

VOTE SHEET

February 9, 2010

Docket No. 090451-EM – Joint petition to determine need for Gainesville Renewable Energy Center in Alachua County, by Gainesville Regional Utilities and Gainesville Renewable Energy Center, LLC.

Issue 1: Are Gainesville Regional Utilities and Gainesville Renewable Energy Center, LLC proper applicants within the meaning of Section 403.519, F.S.?

Recommendation: At the December 16, 2009 hearing, the Commission voted to approve the following stipulation:

Yes. Gainesville Regional Utilities (GRU) is a municipal electric, natural gas, water, wastewater, and telecommunications utility serving retail customers; it is owned and operated by the City of Gainesville in Alachua County, located in north-central Florida; and it is a valid applicant under the Florida Electrical Power Plant Siting Act (PPSA), Chapter 403, Part II, F.S.

Gainesville Renewable Energy Center, LLC (GREC LLC) is a private renewable power producer that will own, operate, and maintain the proposed Gainesville Renewable Energy Center biomass facility and sell 100 percent of the facility's electric power output to GRU under a 30-year power purchase agreement (PPA). GREC LLC is an appropriate joint applicant pursuant to the Commission's decisions and the Florida Supreme Court's decision in Nassau Power Corp. v. Deason, 641 So. 2d 396 (Fla. 1994).

STIPULATED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures of David E. Klement, [unclear], [unclear], and [unclear] under the MAJORITY column.

REMARKS/DISSENTING COMMENTS:

Deferred with the understanding that staff will get with the parties and that the utility has waived the timeframes.

DOCUMENT NUMBER-DATE

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Issue 2: Is there a need for the Gainesville Renewable Energy Center, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, F.S.?

Recommendation: GRU's current load forecast indicates that the company does not have a reliability need, based on a planning reserve margin of 15 percent, for additional capacity until the year 2023. However, the additional generation from the Gainesville Renewable Energy Center Project will enhance the overall reliability of the GRU system.

DEFERRED

Issue 3: Is there a need for the Gainesville Renewable Energy Center, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, F.S.?

Recommendation: Based on current fuel forecasts and environmental requirements, the addition of the GREC Project would result in a cumulative net present value cost of approximately \$100 million over the life of the facility. However, if GRU re-sells half of the contracted capacity and if pending carbon legislation is enacted, the GREC Project could provide cumulative net present value savings of approximately \$400 million over the life of the facility. Therefore, the GREC Project could act as a hedge against increased costs associated with future regulation of carbon emissions.

DEFERRED

Issue 4: Is there a need for the Gainesville Renewable Energy Center, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, F.S.?

Recommendation: Yes. The GREC Project would add a biomass fuel source that would significantly reduce coal and natural gas usage on the GRU system. Multiple studies have demonstrated that there is sufficient biomass for the proposed GREC Project.

DEFERRED

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Issue 5: Are there any renewable energy sources and technologies, as well as conservation measures, taken by or reasonably available to Gainesville Regional Utilities which might mitigate the need for the proposed Gainesville Renewable Energy Center?

Recommendation: Since GRU does not have a need for capacity until 2023, GRU did not perform a formal evaluation to determine whether there are any demand-side management or conservation measures available that could mitigate the need for the proposed GREC biomass facility. The decision to build the GREC Project was made to enhance fuel diversity and act as an economic hedge against future carbon regulation.

DEFERRED

Issue 6: Is the Gainesville Renewable Energy Center the most cost-effective alternative available, as this criterion is used in Section 403.519, F.S.?

Recommendation: Based on current fuel forecasts and environmental requirements, the addition of the GREC Project would result in a cumulative net present value cost of approximately \$100 million. However, if GRU re-sells half of the contracted capacity and if pending carbon legislation is enacted, the GREC Project could provide cumulative net present value savings of approximately \$400 million over the life of the facility. Therefore, the GREC Project could act as a hedge against future regulation of carbon emissions.

DEFERRED

Issue 7: Based on the resolution of the foregoing issues, should the Commission grant the petition to determine the need for the proposed Gainesville Renewable Energy Center?

Recommendation: Yes. The additional generation from the GREC Project will enhance the overall reliability of the GRU system and significantly increase the amount of renewable generation on GRU's system. If GRU re-sells half of the contracted capacity and if pending carbon legislation is enacted, the GREC Project could provide cumulative net present value savings of approximately \$400 million over the life of the facility. Therefore, the GREC Project could act as a hedge against future regulation of carbon emissions. Any rate impact would be the result of the Gainesville City Commission's policy decisions.

DEFERRED

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Issue 8: Should this docket be closed?

Recommendation: Yes. Upon issuance of a final order addressing GRU and GREC LLC's joint petition to determine the need for the GREC Project, the docket should be closed when the time for filing an appeal has run.

DEFERRED