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Resources Recovery
(Dade County), Inc.

Docket No. QF-REGULATORY COMMISSION
FEDERAL ENERGY

NOTICE OF QUALIFICATION, PURSUANT TO 18 C.F.R. § 292.207(a),
OF A RESOURCE RECOVERY FACILITY IN DADE COUNTY, FLORIDA,
AS A QUALIFYING SMALL POWER PRODUCTION FACILITY

Resources Recovery (Dade County), Inc., owner and operator of a resources recovery facility in Dade County, Florida (the "Facility") hereby gives notice pursuant to 18 C.F.R. §292.207(a) that the Facility is a "qualifying small power production facility" within the meaning of Section 201 of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), 16 U.S.C. § 796, and 18 C.F.R. Part 292, 45 Fed. Reg. 17959 (March 20, 1980), and is thereby entitled to the benefits conferred by Section 210 of PURPA, 16 U.S.C. §824a-3, and the regulations promulgated thereunder. In accordance with 18 C.F.R. §292.207(a), the following information is provided:

1) The name and address of the qualifying small power producer is:

Resources Recovery (Dade County), Inc.
P.O. Box 524056
Miami, Florida 33152

The facility is located in northeastern Dade County, Florida.

8104280480

2) The Facility is a small power production facility which will process solid waste, recover recyclable material, handle up to 18,000 tons per week of solid waste, convert combustible materials into refuse-derived fuel ("RDF"), and burn the fuel to raise steam which in turn generates electricity. The Facility is the largest of its kind in the United States. The qualifying facility includes four boilers, four sets of mechanical cyclone dust collectors and four electric turbogenerators, two turbogenerators and condensers and all required auxiliary and control equipment. All equipment for combustion of the RDF and generation of electric energy and its delivery to the transmission network is included.

2) The primary energy source is biomass.

3) The Facility has an installed nameplate electric generation capacity of approximately 76 megawatts at 13.8 KV, 3 phs 60 cycles.

DATE: March 13, 1981

RESOURCES RECOVERY
(DADE COUNTY), INC.

By


George E. Boyhan
Executive Vice President

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of
the foregoing document upon:

Mr. Robert Tallon
Executive Vice President
Florida Power & Light Company
P.O. Box 529100
Miami, Florida 33152

in accordance with the requirements of Section 1.17 of the Rules
of Practice and Procedures.

Dated at Washington, D.C. this 13th day of March 1981.

Lewis E. Leibowitz
Counsel for Resources Recovery
(Dade County), Inc.

CONFIDENTIAL

APPENDIX B

CONFIDENTIAL

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Arent, Fox, Kintner, Plotkin & Kahn

Federal Bar Building, 1815 H Street, N.W.
Washington, D.C. 20006
Telephone: (202) 857-6000
Cable: ARFOX Telex: WU 892672 ITT 440266

David J. Bardin
Counsel
(202) 857-6089

April 3, 1981

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

L. Christian Hauck, Esq.
Vice President, Legal Affairs
Florida Power & Light Company
9250 West Flagler Street
Miami, Florida 33152

Dear Mr. Hauck:

Our client, Resources Recovery (Dade County), Inc. (RRD) now owns and operates in Dade County, Florida, a qualifying small power production facility (QF), as noticed to the Federal Energy Regulatory Commission (FERC) and Florida Power and Light Company (FPL) on March 13, 1981. As an alternative to the exclusive sale of electric energy to FPL, RRD wishes to explore competitive opportunities for sales to other electric utility entities. To that end, RRD would have to turn to FPL for transmission services; since FPL is the monopoly owner of the transmission network in the area, we believe that the antitrust laws require FPL to provide such services.

More directly, we understand that upon approval of the proposed settlement agreement pending in NRC Docket No. 50-389A (St. Lucie Plant, Unit No. 2), the terms of that agreement, in the context of general law, will oblige FPL to transmit electricity on behalf of RRD to potential customers other than FPL. Please confirm our understanding, or advise us of any impediments that you see to full implementation of such obligation on behalf of RRD.

In order to exercise its rights, RRD also needs the following information (including copies of tariff, guideline or other documents as relevant):

1. Is FPL prepared to transmit the electric output of the QF for wholesale sales to one or more other entities?
2. What would be FPL's terms and conditions for such transmission service?

