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## MEMORANDUM

**DATE:** October 23, 2007

**TO:** Northeast Florida Regional Planning Council

**THRU:** Planning and Growth Management Policy Committee

**FROM:** Ameera Sayeed, Senior Regional Planner

**RE:** Review of Seminole Electric Cooperative, Inc. Ten Year Power Plant Site Plan 2007-2016

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### Introduction

Each year every electric utility in the State of Florida produces a ten year site plan that includes an estimate of future electric power generating needs. The purpose of the ten year site plan is to disclose the general location of proposed power plant sites and facilitate coordinated planning efforts. Pursuant to Section 186, Florida Statutes Council staff reviewed the most recent ten year site plan prepared Seminole Electric Cooperative, Inc. (Seminole). The purpose of this report is to summarize Seminole's plans for future power generation and provide comments for transmittal to the FPSC.

### STATUTORY AUTHORITY

Section 186.801, Florida Statutes, requires that all major generating electric utilities in Florida submit a *Ten-Year Site Plan* to the Florida Public Service Commission (Commission) for review. In conducting its review, the Commission considers the views of appropriate local and state agencies. The Northeast Florida Regional Council reviews electric utility Ten Year Site Plans within the region and submits comments to the Commission for review. Each *Ten-Year Site Plan* contains projections of the

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utility's electric power needs for the next ten years and the general location of proposed power plant sites and major transmission facilities. In accordance with the statute, the Commission performs a preliminary study of each *Ten-Year Site Plan* and must determine whether it is "suitable" or "unsuitable." The Commission forwards the *Ten-Year Site Plan* review, upon completion, to the Florida Department of Environmental Protection (DEP) for use in subsequent power plant siting proceedings. To fulfill the requirements of Section 186.801, Florida Statutes, the Commission has adopted Rules 25-22.070 through 25-22.072, Florida Administrative Code. Electric utilities must file an annual *Ten-Year Site Plan* by April 1. Utilities whose existing generating capacity is below 250 megawatts (MW) are exempt from this requirement unless the utility plans to build a new unit larger than 75 MW within the ten-year planning period. The *Ten-Year Site Plan* review contained herein also fulfills an additional statutory requirement. Section 377.703(e), Florida Statutes, requires the Commission to analyze and provide natural gas and electricity forecasts to the DEP.

**PURPOSE**

The intent of the *Ten-Year Site Plans* is to give state, regional, and local agencies advance notice of proposed power plants and transmission facilities. However, the *Ten-Year Site Plans* are not a binding plan of action on electric utilities. As such, the Commission's classification of a *Ten-Year Site Plan* as suitable or unsuitable has no binding effect on the utility. Such a classification does not constitute a finding or determination in docketed matters before the Commission. The Commission may address any concerns raised by a utility's *Ten-Year Site Plan* at a public hearing. Because the *Ten-Year Site Plans* are planning documents containing tentative data, they may not contain sufficient information to allow regional planning councils, water management districts, and other review agencies to evaluate site-specific issues within their jurisdictions. Each utility is responsible for providing detailed data, based on in-depth environmental assessments, during Power Plant Siting Act or Transmission Line Siting Act certification proceedings.

**Summary of the Plan**

The evaluation has revealed that Seminole included in their ten year plan the necessary analysis to determine the current plan. Existing Seminole electric supply resources, forecasts of customer energy requirements and peak demands, forecasts of fuel process and availability, and an analysis of alternative for resources which would meet the Seminole future capacity and energy needs were reported in the ten year plan. The Seminole forecasts accounted for the system peak demand growth and energy consumption resource plan, in addition to cost considerations, environmental and land use considerations were amply factored into the ten year plan.

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Seminole is a corporation organized and existing with members. Each of the members is engaged primarily in the distribution of retail power. Seminole serves its members load primarily in three transmission areas. Seminole is considered a rural electric cooperative and does not serve end use customers. Seminole did include in their plan the firms purchased and the power agreements that were made previous to the site plan.

Seminole's member's service area increase at an average annual rate of 1.3 percent and is anticipated to grow at an annual rate of 1.4 percent through 2016 for residential energy usage. Commercial energy usage is much lower in the Seminole system. The predominant method of forecasting the usage appears to be population growth. Further the site plan discusses in detail the method other than population to forecast Seminole's usage. The assumptions used to forecast were intensive and thorough. Seminole's methodology utilized four major sources. These sources were BEBR, Moody's Economy, Survey data from the residential appliance surveys and the Financial and Statistical Reports provided by the cooperative members. Several other sub-models were identified within the forecast.

While Seminole demonstrated the existing and future plan to diversify their fuel sources, it appears the predominant source will continue to be coal. This is demonstrated in Seminole's recent add of the coal unit to the Seminole Generating Station and also the strategic plan to add a third coal fired generating unit by the year 2012.

The Seminole ten year site plan demonstrated a thorough evaluation of the environmental issues pertinent to the Seminole units. Such issues as the primary water uses for the units, the listed species that are likely to occur on the site, small shrubs and wetlands and forested wetlands and also water conservation measures.

**Staff Evaluation**

Council recognizes that some of the electricity purchased by Seminole may already be derived from coal. As a rural cooperative and the extent to which the service areas expand this may not seem to be a strategic area of concern for the ten year horizon. The Seminole strategic goal is to diversify and perhaps with the increase in demand and other sources of fuel conducive to the region these may be investigated and included in the Seminole strategic plans in the future. A better way to increase fuel diversity is to add a greater proportion of energy from clean alternative energy resources, such as wind, solar energy, and hydrogen fuel cells. Solar energy and fuel cells may be better suited for development in smaller facilities integrated into communities where the demand is greatest. Also, the shift to smaller solar energy and

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hydrogen fuel cells units distributed throughout the area of demand could reduce the reliance on large transmission lines. Council supports the State of Florida and Seminole in any efforts to continue to develop new programs for the rural and urban communities and to: 1) reduce the reliance on coal and oil as future energy sources; 2) increase conservation activities to offset the need to construct new power plants; and 3) increase the reliance of clean alternative energy systems to produce electricity.

**Recommendation**

**Staff recommends that the Committee and Council approve the draft report and authorize its transmittal to the Florida Public Service Commission.**