

Community Partnership for Energy Planning

Utility Search Conference

Executive Summary

**Mission Inn
Howey-in-the-Hills, Florida
September 25-26, 2007**

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Preface

Progress Energy Florida (PEF) hired STAR Group, LLC (STAR Group) to design and facilitate a local community public involvement process in connection with the potential transmission investment in a ten county region in Florida. This local community process is part of a statewide outreach effort by Progress Energy to inform the public and obtain input on the need for new transmission infrastructure to support the growth in Florida.

Working with PEF, STAR Group identified and convened a Leadership Team made up of local leaders in the counties of Lake, Marion, and Sumter to direct the planning for a Utility Search Conference – a two day conference to discuss transmission. The Leadership Team determined the Focus Statement for the conference, key stakeholder groups, and the criteria for participant selection. In addition, members of the Leadership Team participated in the Background Report Committee, overseeing the development of a Background Report on the Community Partnership for Energy Planning.

UtiliPoint International (UtiliPoint), an independent engineering firm, was hired to prepare the Background Report. UtiliPoint prepared the Background Report by compiling and analyzing information supplied to it by Progress Energy and reviewed by members of the Background Report Committee. The report was mailed to conference participants on September 14, 2007.

The Community Partnership for Energy Planning *Utility Search Conference*SM was held at the Mission Inn in Howey-in-the-Hills, Florida on September 25-26, 2007. Forty-four community leaders committed to attend the two-day conference. They were selected from a list of over 90 nominees. Conference attendees represented government officials, local businesses, large commercial power users, environmental and alternative energy advocates, community organizations, emergency services and utilities. Several observers attended, but did not participate in, the conference.

This Executive Summary contains the key information and recommendations developed by the conference participants.

Focus Question

The focus statement and question below were developed by the Leadership Team as a reference point to guide the discussion held during the two day conference.

“Progress Energy Florida is considering construction of new, and expansion of existing, transmission facilities in several counties. The goal is to ensure the continued reliable delivery of needed electricity. Transmission facilities are planned from a proposed power plant in Levy County to the Tarpon Springs area, from Tarpon Springs to Kathleen in Polk County and from Levy County to Leesburg. These proposed transmission facilities could affect the counties of Citrus, Lake, Levy, Marion, Hernando, Hillsborough, Pasco, Pinellas, Polk, and Sumter.

What would be the most cost-effective, most efficient routes with minimal impacts for these new transmission facilities?”

Most Desirable Future Statement

In seven years, the successful implementation of our recommendations will result in affordable, available and reliable energy while enhancing the aesthetic imprint of the energy transmission corridors. Furthermore, optimal placement of transmission lines and resultant available energy will create additional economic development opportunities while minimizing potential environmental and agricultural impacts.

By educating the public that the environment will not be significantly harmed and the proper placement of the lines will yield economic, recreational and community benefits, there will be greater public acceptance.

The Most Desirable Future statement is the participants' vision of their community.

Accomplishments

To achieve the participants' Most Desirable Future they decided they would need to accomplish the following things in their three county areas.

We will establish a regional Transmission Planning Organization (TPO) comprised of city, county, state elected officials/staff, private citizens and utility companies.

Additionally we formed focus groups with public citizens to obtain input and use as a vehicle to educate the public.

We will always keep focused on a balance of criteria to minimize environmental and residential impacts while maximizing the co-location of infrastructure. Cost for effective route corridors will never be neglected. People are frequently involved in communication meetings where they feel heard. Key stakeholders are involved and their input is utilized. Utilities are the leader in public education and public outreach which creates better and valued relationships.

Our communities manage to minimize impacts and maximize existing route corridors as a result of and with the development of effective community leadership.

Public acceptance will be gained by providing buffering, native species, and providing wildlife habitats (in transmission route corridor) in an environmentally sensitive manner.

We will institute cost effective maintenance programs by modernizing and upgrading existing transmission equipment (could be safer and more visually pleasing).

Criteria for New Infrastructure

Participating community members developed their list of criteria they would utilize in the siting of utility infrastructure process.

