#130755

Florida Energy Freedom™

What Can Restructuring Do for GRU?

Here Is the Problem

- GRU paid $66 million in principle and interest in 2012-2013
- GRU must pay GREC $79 million in fixed costs whether biomass power is used or not
- This equals $1,567/year per customer (based on 92,500 customers) whether any electricity is used or not.
- Conservation will help, but we can't conserve our way out of the problem

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Here Is the Problem

- GRU has 636 megawatts of generating capacity, including 102.5 megawatts of biomass
- Projected native load peak is 435 megawatts. (68% load factor on peak)
- Native load is projected at 219 megawatts/hour on average (34% load factor)

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Here Is the Problem

- To offset some of those fixed costs, GRU must attempt to sell its excess generation on the open market
- Currently little, if any, premium is paid by other utilities in Florida for renewable energy
- Because Florida is very long on generation, the market is very low. GRU has limited ability to offset much of its fixed costs
- All these factors cause a very high cost per megawatt to the GRU customer

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Here Is the Need

- GRU must sell its excess generation capacity at a premium to offset high fixed costs

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Here Is One Possible Solution:

- Electricity restructuring: opening the electricity market to competition.
- Not deregulation: PSC oversight would continue to protect consumers and enforce safety and reliability standards

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Expand GRU's Customer Base

- Currently has excess power, especially renewable power
- GRU has 92,000 customers v. more than 9.8 million electricity customers in the state
- Can sell renewable power at a premium throughout the state: up to 30-50% higher, based on TX data
- It is quite possible it could be higher in FL due to the inability of Florida to tap into other renewable choices such as wind power

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Expand GRU's Customer Base

- In all restructured markets, municipalities can opt out of the retail market but still sell retail power
- Would not lose any current customers

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Why the Comparison to TX?

- Texas has a completely restructured energy Market
- Comparable fuel sources, mainly natural gas
- Similar number of customers

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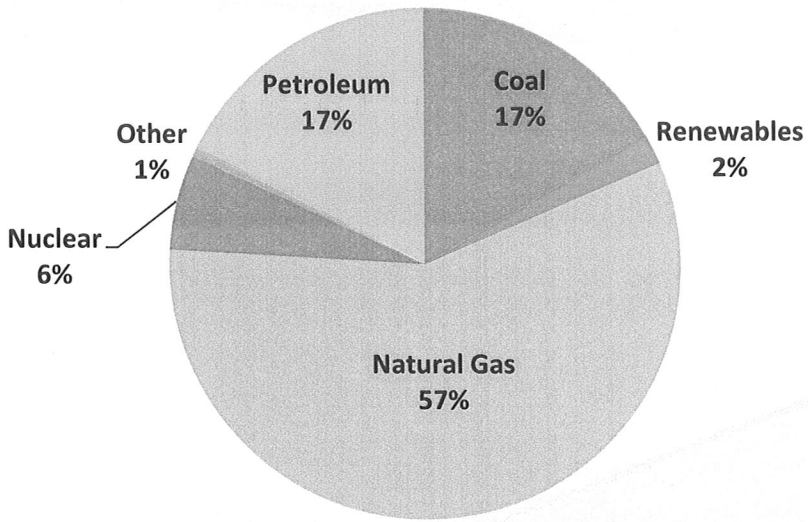
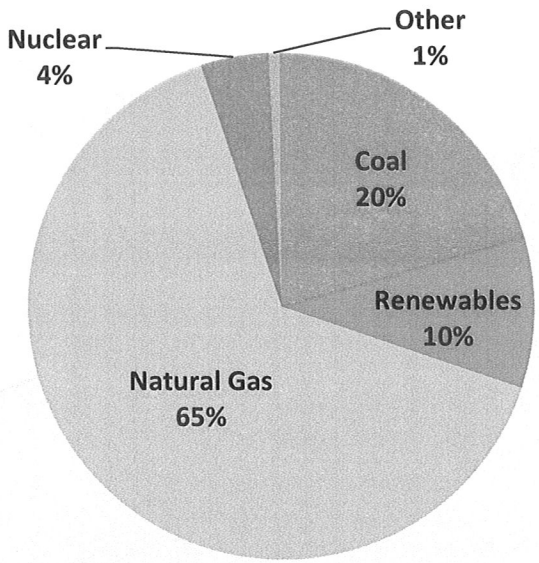
Installed Capacity by Fuel Type
FL and TX, 2011

