

Public Hearing on the Public Utilities Regulatory Policy Act (PURPA)

July 14, 2008



Action to be Taken

The City Commission:

1. Receive a presentation on the Recommended Decision, including considerations, determinations and citizen comments, for fuel diversity, fossil fuel generation efficiency and net metering
2. Issue a determination on the implementation of Standards 11, 12, and 13, and issue a Final Decision adopting, modifying or rejecting the Recommended Decision.



Outline

- Schedule Status
- Standard 11 – Net Metering
 - Standard, Findings, Recommended Determination
- Standard 12 – Fuel Diversity
 - Standard, Findings, Recommended Determination
- Standard 13 – Fossil Fuel Generation Efficiency
 - Standard, Findings, Recommended Determination
- Final Recommendation



Schedule

- May 28, 2008 - GRU Staff Recommendation released. Notice of Hearing published in the Gainesville Sun
- On, or before June 9, 2008– Written comments submitted
- June 9, 2008– Public Hearing
- June 11, 2008– Recommended Decision Issued
- **July 14, 2008 - Public Hearing - The City Commission shall issue a decision adopting, modifying or rejecting the Recommended Decision. The Gainesville City Commission shall issue their determination on the implementation of Standards 11, 12, and 13.**



Standard for Net Metering (Standard 11)

- PURPA requires consideration that each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves.
- For purpose of this paragraph, the term “net metering service” means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.



Findings for Net Metering (Standard 11)

- *Staff recommends the Gainesville City Commission find:*
 - Net metering creates an incentive for distributed renewable energy resources; and,
 - Customers utilizing customer owned generation to offset some or all of their electric usage helps GRU avoid fuel costs and helps to offset the need for new generation; and,
 - There is a benefit in making net metering available to electric customers with eligible (*renewable*) on-site generating facilities that deliver to the local distribution facilities.



Staff Recommended Determinations for Net Metering (Standard 11)

- The Gainesville City Commission determine, based on consideration and findings, that Standard 11 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(11) should be implemented through adoption of net metering standards and tariffs for renewable generation equivalent to retail rates for all classes of customers by October 1, 2008.



Standard for Fuel Diversity (Standard 12)

- The PURPA fuel diversity standard requires consideration that each electric utility shall develop a plan to minimize dependence on one fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.



Findings for Fuel Diversity (Standard 12)

Staff recommends the Gainesville City Commission find:

- GRU has minimized dependence on one fuel source and the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies; and,
- GRU customers are encouraged to participate in the use of diverse fuels and renewable technologies through demand side management programs; and,
- Fuel diversity is an important standard in planning for future generation needs.



Staff Recommended Determination for Fuel Diversity (Standard 12)

- The Gainesville City Commission determine, based on consideration and findings, that Standard 12 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(12) has been implemented through GRU's minimized dependence on one fuel source, and that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies, and that fuel diversity will be an important standard in planning for future generation needs.



Standard for Fossil Fuel Generation Efficiency (Standard 13)

- PURPA requires consideration that each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.



Findings for Fossil Fuel Generation Efficiencies (Standard 13)

- *Staff recommends the Gainesville City Commission find:*
 - GRU continuously evaluates the efficiency of its fossil fuel generation and continues to increase the efficiency of its fossil fuel generation; and,
 - The details of fossil fuel generation efficiencies are filed annually with the Florida Public Service Commission, in the Ten Year Site Plan.



Staff Recommended Determination for Fossil Fuel Generation Efficiencies (Standard 13)

- The Gainesville City Commission determine, based on consideration and findings, that Standard 13 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(13)) has been implemented through GRU's continual evaluation of unit efficiencies, and that the efficiency with which electricity is generated from fossil and other fuels has been and shall be an important consideration for system operation and management, and that Standard 13 has been implemented through GRU's continual evaluation of unit efficiencies, and that the annual Ten Year Site Plan fulfills the PURPA standard to develop and implement a 10-year plan for efficient fossil fuel generation.



More than Energy

The City Commission:

1. Determine, based on consideration and findings, that that net metering for renewable energy is in the public's best interest, and that Standard 11 should be implemented through adoption of net metering standards and tariffs for renewable generation equivalent to retail rates for all classes of customers by October 1, 2008.
2. Determine, based on consideration and findings, that Standard 12 has been implemented through GRU's minimized dependence on one fuel source, and that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies, and that fuel diversity will be an important standard in planning for future generation needs.



More than Energy

The City Commission:

3. determine, based on consideration and findings, that the efficiency with which electricity is generated from fossil and other fuels has been and shall be an important consideration for system operation and management, and that Standard 13 has been implemented through GRU's continual evaluation of unit efficiencies. The annual Ten Year Site Plan fulfills the PURPA standard to develop and implement a 10-year plan for efficient fossil fuel generation.

