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DIVISION OF APPEALS
DAVID SMITH
DIRECTOR
(850) 413-6245

Public Service Commission

May 1, 2001

Mr. Carroll Webb
Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

Re: Notice of No Change
Docket No. 001521-EU - Proposed Amendment of
Rule 25-6.035, F.A.C., Adequacy of Supply

Dear Mr. Webb:

The Commission has approved the amendment of Rule 25-6.035, F.A.C., without changes.

We plan to file the rule for adoption on May 9, 2001.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard C. Bellak".

Richard C. Bellak
Associate General Counsel

ADT.RCB.wlt

Enclosure

cc: Division of Records & Reporting

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25-6.035 Adequacy of Resources.

(1) Each electric utility shall maintain sufficient generating capacity, supplemented by regularly available generating and non-generating resources, in order to meet all reasonable demands for service and provide a reasonable reserve for emergencies. Each electric utility shall also coordinate the sharing of energy reserves with other electric utilities in Peninsular Florida. To achieve an equitable sharing of energy reserves, Peninsular Florida utilities shall be required to maintain, at a minimum, a 15% planned reserve margin. The planned and operating reserve margin standards established herein are intended to maintain an equitable sharing of energy reserves, not to set a prudent level of reserves for long-term planning or reliability purposes. The planned reserve margin for each utility shall be calculated as follows:

$$RM = [(C - L) / L] * 100 \text{ where;}$$

"RM" - Is defined as the utility's percent planned reserve margin;

"C" - Is defined as the aggregate sum of the rated dependable peak-hour capabilities of the resources that are expected to be available at the time of the utility's annual peak; and

"L" - Is defined as the expected firm peak load of the system for which reserves are required.

The following shall be utilized as the operating reserve standard for Peninsular Florida's utilities: operating reserves shall be maintained by the combined Peninsular Florida system at a value

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1 equal to or greater than the loss of generation that would result
2 from the most severe single generating unit contingency. The
3 operating reserves shall be allocated among the utilities in
4 proportion to each control area's peak hour net energy for load
5 ~~utility's maximum demand~~ for the preceding year, and the summer
6 gross Florida Southeastern Electric Reliability Coordinating
7 Council (FRCC SERC) capability of its largest unit or ownership
8 share of a joint unit, whichever is greater. Fifty percent shall
9 be allocated on the basis of peak hour net energy for load demand
10 and fifty percent on the basis of the summer gross FRCC SERC
11 capability of the largest unit. Operating reserves shall be fully
12 available within fifteen ~~ten~~ minutes. At least 25% of the
13 operating reserves shall be in the form of spinning reserves which
14 are automatically responsive to a frequency deviation from normal.

15 (2) Treatment of Purchased Power. Only firm purchase power
16 agreements may be included as a resource for purposes of
17 calculating a planned or operating reserve margin. A utility may
18 petition for waiver of this requirement based on the very high
19 availability of specific non-firm purchases.

20 (3) Treatment of Shared Generating Units. Only the utility which
21 has first call on the generating unit may count the unit towards
22 its planned or operating reserve margin. A utility has first call
23 on a unit if the unit is available and the utility has the
24 contractual right to dispatch the unit to meet its native load and
25 other firm contractual commitments before any other party to the

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1 unit's sharing arrangement. A utility may petition the Commission
2 for approval of other methods demonstrating equivalent reliability
3 on a case by case basis.

4 (4) Treatment of Non-Firm Load. If non-firm load (i.e., customers
5 receiving service under load management, interruptible,
6 curtailable, or similar tariffs) is relied upon by a utility when
7 calculating its planned or operating reserves, the utility shall be
8 required to make such reserves available to maintain the firm
9 service requirements of other utilities.

10 (5) Buy-through Power for Interruptible Customers. Interruption
11 of service to non-firm customers is not an emergency. As such, a
12 utility shall not be required to provide buy-through power for
13 another utility's interruptible customers under obligatory
14 emergency interchange schedules.

15 Specific Authority: 366.05(1), F.S.

16 Law Implemented: 366.03, 366.04(2)(c), (5), 366.055, F.S.

17 History--New 07-29-69, Formerly 25-6.35, Amended 09-05-96.

21 RU 25.6035. Rcb

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