

Regional Utilities Committee

*City Hall
200 East University Avenue
Gainesville, Florida 32601*



Meeting Minutes

Tuesday, April 8, 2008

5:15 PM

City Hall Room 16

*Commissioner Jack Donovan, Chair
Commissioner Ed Braddy, Member
Commissioner Craig Lowe, Member*

Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.

CALL TO ORDER

Present: Edward Braddy, Craig Lowe and Jack Donovan

ADOPTION OF THE AGENDA

APPROVAL OF MINUTES

071078. Regional Utilities Committee Meeting Minutes for March 19, 2008 (B)

RECOMMENDATION *The Regional Utilities Committee approve the minutes for the March 19, 2008 meeting as circulated.*

This matter was Approved as Recommended. The motion carried.

CURRENT RUC ACTION ITEMS

070528. Nuclear Energy Options - Referral Item #070528 (NB)

Rick Bachmeier of Strategic Planning gave a presentation. Commissioner Braddy asked how many publicly owned utilities were in the group and staff responded there were 6 municipals and 1 coop. Commissioner Braddy also asked how many megawatts we are producing. Staff advised we are producing 611 megawatts.

Commissioner Lowe asked if any other plants of this model were under construction or in operation yet. Rick Bachmeier responded that he didn't believe there were any of this design in commercial operation yet.

Dian Deevey stated she would be interested in figuring out what the cost is in current dollars and translating that into millions per megawatt. Ms. Deevey also asked the exact location of the Levy County project. Staff responded that it was 10 miles north of the current Crystal River Plant and that information is in the needs application on the website.

Commissioner Donovan asked how comfortable to we feel about the numbers that Progress is using. He advised that he'd read that companies presenting nuclear projects are using numbers that are very much at the low end of the scale compared to the range that is possible. It would be good to know the interest rates that they are figuring on and to have something to compare to our current figures. Commissioner Donovan further asked when does it start to cost. If the decision is made to explore this further at what point do we start having to pay money to remain part of the proposal? Rick Bachmeier responded that would happen if we sign the joint operating agreement which would probably not be until late 2008.

Commissioner Donovan asked how are our partners proceeding in the process and is there a list someplace of who the other municipalities and various partners are. Rick Bachmeier advised that others are doing pretty much what we are accept there is a group working on hammering out other service side agreements on how to handle things like people dropping out. The list of partners is in the need application on the website.

Commissioner Donovan as that if the joint operating agreement might be signed as early as August 2008 when will the RUC and City Commission be made aware to start moving toward a decision.

Bob Hunzinger advised it might be sometime after budget with a decision needed by October. Staff will monitor the progress and will bring something sooner as necessary.

Commissioner Braddy suggested putting out a timeline because there may be need for more meetings, at least a full commission briefing. Commissioner Braddy also asked, assuming we buy into this project, what would it look like in terms of rates and could that be included in the timeline.

There was further discussion about the safety record of Progress Energy, construction costs and what the penalty would be to GRU for not getting involved at this point.

Dian Deevey advised the group that the National Academy of Sciences was working on a program of evaluating nuclear power issues and hopes to issue a report sometime towards the end of the year.

This item will remain on the referral list for further follow-up.

RECOMMENDATION *The Regional Utilities Committee receive an update on discussions regarding a possible joint ownership share in the nuclear units being proposed for construction in Levy County by Progress Energy Florida.*

Discussed

070456. Large Electric Power Customers (NB)

Heidi Lannon from Strategic Planning gave a presentation.

Commissioner Lowe asked that if the example used, Nationwide, was successful with their program and they slipped below the 1000 threshold would their bill go up? What would their bill look like if they dropped below 1000?

Commissioner Donovan stated that our goal is to have all of our customers including large power customers to reduce the amount of energy they are using and purchasing from us.

Harry Kegelman, citizen, stated his concern was the rate structure for the large

power users. He further stated the ultimate goal is to lower consumption of the large power customers and sell that somewhere else. Commissioner Donovan asked Mr. Kegelman to submit his ideas in an e-mail and hopefully they could be addressed at the time Commissioner Lowe's question is responded to.

RECOMMENDATION The Regional Utilities Committee a) hear a presentation from staff on GRU Large Power electric customers and conservation strategies; b) forward a report to the City Commission; and c) remove this item on the referral list.

Discussed

070516. Conservation and Energy Use Goals (NB)

David Barclay of Strategic Planning made a presentation.

Commissioner Lowe stated that his first thoughts were that this looked really good. The question he has now is how can we do more and what would that involve in terms of resources. Another thought he mentioned was that we have a lot of rate pressures due to debt structure so our approach to this may not be something that's of equal increments or percentage increases over a period of time but perhaps when we get over this hump with respect to the debt structure perhaps in coming years we might be able to ramp up our efforts at that time if not now. One other observation is that whatever we do adopt in terms of goals, policy, we need to revisit this on a regular basis to determine if we should revise the goals. If we remove this from the referral list there should be a mechanism for periodic review of what the goals might be. Perhaps review it annually leading up to the budget.

Commissioner Donovan agreed with Commissioner Lowe regarding increasing the goal. Commissioner Donovan stated that what was missing for him was a comparison to other options. He would like to see what it cost to double the goal to 50 to 100,000. When can we anticipate new technologies? What if there are different kinds of carbon penalties to deal with. He would like to see an analysis that includes those factors. Worse case scenario, best case scenarios and different sets of goals and what it would cost to achieve. Commissioner Donovan asked for four (4) options to compare.

Paula Stahlmer, citizen, asked about seeing comparisons with other communities and states.

Dian Deevey suggested looking into the financial basis of the estimates provided by ICF to see if they are obsolete now and would justify a larger dollar investment.

Commissioner Donovan asked whether we could increase our rates by law and use it to accumulate capital to reinvest in either DSM practices or in assisting needy people to renovate their homes.

Commissioner Lowe restated that the Committee wanted to see some accelerated goals and compare that to what was presented at the RUC meeting today (4/8/08), in

terms of what the goals would be in terms of energy savings and how so in terms of costs and budget impact.

RECOMMENDATION *The Regional Utilities Committee receive a report on staff's working long-term assumptions for energy conservation and electrical demand reduction, recommend to the City Commission that these be formally adopted for use as planning assumptions pending future re-evaluations, and remove this item from the referral list.*

Discussed

MEMBER COMMENT

CITIZEN COMMENT

OUTSTANDING REFERRALS

071084. Regional Utilities Committee Outstanding Referral Status Report (B)

RECOMMENDATION *The Regional Utilities Committee review the Outstanding Referral Status Report.*

Deferred

NEW BUSINESS

NEXT MEETING DATE

Next meeting date is 5/13/08.

ADJOURNMENT