

ORIGINAL

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Appendix J. Descriptions of Proposals

(Confidential & Unredacted)

This attachment contains more detailed project descriptions than provided in the main report. Most of the information in this appendix has been extracted verbatim from the bidders' proposals or responses to questions.

Proposal A

"Calpine offers a fixed 252 MW supply of capacity and energy to Progress Energy Florida. [The proposal is for ten years and one month.] ... Calpine is proposing three products for the facility with different fixed billing heat rates. [The first product is 200 MW at a 7300 Btu/kWh heat rate, representing the base combined cycle portion of the unit. The second product is 40 MW at an 8900 Btu/kWh heat rate, representing the duct burner portion of the plant. The third product is 12 MW at a 13000 Btu/kWh heat rate, representing the power augmentation portion of the plant.] These products will be supplied from the facility irrespective of the actual heat rate and seasonal characteristics of the facility. ... Fuel supply is managed by PEF and allows PEF to utilize its growing portfolio of gas transport resources within Florida. Financing is stand-alone project financing."

"The energy center proposed will be a state-of-the-art gas fired combined cycle facility utilizing Westinghouse 501 F combustion turbines. ... The Project will be a "two-on-one" combined cycle unit utilizing two Siemens Westinghouse 501FD2 combustion turbine generators, two triple stage pressure Nooter Eriksen heat recovery steam generators, and one Siemens Westinghouse N36 steam turbine generator or equivalent." The maximum net capacity rating of the unit will be 701 MW in winter and 649 MW in summer.

"The site is approximately 50.5 acres and is located in southern Indian River County, approximately 5 miles west of Vero Beach. The site is located 1500 feet east of the FGT pipelines and FPL transmission lines. Calpine has land options in place to provide access to the FGT pipelines and to the FPL transmission lines. ...The site has two small wetlands that will not be impacted by construction."

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“The site is located within an industrial zone. The current and past land use of the site has always been as an undeveloped parcel. The site is surrounded by the Indian River County landfill, Indian River County correctional facility, an industrial sprayfield, groves, and other industrial facilities. I-95 runs along the western boundary of the site. There is one residential property on the northern boundary of the site and a residential development [Spanish Lakes Fairways] to the southeast of the site in St. Lucie County.”

“The proposed energy center will require an average daily quantity of water of 3.0 mgd. The water supply will be provided from the extensive network of canals comprising the Indian River Farms Water Control District canal system.”

Proposal B

“Reliant Energy Indian River, LLC is pleased to submit to Progress Energy Florida (“PEF”) the enclosed Proposal for the supply of energy and capacity to PEF (the “Proposal”). We are offering such energy and capacity from our Reliant Energy Indian River facility located in Brevard County, Florida (“Facility”).”

“The Proposal is for a total of 584 MW (winter) and 573 MW (summer) of intermediate capacity and energy from the three units at the Facility. The Proposal allows PEF to dispatch the Facility freely on either No. 6 Oil or natural gas. ... The Facility has three steam units with Combustion Engineering Tangential Fired Boilers and General Electric Steam Turbines. ... For ease of analysis the Proposal includes three sets of proposal forms – one set for each unit at the Facility – because of the unique operating characteristics of each unit.”

“The Proposal is for a 5-year fuel tolling arrangement.... Pricing is based on the requirement that PEF contract for all three units. Bidder is willing to consider shorter or longer terms and/or a smaller slice (non-tolling) of the Facility, if such variations are more suitable to PEF’s needs.... Reliant has provided pricing proposals for additional years. PEF may select a term of up to 11 years (beginning on either January 1, 2006 or December 1, 2006, at PEF’s election), but no shorter than five years.”

The capacity of Proposal B listed above is at the plant busbar. Since the plant is located outside of the Progress Energy Florida control area, the capacity available to serve load is less due to losses. The net available capacity to serve PEF load is 571 MW (winter) in 2006. After a

tube replacement project on unit 2 in 2007, the total plant capacity will be 582 MW (winter) and 570 MW (summer).

Proposal C1

“Southern Power Company (SPC) proposes to construct a natural gas fired combined cycle generation station at a site in Orange County, Florida. The project will consist of two General Electric 7FA combustion turbines, two heat recovery steam generators, and a steam turbine generator with approximately 470 Mw of nominal generating capacity at 90 degrees Fahrenheit and 60% relative humidity. The facility will have on-site storage capacity sufficient to operate on No. 2 fuel oil at full load for approximately 71 hours.

The proposed site is in south-central unincorporated Orange County, Florida, south of the City of Orlando. The project site includes over 140 acres of vacant land that is part of a planned development approved for industrial use. The primary water source for the facility will be treated wastewater effluent. Natural gas will be supplied from the Florida Gas Transmission pipeline that runs along the north property line of the site. The site is also convenient for transportation needs with rail present along the south property line.”