Arent, Fox, Kintner, Plotkin & Kahn

3. Under what tariff or other established provisions would FPL transmit the electric energy?

4. If RRD sells all of the electric output of the QF at wholesale to FPL or others--

a. under what existing rate schedule would FPL render retail service to the QF?

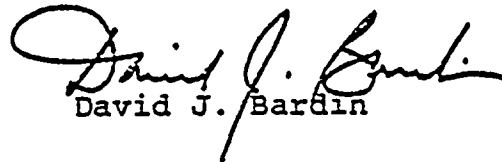
b. under what proposed rate schedule would FPL render retail service to the QF if the Public Service Commission approves FPL's pending proposals?

5. If the QF chose to purchase energy needed for internal use from FPL at retail, under applicable rate schedules, would FPL also require the QF to buy "back-up" or "maintenance" power? If yes, why?

6. Would FPL attempt to place any restrictions on its transmission services?

We would appreciate the favor of a reply within two weeks.

Very truly yours,


David J. Bardin

cc: Robert A. Ginsburg, Esq.
County Attorney
Dade County Court House
Room 1626
Miami, Florida 33130

APPENDIX

APPENDIX C

1 clarify, that existing rules and law would be available for
2 recourse.

3 MS. REBER: Yes, Florida law.

4 COMMISSIONER GUNTER: There is sufficient law in
5 the statutes for the State of Florida to take care of the
6 situation you're addressing.

7 MS. REBER: Commissioners, if there are no other
8 further questions of staff, perhaps we would like to move into
9 some statements for the next half hour or so.

10 COMMISSIONER GUNTER: I think we should.

11 MS. REBER: Okay. I would just, since we only have
12 a half hour, I have 20 speakers listed. If there's another
13 list circulating of people who want to speak, I would need to
14 get that list and have it typed up. Would you prefer that I
15 read off the first five so they could be prepared to address
16 the Commission?

17 COMMISSIONER GUNTER: Since we don't have but a
18 limited time period, why don't you just start with the first
19 one and we'll go from there?

20 MS. REBER: Okay. If you would please identify
21 yourself for the court reporter before you speak, it would be
22 appreciated. The first speaker wishing to address the Commis-
23 sion is Governor Reubin Askew.

24 GOVERNOR ASKEW: Mr. Chairman, members of the Com-
25 mission, I'm Reubin Askew, a member of the law firm of

1 Greenberg, Traurig, Askew, et al. I appear on behalf of Dade
2 County to voice our strong support for the Commission's pro-
3 posed rules respecting utilities' obligations to cogenera-
4 tors and small power producers. I'm submitting for the
5 record, five copies of my oral statement short of what I may
6 put in between, Dade County's written comments, and the sug-
7 gested revisions of the text of the rule. I do not appear
8 here as an expert in this area, but I am accompanied by the
9 gentleman that just rose, Mr. Nordhaus, Robert Nordhaus who
10 was the general counsel for the Federal Energy Regulatory
11 Commission both at the time the legislation passed, PURPA
12 passed, as well as the general counsel for FERC at the time
13 that the regulation was adopted. So I think that he is a
14 resource that the Commission may wish to make use of during
15 the course of the hearing. I'm also accompanied by Mr.
16 Merrett Stierheim, who is the County Manager of Metropolitan
17 Dade County; Dennis Carter, the Assistant County Manager of
18 Metropolitan Dade County; and Robert Ginsberg, the County
19 Attorney of Metropolitan Dade County.

20 I have listened with great interest to all that's
21 been said. A couple of things have occurred to me. First of
22 all, I think it's rather obvious that the private investor
23 utilities in this country don't come with great enthusiasm
24 toward this law. They opposed it almost every step of the way
25 in its consideration and its enactment as well as the

1 regulations. So I think that the hearing should be put in the
2 context that Ms. Reber so eloquently said in one of her state-
3 ments when she mentioned bargaining leverage for qualifying
4 facilities. Now that is essentially what this is all about.
5 Also she said, more likely to encourage cogeneration. And the
6 gentleman who presented your economic impact statement, which
7 in his opinion, he pointed out what he thought was a myth of
8 the monopoly per se of utilities, but only toward the trans-
9 mission and distribution as opposed to the generation and pro-
10 duction. And that there should be opportunity to competition
11 on the production side.