Community Criteria:

- Environmental impact
- Public and political acceptance (including aesthetics, land use)
- Constructability
- Aesthetic
- Co-location, maximize use of already impacted area
- Safety- to local community, reliability
- Cost of improvements

Progress Energy Criteria for Transmission Infrastructure Siting:

- Land Use/Real Estate
Examples: residences, major developments, schools, conservation lands and parks, existing linear facilities, Native American reservations, industrial and extractive land uses
- Environmental/Archaeological and Historical Considerations
Examples: Protected species, eagle nests, wetland area, 100-year flood plain, archaeological resource sites, historical resource sites, visual impact
- Safety/Reliability
Examples: Safety conditions under construction, maintenance and operation, adequate supply to meet various demand conditions
- Cost/Economics
Examples: costs, constructability
- Community/Public Input
The participants felt that Progress Energy should include the following as an addition to their criteria:
- Respect for agricultural land/maintaining rural character

Recommendations

Given everything we have learned and shared during the course of this conference, what recommendations does the group wish to make for PEF's consideration that will:

1. Support the Most Desirable Future?
2. Be consistent with the Community's Criteria for Infrastructure Siting?; and
3. Help to achieve the Accomplishments the participants have

identified?

Group 1

- 1.) Form the TPO
- 2.) Maximize co-location on route corridors
- 3.) Form focus groups
- 4.) Establish speakers' bureau
- 5.) Include educational material in monthly billings, via the Internet and through other media
- 6.) Be aware of the consequences of a "yes" vote on Hometown Democracy

Group 2

- 1.) Utilizing co-location is strongly recommended
- 2.) Develop a comprehensive community strategy outreach plan to touch all stakeholders affected (homes, government, communities, special interest groups) via a TPO, etc.
- 3.) Flexible design considerations based upon location

Group 3

- 1.) Maximize the public good for implementing our recommended route corridor. If not, quantifiably communicate reasons
- 2.) Continued communication and stakeholder involvement.
- 3.) Continued communication, public education and outreach

Group 4

Develop a plan with short-term and long-term objectives

Short Term

- Create a community outreach/focus group
- Require coordination with state and local programs
- Environmental protection – e.g., during construction phase

Long Term

- Maintain this group of community advisors
- Maximize existing route corridors
- Require coordination with state and local programs
- Evaluate local co-generation facilities
- Maintain environment quality

Remarks of Mr. Dale Oliver, Vice President of Transmission Progress Energy Florida

Dale Oliver, PEF's Vice President, Transmission was present to hear the recommendations developed by the conference participants and was asked to respond to each of the recommendations on behalf of PEF.

Mr. Oliver thanked participants for their hard work and their willingness to give up their time to help in this new process. In responding to the participants, Mr. Oliver grouped the recommendations into several categories and provided PEF's response to each as follows:

Communication

Communication was a common theme among all of the groups. This conference is a part of PEF's commitment to keeping stakeholders informed of major projects that may impact their communities. PEF is committed to keeping lines of communication open going forward from here. The next step in this process is to form a community working group (CWG) that will further refine the recommendations developed at the conference. PEF will support the CWG process and believes that the CWG could ultimately evolve into a TPO-like group.

PEF supports the idea of conducting focus groups for major infrastructure projects.

PEF would support a Speakers' Bureau that would include not only PEF employees but also speakers from the community who were knowledgeable about relevant issues.

Education material; PEF is committed to providing opportunities for educating its stakeholders on utility-related issues. The Background Document that was prepared for the participants in this conference is an example of that commitment. Going forward, PEF will set up an Internet site related to the Baseload Transmission project and will explore the possibility of conducting billing inserts – particularly for communities that will be affected by the project. PEF will also explore the use of public access channels to disseminate information.

Strategic Community Outreach plan – In reality, this conference and the steps associated with it are part of just such a plan. PEF is committed to continuing this type of public involvement effort.