“Southern Company Generation and Energy Marketing, on behalf of Southern Power Company, is proposing to sell to Progress Energy Florida (PEF) the entire output of the facility under a twenty-five (25) year tolling agreement. The capacity will be available to PEF December 1, 2007 subject to receipt of approval of Site Certification Application (SCA).”

Proposal C2

Proposal C2 is similar to Proposal C1 with the exception of adding duct burners and power augmentation to the design of the project. “The project will consist of two General Electric 7FA combustion turbines with power augmentation and full pressure duct firing, two heat recovery steam generators, and a steam turbine generator with approximately 602 Mw of nominal generating capacity at 90 degrees Fahrenheit and 60% relative humidity. The capacity output consists of approximately 467 Mw of base load combined cycle, 115 Mw of full pressure duct firing and 20 Mw of power augmentation.”

“Southern Company Generation and Energy Marketing, on behalf of Southern Power Company, is proposing to sell to Progress Energy Florida (PEF) the entire output of the facility

under a twenty-five (25) year tolling agreement. The capacity will be available to PEF December 1, 2007 subject to receipt of approval of Site Certification Application (SCA).”

Proposal C3

Proposals C3 is similar to Proposal C2 with the exception that the duct burner and power augmentation output will be sold to the market rather than Progress Energy Florida. “The project will consist of two General Electric 7FA combustion turbines with power augmentation and full pressure duct firing, two heat recovery steam generators, and a steam turbine generator with approximately 602 Mw of nominal generating capacity at 90 degrees Fahrenheit and 60% relative humidity. The capacity output consists of approximately 467 Mw of base load combined cycle, 115 Mw of full pressure duct firing and 20 Mw of power augmentation.”

“Southern Company Generation and Energy Marketing, on behalf of Southern Power Company, is proposing to sell to Progress Energy Florida (PEF) the base load capacity output of the facility (467 Mw) under a twenty-five (25) year tolling agreement. The remainder of the capacity will either be sold into the wholesale market or sold to PEF to meet its upcoming peaking needs.”

Proposal D1

“This proposal is for 109 MW of capacity and energy under a sixteen (16) year agreement commencing December 1, 2007 through December 31, 2022. Pasco [Cogen, Ltd.] is proposing a dispatchable tolling arrangement for the Facility, thereby allowing Progress Energy Florida (“PEF”) to optimize the management of their system loads and fuel resources to yield the lowest cost generation for its system.”

“Pasco has provided 109 MW of capacity and energy to PEF since July 1993. Pasco’s current power purchase agreement with PEF is through December 31, 2008. Pasco is willing to terminate the existing power purchase agreement, which expires December 31, 2008, as of December 1, 2007 in consideration of a new power purchase agreement as proposed herein.”

“The Facility is a 109 MW dual fuel, combined cycle facility. The Facility consists of two natural gas fired 42.5 MW General Electric LM 6000 PA aero-derivative combustion turbine generators. Each turbine is connected to its own heat recovery steam generator for operation in

combined cycle with a 26.5 MW General Electric condensing steam turbine generator. Pasco also has black start capabilities through emergency diesel generators.”

“The Facility, while located in Tampa Electric’s service territory, is located in PEF’s control area and connected to PEF’s transmission system via a 72 kV transmission line into the Union Hall substation located 2 blocks west of the Facility. In addition to being connected to PEF’s Trilby substation, the Union Hall substation also serves as an interconnection point to Tampa Electric’s system via Tampa Electric’s Dade City substation ¾ mile from the Facility. The point of delivery under the agreement will be the high side of the transformer in the Pasco switchyard.”

Proposal D2

“This proposal is for 121 MW of capacity and energy under a sixteen (16) year agreement commencing December 1, 2007 through December 31, 2022. ... Pasco [Cogen, Ltd.] has provided 109 MW of capacity and energy to PEF since July 1993. Pasco’s current power purchase agreement with PEF is through December 31, 2008. Pasco is willing to terminate the existing power purchase agreement, which expires December 31, 2008, as of December 1, 2007 in consideration of a new power purchase agreement as proposed herein.”

“Currently, the Facility is a 109 MW dual fuel, combined cycle facility, while the uprated Facility will have a capacity of 121 MW. The uprated Facility consists of two natural gas fired 49 MW General Electric LM 6000 PA uprate aero-derivative combustion turbine generators. Each turbine is connected to its own heat recovery steam generator for operation in combined cycle with a 26.5 MW General Electric condensing steam turbine generator. Pasco also has black start capabilities through emergency diesel generators.”

“Since Pasco is an existing facility, the permits required for operation are already in place and development risk is limited. Pasco has obtained a draft Construction Permit for the LM-6000 unit uprate increasing the capacity to 121 MW.”