12 Now I've just had the distinct opportunity of repre-
13 senting the United States of America for 15 months negotiating
14 all over the world, and I want to tell you that there's no
15 greater problem facing us economically in the industrialized
16 West, than our dependence on foreign oil and the fact that we
17 are dealing with a cartel. And this country last year imported
18 by volume, 19% less foreign oil than it did the year before,
19 but we paid 63% more per average cost per barrel which shows
20 the critical importance of the energy package and this part
21 that it plays in it of trying to understand that we are going
22 to have to develop some sources for energy other than just the
23 traditional dependence upon oil. That's what prompted the
24 President, that's what prompted the Congress to enact this to
25 begin with, was simply to encourage competition and the

1 production of energy.

2 Now one of the things you learn quite quickly in
3 negotiation is that if you can't negotiate from a position of
4 leverage, you're in trouble. And I don't know anyone right
5 now, municipality or otherwise, that can approach a large
6 utility company and negotiate from a position of leverage.
7 You can't. That's exactly why Ms. Reber was so correct when
8 she talked about bargaining leverage for the qualifying facility.

9 Now if we're serious, we're going to have to view
10 this law and its implementation, that if it is not maximized
11 in terms of how you interpret it in favor of a qualifying
12 facility or small generation unit, then I want to tell you,
13 you get caught up in a lot of legalistics. And you have some
14 of the most competent people in this state at this table
15 representing the utility companies, some representing not-
16 utility companies. And you begin to see all the legalistics
17 you can get tied up in. And I want to ask you that you step
18 back from all this when it comes time to deciding and realize,
19 as you constantly do, that you represent the public interest.
20 And the public interest is served for us trying to get weaned
21 away from a dependence upon foreign oil. And when you combine
22 that with one of the most critical problems facing this country
23 industrially, it's kept a capital formation.

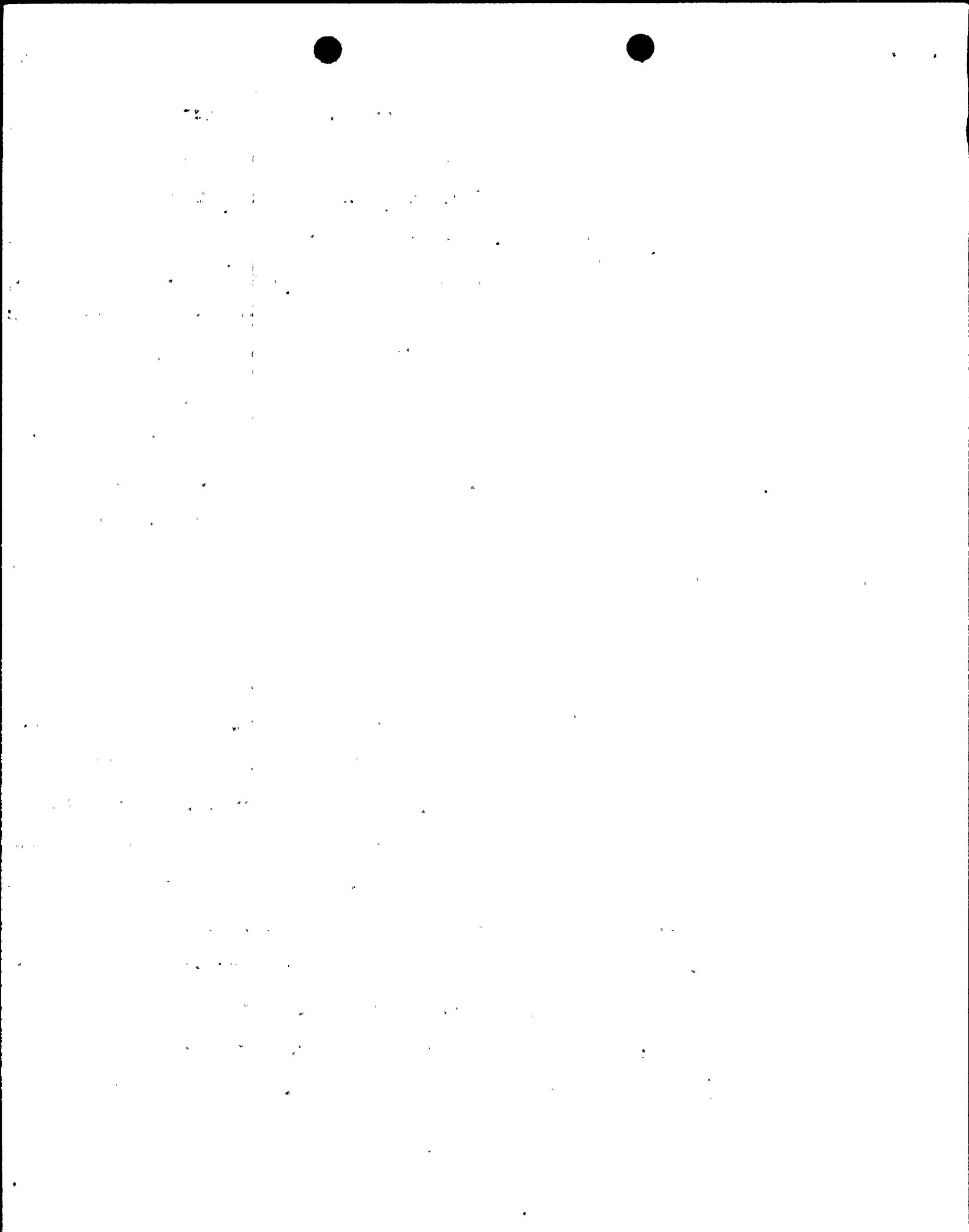
24 Now isn't it somewhat familiar when utility companies
25 say, "Give us some special rules as we go along to try to help