Co- Location

Co-locating transmission lines was another recommendation that was common to all of the groups. One of PEF's key criteria as part of its planning and design process is looking at existing route corridors. Several factors come into play when exploring the possibility of co-location. One of the most important factors is that of security, something that PEF takes very seriously and which federal regulatory bodies also examine closely. It is clear to PEF that participants in this conference expressed a strong preference for the southern route corridor. PEF

will take the input received today, together with the input received from the other conferences that will be held regarding the Baseload Transmission project, and will then make its decision. Because not everyone has weighed in yet, PEF cannot commit to a decision today but will get back to you with additional information as it becomes available.

Finally, PEF will keep participants apprised of design options as those options are explored.

Design

PEF will look at using monopoles and other creative methods for obscuring lines to the extent possible. The CWG can help with that and PEF is committed to working with CWG's on design options.

Environmental Protection

PEF is proud of its attention to the environment during construction and while providing maintenance of its transmission facilities. We are committed to building and maintaining the Baseload Transmission project in the same manner.

Co-generation

We are always looking for new opportunities, including co-generation. Bob Niekum is the PEF contact person for co-generation opportunities. I encourage you to contact Bob with ideas on co-generation and look forward to hearing from the CWG on this issue as well.

Progress Energy appreciates what the groups here have done. It was suggested that the north corridor not be used as one of the alternates. The comprehensive plan includes both 500-kv and 230-kv and unfortunately the 230-kV by itself would not by itself likely ensure stability. The required separation would be determined by a modeling of where a single event would not shut down the power plant/jeopardize the entire system. The distance of separation between lines could be up to one-quarter of a mile. The final corridors selected could be impacted by how the transmission route corridors are selected in the other areas.

The group thanked Progress Energy for creating a progressive forum for getting community input.

A community working group will be formed to further refine recommendations. You can submit comments via the toll free number for the project 888-238-0373 by email to baseloadtransmission@pgnmail.com. You may also contact Gail Simpson, Manager of Public Policy at (727) 820-5509 (office)

APPENDIX A - USC Participants

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Glossary

Please note that *bold italicized text* refer to terms that are defined elsewhere in the Glossary.

Baseload – A baseload power plant is expected to operate in most hours of the year.

Blackout – A total loss of power over an area, usually caused by the failure of major generating equipment or transmission facilities.

Brownout - Abnormally low voltage that causes voltage-sensitive equipment, such as computers, motors, and certain types of lighting, to be degraded in performance.

Conductor – A conductor is the part of a *transmission* line that actually carries the electricity - in other words, the wire itself. The wire or conductor is just one part of a transmission line; other parts include the poles and the insulators from which the conductor is hung. A conductor must have enough capacity to carry the highest *demand* that it will experience, or it could overheat and fail.

Contingency - A contingency is an unplanned outage of a critical system component such as a *transmission* line, *transformer* or *generator*.

Demand - Demand is the amount of electricity being used at any given moment by a single customer, or by a group of customers. The *total* demand on a given system is the sum of all of the individual demands on that system occurring at the same moment. The *peak-demand* is the highest demand occurring within a given span of time, usually a season or a year. The total peak-demand that a *transmission* or *distribution* system must carry sets the minimum requirement for its *capacity* (see also the definition for *energy*).

Distribution - Distribution lines and distribution *substations* operate at lower *voltage* than the *transmission* systems that feed them. They carry relatively small amounts of electricity to local customers. Distribution lines use shorter poles, have shorter wire spans between poles, and are usually found alongside streets and roads, or buried beneath them. A typical distribution *voltage* would be 13.2 *kV*.

Easement – Limited right to use another’s land for a specific purpose.

FDEP (Florida Department of Environmental Protection) – The FDEP is Florida’s authority that oversees the Siting Certificate Application (*SCA*).

FPSC (Florida Public Service Commission) - The FPSC is Florida’s authority in legal proceedings that involve utility regulation, statutes and related issues, including the “Needs Application” process.

DSM (Demand-Side-Management) – Demand-side-management, is intended to satisfy local growth in electrical *demand* without the need to build new *transmission* lines.

