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GAINESVILLE ENERGY ADVISORY COMMITTEE

Howard K. Wallace, Jr., Chairman

4707 NW 53rd Avenue, Suite A

Gainesville, FL 32606

January 25, 1999

Gainesville City Commission
P. O. Box 490
Gainesville, FL 32602

Dear Honorable Mayor and City Commission:

As you are already aware, GRU has proposed the repowering the Kelly power plant with a new Combustion Turbine (CT) and Heat Recovery Steam Generator (HSRG) to form a very clean and efficient Combined-Cycle (CC) Unit. GRU gave a presentation to the public on the proposed project on January 7, and 12, 1999. These meetings were sponsored and moderated by the Gainesville Energy Advisory Committee (EAC).

These meetings went extremely well, and the community response to the proposed project was by and large very positive. Most of the people who attended were from the local community and asked many good questions. The sentiment expressed by most attending the meeting was that they, as citizens, were proud of GRU and the work its staff has done. Several made the comment that GRU is a real asset to the community and appreciated the benefits it provides. Both meetings ended in applause.

The highlights of the presentation at the EAC-sponsored Town Meetings and the Community reaction can be summarized in the following points.

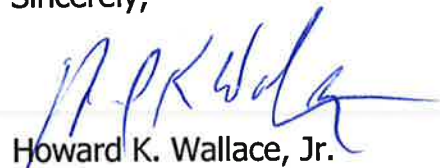
- The project will reduce fuel consumption and increase plant efficiency.
- The project will reduce reliance on Deerhaven Unit 2 as the only economic source of baseload generation.
- The project will reduce air emissions at the Kelly Plant.
- The project will meet GRU's demand requirements (including the 15% reserve margin) until 2011.
- By timing the project early (2001 instead of 2006), GRU can take advantage of the extra capacity by making off-system sales, which will help pay for the unit and contribute toward the annual general fund transfer.
- By timing the project early, air emissions will be reduced by approximately 3,000 tons over the 5 years.
- The timing of the project will allow the architecture to blend with the Downtown redevelopment in the Depot Street area. There was one suggestion from the audience that the EAC would like to re-iterate and lend its support to. The idea was to have a corner or section of the new building be devoted to an "Interactive Learning Facility (ILF)", where visitors could come in and see a display of how the

Kelly plant works and what it takes to produce electricity. Some of the display would be "hands on" so visitors could get a "feel" for the plant. If this were to be located directly across from the new bus terminal, a mother, for example, could take her children across the street to the ILF for a quick lesson on electricity production while waiting for their bus to arrive.

- The Gainesville Energy Advisory Committee would like to see GRU preserve the historical physical plant and its associated technology to the extent possible.
- In general, the response from the Community was positive. Several people in the audience thanked GRU staff for their explanation of the project.
- The audience recognized and appreciated GRU's proactive participation in Demand-Side Management (DSM) and other related conservation measures.

At this time, the Gainesville Energy Advisory Committee cannot see a down side to this project. Because of this, the Gainesville Energy Advisory Committee recommends that the City proceed with approval of the proposed Kelly Repowering Project.

Sincerely,

A handwritten signature in blue ink, appearing to read "H. K. Wallace, Jr.", written over a horizontal line.

Howard K. Wallace, Jr.
EAC Chairman