1 us build the capacity in capital formation," and this is one
2 of the areas that's designed to try to help relieve them of
3 further capacity in terms of capital formation.

4 Now it's quite right from the standpoint of the
5 public utility, from the standpoint of the private-investor
6 public utility. In the end, whatever they pay, their customers
7 are going to have to pay. So they certainly have an interest
8 themselves other than just a profit from the capital investment
9 that personally people put in as an investor in their utility.

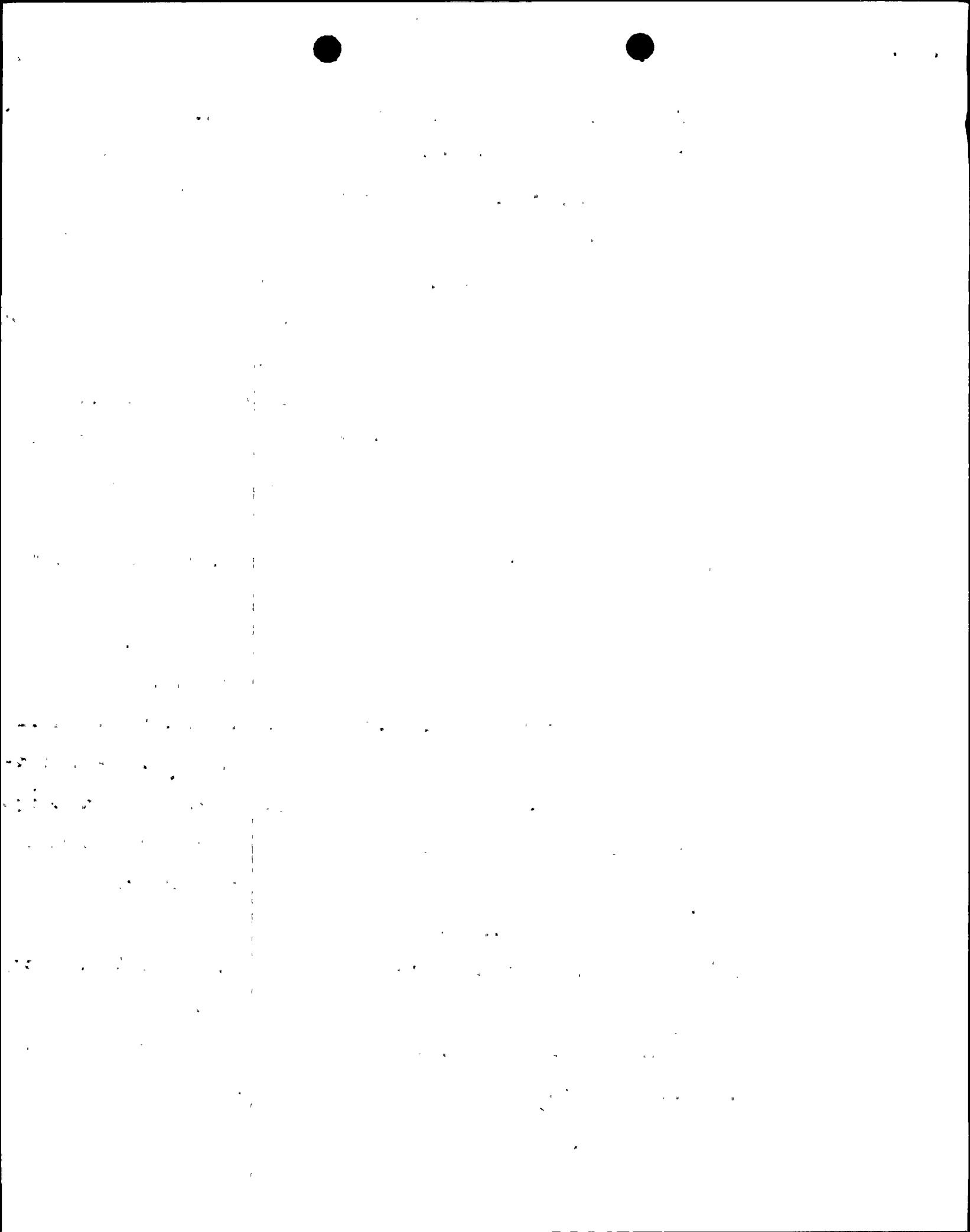
10 So I hope that in all of this that we don't get lost
11 in what your staff has done. There may be some disagreement
12 in the staff, but I want to tell you, how many attorneys can
13 you get together representing different clients that agree on
14 the same thing anyway? So that's not strange.