FL Installed Capacity 2011



TX Installed Capacity 2011



http://www.eia.gov/electricity/data/state/

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EIA 2012 Total Electric Industry Customers

State	Residential	Commercial	Industrial	Transportation	Total
Florida	8,645,207	1,160,572	17,414	2	9,823,195
Texas	9,802,110	1,355,155	92,377	2	11,249,644

Source: http://www.eia.gov/electricity/data.cfm#sales

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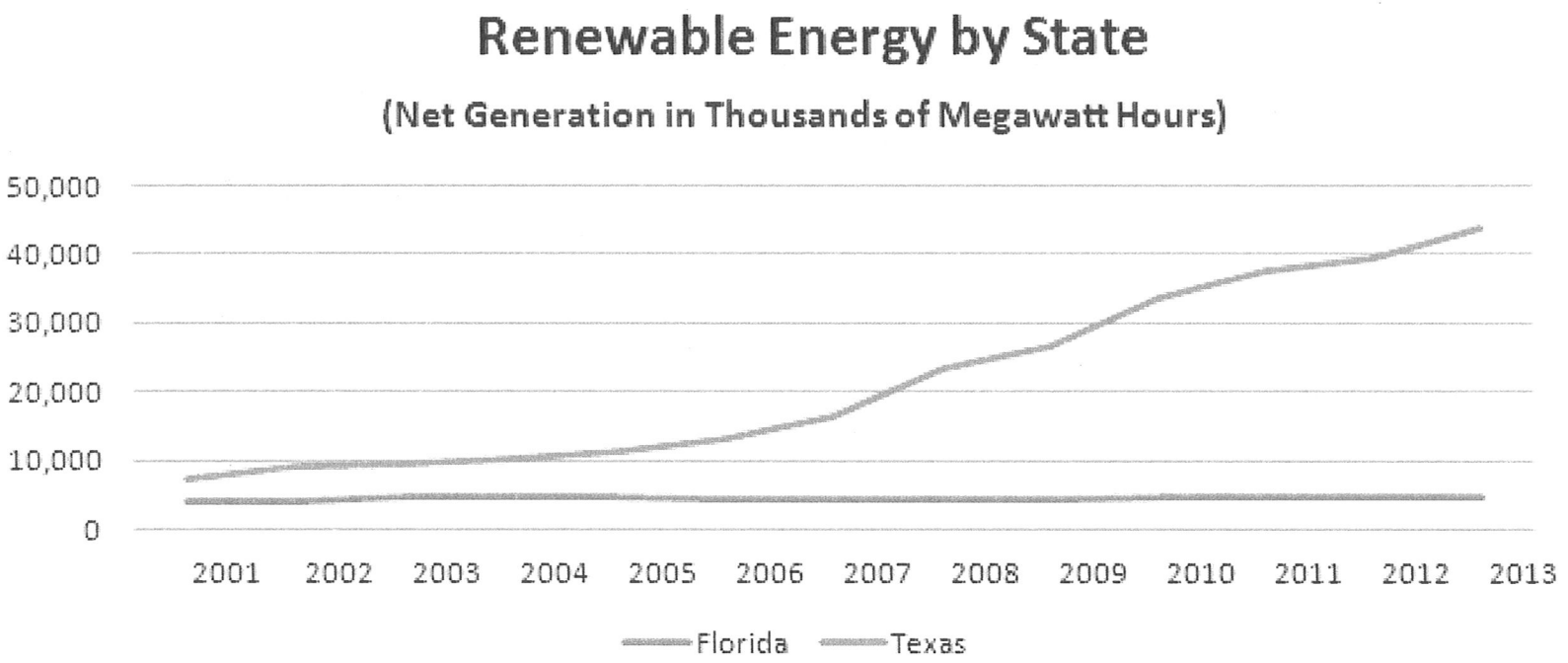
Renewable Energy by State
(Net Generation in Thousands of Megawatt Hours)



Source:
http://www.eia.gov/electricity/data/browser/#/topic/0?agg=2,0,1&fuel=07fo&geo=0000001002&sec=g&linechart=ELEC.GEN.HYC-FL-99.A&columnchart=ELEC.GEN.HYC-FL-99.A&map=ELEC.GEN.HYC-FL-

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Is Restructuring Possible?

With your help, it is.

Florida Energy Freedom: Supported by Wal-Mart, Infinite Energy and Florida Restaurant and Lodging Association

We'd like the City of Gainesville to support this change at the state level

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Q & A

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