

## Regulatory Assistance Project Electric Resource Long-range Planning Survey<sup>1</sup>

State: **Florida**                      Date: 5/16/03  
Name of Agency: Florida Public Service Commission (PSC)  
Source: Phone interview, public documents  
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### Policies

1. Is any form of long-range electrical resource and/or investment planning required?

Yes

2. What is the process?

Ten year site plans (generation expansion and site planning) are presented to the PSC on an annual basis. These plans are not docketed and no formal orders come from them. They are used as baseline information for other formal proceedings, such as rate cases, DSM plans, power purchases, etc. By statute, they must be declared “suitable or unsuitable” by the PSC.

In April, certain utilities (see below) file Ten Year Site plans with the PSC.

In June the Florida Reliability Coordinating Council (FRCC) produces two Aggregate Plans: one is statewide, the other is for the Florida peninsula only. The aggregate plans combine information from all the utilities required to file Ten Year plans, plus information from and about all other utilities (munis, rural, smaller generators). The FRCC gets data about the smaller utilities from forms the utilities file with EIA/DOE. The FRCC is made up of representatives from utilities, power marketers, IPPs, etc. PSC staff attend meetings but are not members of the FRCC.

In August, the PSC Commissioners hold a workshop to review the plans, question utilities and hear public comments.

PSC staff analyze the Plans and public input, and draft a review. The PSC Commissioners publish a final review in December, which is forwarded to the Department of Environmental Protection, the Department of Community Affairs, and made available to the public.

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<sup>1</sup> All responses written from notes compiled and edited by Cathie Murray at RAP. Any corrections to the draft document, suggested by the contact person, have been incorporated.

3. Describe the analysis required by the regulatory body:

The plans must detail load forecasts and ten-year supply-side plans to meet demand. The statute describes the review the PSC must conduct, as follows:

TABLE 1. CRITERIA FOR REVIEW OF TEN-YEAR SITE PLANS	
REQUIREMENT	COMMISSION ACTION
<i>Review the need for electrical power in the area to be served</i>	Reviewed load forecasts, demand-side management (DSM) assumptions, and reliability criteria.
<i>Review possible alternatives to the proposed Plan</i>	Reviewed DSM assumptions, fuel forecasts, and sensitivities to the base-case expansion plan.
<i>Review anticipated environmental impact of proposed power plant sites</i>	Solicited comments from DEP regarding environmental impact and compliance. Comments are summarized herein.
<i>Consider views of local and state agencies on water and growth management issues</i>	Solicited comments from DCA, water management districts, and regional planning councils. Comments are summarized herein.
<i>Determine consistency of Plan with the State Comprehensive Plan</i>	Evaluated energy-related aspects of the Comprehensive Plan. Reviewed comments provided by DCA and by regional and local planning agencies on growth management and Comprehensive Plan issues. Comments are summarized herein.
<i>Review Plan for information on energy availability and consumption</i>	Reviewed load forecast data and methodologies used to arrive at load and energy forecasts.

from: *PSC Review of Electric Utility 2002 Ten-Year Site Plans*  
[www.floridapsc.com/general/publications/tysp2002.pdf](http://www.floridapsc.com/general/publications/tysp2002.pdf)

4. What is it called?

Ten Year Site Plan.

5. Is it statewide or utility-specific planning? What types of entities are required to participate?

Ten Year Site plans must be filed by Utilities generating 250 MW or more, or those proposing new units of 75 MW or more. The FRCC's Aggregate plans are both statewide and peninsula-focused, and include information from utilities too small to file Ten Year Site Plans.

6. This form of planning has been required since what date?

It has been statutorily required since 1974.

## Required elements

7. Which of the following resources must be evaluated/included:

Generation	Yes
Transmission	Yes
Distribution	No
Energy efficiency	Yes*
Load Management	Yes*

\* In Florida the FEECA process results in 5 year DSM plans and programs. The energy efficiency and load management resulting from those programs are incorporated into the load forecasting used in the Ten Year Site Plans.

8. The plans' objectives

Statute: to estimate power-generating needs and the general location of utilities' proposed power plant sites.

PSC Review: This is an "advance notification process" rather than a binding plan of action. The plans give state and local agencies advance notice of proposed power plants and transmission facilities. For PSC Review of Electric Utility 2002 Ten-year Site Plans:

<http://www.floridapsc.com/general/publications/tysp2002.pdf>

PSC Staff: Reliability. To assess and ensure that the utilities will be able to meet Florida's energy demands.

Utilities (according to PSC staff): To give a "heads-up" and inform the PSC, DEP, water authorities, and other agencies of their upcoming generation needs.

9. Are alternative scenarios analyzed as part of the plan? Yes  
If so, what factors are considered?

Fuel costs, and high and low demand forecasts.

