things, the Commission may consider the manner in which load-serving utilities should take the capacity of wholesale providers into account when quantifying their respective reserve margins. Thus, the Commission will consider whether and to what extent the generating capacity of a wholesale provider contributes, or should contribute, to the reliability of the Florida grid. Any such determination will affect Reliant’s substantial interests. Further, any decision that would have the effect of limiting the opportunity to construct and/or acquire generation assets for use in the competitive wholesale generation market through restrictive reserve margin policies developed in this case would adversely affect Reliant’s interests.

4. Statement of Disputed Issues of Material Fact: While the disputed issues of material fact cannot be identified with certainty at this point, Reliant anticipates they will include the following:

A. What is the appropriate methodology, for planning purposes, for calculating reserve margins for individual utilities and for Peninsular Florida? (See Issue 1 of Order Number PSC-99-1274-PCO-EU.)

B. What is the appropriate methodology, for planning purposes, for evaluating reserve margins for individual utilities and for Peninsular Florida? (See Issue 2 of Order

Number PSC-99-1274-PCO-EU.)

C. What percent reserve margin is currently planned for Peninsular Florida, and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Peninsular Florida? (See Issue 17 of Order Number PSC-99-1274-PCO-EU.)

D. How should the individual components of an individual or Peninsular Florida percent reserve margin criterion be defined? (See Issue 3 of Order Number PSC-99-1274-PCO-EU.)

E. What, if any, planning criteria should be used to assess the generation adequacy of individual utilities? (See Issue 8 of Order Number PSC-99-1274-PCO-EU.)

F. Should the Commission adopt a maximum reserve margin criterion or other reliability criterion for planning purposes; e.g., the level of reserves necessary to avoid interrupting firm load during weather conditions like those experienced on the following dates: January 8, 1970; January 17, 1977; January 13, 1981; January 18, 1981; December 19, 1981; December 25, 1983; January 21, 1985; January 21, 1986; and December 23, 1989? (See Issue 16 of Order Number PSC-99-1274-PCO-EU.)

G. How does the reliability criteria adopted by the FRCC compare to the reliability criteria adopted by other reliability councils? (See Issue 13 of Order Number PSC-99-1274-PCO-EU.)

Reliant reserves the right to address these and other issues as its interests may require.

5. Ultimate Facts Alleged: Any target reserve margin applicable to retail utilities, whether on an individual or an aggregate basis, must be regarded as a floor and not a limitation. The capacity of wholesale providers contributes to the reliability of the grid.

WHEREFORE, Reliant Energy Power Generation, Inc. requests the Commission to enter an Order authorizing it to intervene with full-party status.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing, filed on behalf of Reliant Energy, Incorporated, has been furnished by U.S. mail and by hand-delivery* on this 30th day of July, 1999 to the following:

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