15 Dade County is commenting on these proposed rules
16 because it is actively examining the feasibility of a possible
17 cogeneration unit as well as a small power production project.
18 In the planning stage, there are 25 megawatt cogeneration
19 facilities to supply heat, air conditioning, and electric
20 power for the proposed government center downtown. Second, a
21 wastewater treatment plant which will include a small power
22 production facility generating 3.5 megawatts of
23 power from methane derived from sewage sludge. And, of course
24 it's no secret that in addition there is a 78 megawatt resource
25 recovery generation facility, the status of which is the



1 subject of dispute between some of the contracting parties and
2 which facility may or may not become affected by these pro-
3 posed rules. And, of course, there could be many other units
4 in the future which might come under the rules.

5 The Commission's rules, in my view, substantially
6 carry out the national objectives that the generation and
7 small power production program is designed to achieve their
8 objective. And I would commend the staff in their efforts.
9 As I tell you, I have participated in too many governmental
10 hearings. In fact, this is a tremendous adjustment for me.
11 This is the first meeting I've attended in approximately 10
12 years in Tallahassee I didn't preside on. It certainly gives
13 you a much greater freedom when you can preside. So when you
14 get really some of the highest paid lawyers, of which I hope
15 someday to become part of the ranks, taking on your staff, you
16 realize that a tremendous amount of effort has gone into this.
17 And, sure, you know, we get paid by the hour. That makes a
18 difference in terms of how brief we may appear to be. And
19 some valid points are being made. And we have some we'd like
20 to make as well. But, more importantly, these rules will also
21 provide valuable benefits. First, utilities in Florida,
22 despite their best efforts to convert to other less expensive
23 fuels are still substantially dependent on all the fuels of
24 their generating facilities. This nation and Florida's
25 dependence on foreign oil must be reduced as rapidly as is



1 economically feasible. Cogeneration and small power production
2 offer significant opportunities to reduce dependence by sub-
3 stituting renewable sources for oil.

4 And I want to tell you, we keep producing an awful
5 lot of garbage, an awful lot of waste, so I think that can be
6 considered renewable. As the energy input for electric genera-
7 tion and by promoting the more efficient use of fuel that can
8 be obtained through cogeneration. These benefits can be ob-
9 tained without any increase in electric rates to the citizens
10 of the state. The PSC's rules guarantee that no utility will
11 be required to pay more for power from cogeneration and small
12 power production facilities than the utilities' avoided cost.
13 That is a cost of the power it would otherwise have generated
14 or purchased.