Fault - A fault is the failure of a line, *transformer*, or other electrical component. Once such a component has failed (due to overheating, short-circuiting, physical breakage or other trauma) it is

automatically taken out of operation by a circuit breaker that quickly turns the component off. Once it has been “tripped off,” it no longer poses a threat to human safety, but its loss may present a difficult burden to the remaining system (see also the definition of *redundant* below).

Generation or Generator - A mechanical generator is a device that converts mechanical *power* from an engine, water wheel, windmill, or other source, into electrical power. Generators have internal parts that spin as they make electricity, similar to an electric motor.

kWh (kilowatt-hour) – A kilowatt hour is one thousand watt-hours. A watt-hour is a measure of the amount of electric energy generated or consumed in a given period of time.

kV (kilovolt) - A kilovolt is a thousand volts. Volts and kilovolts are measures of *voltage*.

Load - see *demand*.

MW (Megawatt) - A megawatt is one million watts. Watts and megawatts are measures of power. To put this in perspective, the peak power demand for the state of Florida is approaching 50,000 MW, or 50,000,000,000 watts.

N-0 or N-1 or N-2 - The term N minus zero (or one or two) refers to the failure of important equipment. Although these terms sound complex, they are actually quite simple. “N” is the total number of components that the system relies on to operate properly. Only rarely does anyone try to calculate its actual value; it is simply a generic term to describe all the components of a given system. The number subtracted from N is the number of components that may fail in a given scenario, although more information is needed to denote just what component or components are assumed to have failed. Therefore, N-0 means that no components have failed and the system is in a normal condition. N-1 means that only one component has failed. N-2 means that two components have failed at the same time, which is generally worse than having only one fail (see also the definition of *contingency* above).

PEF – Progress Energy Florida, the second-largest electric utility in the state of Florida.

Power - Power is the same thing as *demand*.

Redundant - Facilities that have backups or alternate ways of operating are said to be redundant, that is, their function can be sufficiently provided even after they suffer a breakdown or failure. The more crucial a component or system, the greater the need for it to be redundant.

Renewable power source - A renewable power source is any power source that does not rely on a *finite* fuel resource to keep it running, such as coal, oil, or natural gas, which will eventually run out. Renewable power sources include solar, wind, and hydro generators, because sunlight, wind, and running water will not run out. Generators that burn replaceable fuels also qualify as renewable power sources. Examples include bio-diesel generators that run on crop-derived fuels, and wood-burning generators.

ROW (Right of Way) - A right of way is the long but narrow strip of property on which a *transmission* line is built. It may be owned by the utility, or it may be an *easement*.

Substation - A substation is a fenced-in area where several *transmission* and/or *distribution* lines come together and are connected by various other equipment for purposes of switching, metering or manipulating *voltage*. Often they contain *transformers*.

Transformer – A transformer is a device that connects high-*voltage* equipment to lower-voltage equipment and allows *power* to flow from one to the other. Different voltages are used because higher voltages are better for *moving* electricity over a long distance, but lower voltages are better for *using* electricity in machinery and appliances. Transformers are commonly described by the two (or more) voltages that they connect, such as “115/13.2-kV”, signifying a connection between 115-kV and 13.2-kV equipment.

Transmission - Transmission lines and transmission *substations* operate at high *voltage* and carry large amounts of electricity from centralized *generation* plants to lower voltage *distribution* lines and substations that supply small towns and neighborhoods. A few transmission lines or even one may be capable of supplying an entire region or metro area. Transmission lines use poles or structures, have long wire spans between poles, and usually traverse fairly straight paths across large distances. Typical transmission *voltages* include 500 *kV*, 345 kV, 230 kV, 115 kV, and 69 kV.

Voltage - Voltage in an electric *transmission* or *distribution* system is much like water pressure in a system of pipes. If the pressure is too low, the pipes cannot carry enough water to satisfy the needs of those connected to them. If the voltage is too low, the electric system cannot carry enough electricity to satisfy the needs of those connected to it.