10. Are externalities considered? No

11. What is the planning horizon? Ten years  
Length of Energy and Demand forecasts: Ten years  
Length of Short-term Action Plan: If plans for a new generator are within five years or less, the PSC asks utilities to detail action plans for obtaining necessary permits, etc.

12. How often do utilities have to file plans? Update plans?

The statute requires biennial plans. However, the Rules require annual plans.

13. What monitoring or other processes are used to determine consistency of investments with plans?

When other formal, docketed procedures occur, such as DSM program filing, rate cases, outside power purchases, etc., the PSC will question any inconsistencies.

### **Agency Process**

14. Agency holds public hearings on utility plans? Not exactly.

Since this process is not a formal hearing, but informational, there is no formal intervention process. However, the public may attend the August workshop, ask questions, speak on the plans and file written comments with the PSC.

15. Other ways public participates and comments on plans are:

No email /website process at present. The public may file written questions and comments with the PSC staff. The public is notified of the proceedings through newspaper notices. The entities that usually intervene in utility cases do participate, such as industry trade groups, environmental organizations, etc.

16. Agency Authority over Plans:

By statute, the PSC must declare a plan “suitable” or “unsuitable.” The PSC may suggest alternatives to the utility.

17. Have resource acquisition decisions changed as a result of the planning process?

No. However, once, a utility’s plan was going to be declared “unsuitable” because its long-range acquisition plans were too vague. However, the utility withdrew the plan before the declaration was made. Since, at the time, technically the utilities only had to file every two years, the utility could do that and resubmit the next year. Since then the Rules have changed to require annual plans.

18. Are competitive processes used to acquire new resources? Yes

RFPs are issued for supply-side only, and only for units of 75MW or greater of steam-powered turbines. Large combustion plants do not have to be competitively bid.

19. How are Energy Efficiency resources acquired?

Energy Efficiency resources are not included in this planning.

Is competitive bidding used?

Not applicable

20. Does regulatory agency have open dockets or is it considering opening a docket investigating any long-range electrical investments? No

21. Citation and description: Not applicable.

22. Are filed plans available on-line? Yes

To view utility and aggregate plans, go to the Florida PSC homepage at <http://www.floridapsc.com>

Use the PSC Search option on the right-hand side.

Enter docket number 020000 for 2002 documents.

Enter docket number 030000 for 2003 documents.

Scroll to likely dates, late March, early April for Ten Year plans; mid-June for Aggregate plans.

23. Citation of State policies, legislation, rules/regs/Orders, governing planning:

Title XIII, Chapter 186 Section 186.801 Florida Statutes. [www.leg.state.fl.us](http://www.leg.state.fl.us)  
Florida Administrative Code, Rules 25-22.070-.072.

24. Does Florida do any Performance Based Regulation? If so, please describe it briefly.

PSC staff described the following mechanisms that might fit this question:

Generating Performance Incentive Factor (since the 1980's):

Base-loaded units set targets for equivalent availability and heat rates going forward. They are reviewed retrospectively and rewarded or penalized, as appropriate. Rewards are capped at 50% of fuel savings, so that customers benefit.

Off-system power sales incentives:

A rolling average (3 years) of off-system power sales is determined. If they exceed this average, they split the reward 80: ratepayers and 20%: shareholders.

In the past, a nuclear unit(s) was rewarded for availability above projections.

### **State Energy Plan**

The contact for responses regarding the State Energy Plan was Alexander Mack, Director, Florida Energy Office, [Alexander.Mack@dca.state.fl.us](mailto:Alexander.Mack@dca.state.fl.us), 850-922-6093

25. Is there a State Energy Plan? Yes, but effort is just starting.

26. Is it connected to the planning described above? It will be.

27. If yes, who is responsible for the Plan?

The Florida Energy Office of the Department of Community Affairs (DCA), will be coordinating a new State Energy Plan. The press release soliciting public input went out today, 5/16/03. An RFP was issued, and two consultants will be assisting with the process: Florida Solar Energy Center and Creative Pursuits; both are Florida companies. Representatives from New York, North Carolina and Wisconsin will assist with plan review. Plan completion is scheduled for Fall '03.

28. What is included in the Plan, apropos of long-range electrical planning?

This is a new process, initiated by the Governor and his cabinet. It is supposed to result in goals, objectives and action plans for addressing all of Florida's energy needs and opportunities. The Ten Year Site Plans and aggregate plans filed with the PSC will be considered. Information and the opportunity for public input are available at [www.floridaenergyplan.net](http://www.floridaenergyplan.net)

There is also a State "Comprehensive Plan" coordinated by DCA. By statute the PSC has to determine the extent to which Ten Year Site Plans are consistent with the Comprehensive Plan. The PSC also submits its review of the Ten Year Plans to DCA to fulfill a statutory obligation to share energy information with DCA.