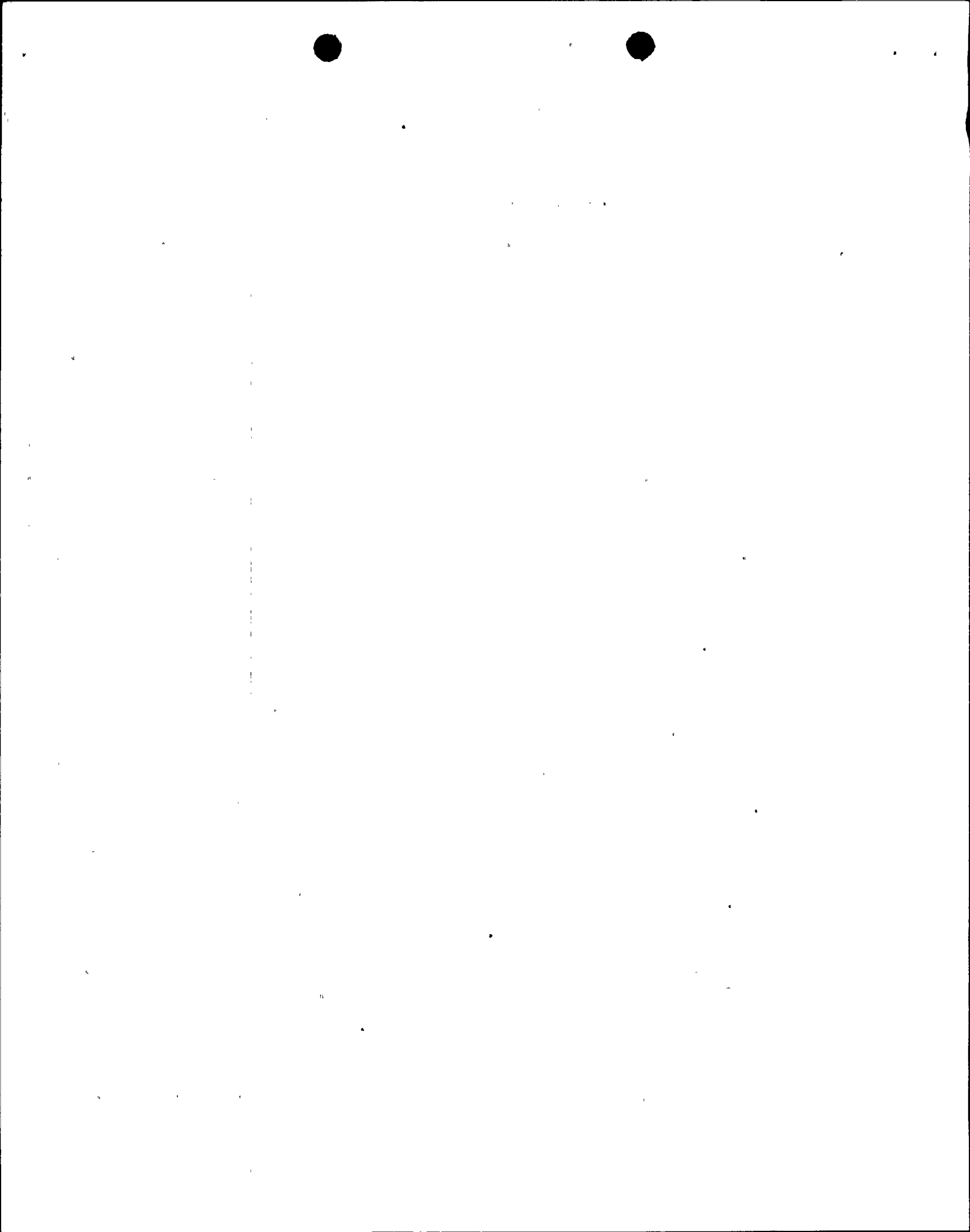
15 The second benefit to the citizens of this state is
16 that this program will make it economically feasible for Dade
17 County and other local governments in the state to use municipi-
18 pal solid waste and sewage sludge as fuel. Rather than using
19 increasingly scarce or urban suburban land for waste disposal.
20 These local governments can use these by-products of our
21 urban society as an energy input.

22 The economic benefits to the citizens of Dade County
23 for instance, in the form of lower waste disposal fees, lower
24 taxes, can amount to millions of dollars each year. Some of
25 these utilities have approached this whole idea differently,

1 and I'm not here to paint any one industry with a broad brush.
2 I will, however, say that Florida Power Company in working with
3 Pinellas County and working out their rates, I think you'll
4 find that the people representing Florida Power will tell you
5 that they come close, almost 95% to meeting PURPA. And this
6 is an example of what a utility can do when it really gets
7 together with a community and really wants to encourage it.

8 But aside from the question of the utility industry,
9 none of us, legal or otherwise, are particularly in the busi-
10 ness to encourage competition. But when we give a semblance
11 of a monopoly, the overriding public interest must remain
12 clear. An essential element of the proposed rules and one
13 which is critical to providing the necessary incentives for
14 cogeneration and small power production is a requirement that
15 utilities purchase power from qualifying facilities at 100% of
16 avoided cost. This requirement is derived from the FERC rules
17 implementing PURPA, and it's clearly necessary to encourage
18 rapid utilization of this technology.

19 Our written comments, which I will submit for the
20 record at this point, contain a number of suggestions which,
21 in our view, will clarify the proposed rules. In my oral
22 statement, I will mention only those which are of major sub-
23 stantive import. First, the PSC should adopt the same pro-
24 cedural mechanism for determining avoided capacity costs as it
25 has adopted for determining avoided energy costs. Namely, the



1 utility should be required to file a tariff stating the avoided
 2 capacity costs payment it will make to a qualifying facility
 3 which is really to enter into a legally enforceable commitment
 4 to sell power to the utility. Under such a tariff, the burden
 5 would be on the utility to show why the offered capacity is
 6 not reliable or useful rather than on the qualified facility
 7 to show why the capacity is reliable and useful to the utility.

8 Now just think back about what you've seen and the
 9 display of horrendous legal talent this morning. If you think
 10 that you put the monkey on the back to the qualifying utility,
 11 to what extent are you really going to get to the merits? In
 12 terms of having the technology and the ability to understand
 13 it, we say it should just be the opposite. A qualifying
 14 facility is not likely to have the access to the sophisticated
 15 data necessary to prove the usefulness to the utility of its
 16 offered capacity.

17 Second, the concept of decremental fuel cost should
 18 be clarified so it is consistent with FERC rules. Avoided
 19 energy costs under FERC's rules is not limited to avoided fuel
 20 costs. It also includes avoided purchased power and non-fuel
 21 operation and maintenance costs. These costs may, in some
 22 circumstances, be substantial components of avoided energy
 23 costs.

24 As I noted above, our prepared statement has a num-
 25 ber of other suggestions of a more technical nature which we

Electric Co., Plaintiff, v. et al. et al. - Form 100

1 will also urge the Commission to consider. And, as I say,
2 since I've already admitted I'm no expert to give greater
3 credibility to that which is suggested, I would say that Mr.
4 Nordhaus, who played a very important role in doing them, is
5 the one who assisted us in the preparation of the comments as
6 well as my testimony. Dade County views the proposed rules as
7 a significant step forward for our state and urges their
8 adoption by the Commission in final form with the changes we
9 suggested.

10 In conclusion, adoption of PURPA is intended to
11 benefit the public by encouraging development of small power
12 and cogeneration facilities and thereby promote competition in
13 the energy production field. That was no easy thing for me
14 as Governor to say that this business of requiring utilities
15 every time there's an increase in oil it will have to come
16 back for approval. All that was doing was adding expense to
17 the process and eventually costing their own subscribers or
18 purchasers. And, so I strongly supported trying to have some
19 type of fuel adjustment. Because utilities, unfortunately,
20 are dealing with the most expensive, the most volatile ever
21 increasing item that they have, and the public isn't always
22 fully appreciative of how expensive the product is and why it
23 must essentially be borne by those it serves.

24 I would hope that the standard for any change in
25 the proposed PSC rules will be to assure maximum development

1 of small power and generation facilities, to promote competi-
2 tion, and thereby to best serve the public in whose interest
3 PURPA itself was adopted.

4 Now that's my statement. I've been waiting three
5 hours to give it. I'm all loaded up, and that's it.

6 COMMISSIONER MARKS: Governor, let me ask this
7 question right quick if I may, just as a general question
8 concerning this whole idea. Do you believe that the rule as
9 presented by staff presently is in the best interest of the
10 ratepayers of this state?

11 GOVERNOR ASKEW: Absolutely.

12 COMMISSIONER MARKS: You talked about the split-the-
13 savings concept indirectly somewhat. You didn't directly
14 address that. Do you believe that concept is a disincentive
15 to cogeneration?

16 GOVERNOR ASKEW: I'm not expert enough on that to
17 respond to it. If you want to ask me why our trade deficit
18 continues to have problems because of imported oil, I'll be
19 happy to respond to that.

20 COMMISSIONER MARKS: I'm not an expert on that, so I
21 don't even know how to ask that question.

22 GOVERNOR ASKEW: Although I will say that Mr.
23 Nordhaus is here, and he might wish to respond to it. That's
24 why we've asked him to come along.

25 COMMISSIONER MARKS: Let me ask you another question

APPENDIX D

GUIDELINES FOR POWER GENERATION
FROM MUNICIPAL SOLID WASTE OPERATIONS

212164

Background

Increasing interest is being displayed by local governments in processing solid waste as opposed to disposing of it in landfills. The higher cost of processing can be offset by disposing of reclaimed materials and by combusting the waste, and generating and selling electric power. Several local governments have sought EPC involvement in the planning of solid waste processing systems which would incorporate power generation. Dele County is now out for bids on a system and at least two contractors are seeking to negotiate with EPC for commitments regarding power production for incorporation by the contractor in bids to the County.

The amount of direct benefit is small because solid waste can generate only a small fraction of our power needs. The principal value in EPC's participation is:

1. Augment community and customer resources by displaying corporate responsibility in assisting the solution of a pressing local problem.
2. Gain experience and insight into the potential for profitable future increased involvement in waste processing.
3. Deter the competitive threat of municipal generation.

Guidelines for Power Generation
from Municipal Solid Waste Operations
(continued)

212103

The following are suggested guidelines for use in planning in the area of our involvement with waste disposal power generation:

1. FPL should own and operate the electric power generation facilities including:

- Turbine-generator
- Turbine-generator auxiliaries
- Lube-oil system
- Hydrogen system
- Controls
- Turbine operator foundation
- Condenser
- Condenser cooling system
- Cooling system makeup and conditioning system
- Generator and exciter controls
- Generator bus
- Power transformer
- Switchyard

2. FPL should pay for steam generated by the municipally-owned and operated boiler system. FPL should not be responsible for waste collecting, handling, processing, or burning at this time. FPL should not be responsible for noise, odor, or emissions from other than the T-G plant.

3. The payment for steam should be such that the resulting bus bar cost of power to FPL compares favorably with average bus bar costs from existing plants, and is such that the resulting bus bar cost is competitive to what the municipality's cost would be if it generated the power.

FPL should seek financing of the T-G plant through either the municipality or the waste plant contractor. Repayment of the capital cost can be accomplished by an additive to payments for ...

Municipal Solid Waste Operations
(continued)

- 5. If PPL must finance the T-G plant, there must be provision for non-recovery of fixed charges due to poor availability of the steam.
- 6. In the event contractors to the municipality for waste processing systems seek commitments from PPL concerning power generation, it is important that such commitments be consistent as between contractors and as between municipalities.
- 7. Close coordination should be maintained with the local government at all times, particularly when dealing with contractors or bidders to insure that PPL's overall relationship with the local government is not impaired.
- 8. The negotiations with either local governments or contractors should be the responsibility of the Division General Manager who, in turn, should consult with the Group Vice President to insure consistency and conformity to policy.
- 9. Assistance in negotiations should be obtained from Power Resources, Power Plant Engineering, General Engineering, and System Planning in regard to contract provisions on technical matters and for cost information. The Treasurer shall provide assistance in economic and financial analysis.



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
)

FLORIDA POWER & LIGHT COMPANY)
(St. Lucie Plant, Unit No. 2))
)

Docket No. 50-389

CERTIFICATE OF SERVICE

I hereby certify that copies of PETITION FOR LEAVE TO INTERVENE AND REQUEST FOR HEARING submitted by Resources Recovery (Dade County), Inc. and Parsons & Whittemore, Inc. and the accompanying BRIEF IN SUPPORT THEREOF were served on the following persons via first class mail, postage prepaid, this 7th day of April, 1981.

Office of the Executive Legal Director
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. Harold Denton
Director of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Harold Reis, Esquire
Lowenstein, Newman, Reis, Axelrad & Toll
1025 Connecticut Avenue, N.W.
Washington, D. C. 20036

Janet R. Urban, Esquire
Antitrust Division
U. S. Department of Justice
P. O. Box 14141
Washington, D. C. 20044

Robert A. Jablon, Esquire
Alan J. Roth, Esquire
2600 Virginia Avenue, N.W.
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One of Counsel for Petitioners

