

City of Gainesville

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



Meeting Agenda

October 09, 2007

5:15 PM

City Hall Room 16

Regional Utilities Committee

*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**ROLL CALL****ADOPTION OF THE AGENDA****APPROVAL OF MINUTES****070530. Regional Utilities Committee Meeting Minutes for September 11, 2007 (B)**

RECOMMENDATION *The Regional Utilities Committee approve the minutes for September 11, 2007 as circulated.*

RUC Meeting Minutes for 9 11 07.pdf

CURRENT RUC ACTION ITEMS**070360. Gainesville Regional Utilities (GRU) Rate Structure (B)**

Explanation: At the August 13, 2007 City Commission meeting, the issue of the Gainesville Regional Utilities Rate Structure was referred to the Regional Utilities Committee. A customer had raised several issues that are addressed in the attached documents.

The customer discussed minimum charges to GRU customers before any consumption was used. The GRU initial turn-on charge is \$50.00 for electric, water and gas, at a charge of \$15, \$15 and \$20 respectively. Some customers do not have all three services. There are also costs for Stormwater and Garbage, which are not GRU services, but are billed by GRU for the City.

The customer also discussed the rates in each tier, stating that the first tier usage (0-250 kWh) is billed at a very high rate, that the second tier (251-750 kWh) is discounted 44%, and that the third tier (over 750 kWh) is billed at a flat rate closer to the first 250 kWh than the next 500 kWh. As shown in Attachment A, the third tier is currently billed at a rate higher than the first two, and was last year.

The customer stated that the low income, lower energy users are subsidizing the higher users, but this is untrue based on the increasing block structure used. This rate structure is designed to charge higher users more per kWh than lower users and accomplishes that as the table in Attachment A shows. The more customers use, the greater their overall charge per kWh becomes.

The Regional Utilities Committee discussed tiered rates and the impacts on people with low incomes at their September 11, 2007 meeting. As a result of

that meeting the RUC agreed that the tiered rate structure is beneficial and takes into consideration the needs of low income customers. In addition the RUC agreed to recommend that the City Commission send a letter to Governor Crist promoting the tiered rate structure as a conservation tool.

The customer discussed commercial rates and had a similar analysis. The example used General Service Non-Demand rates and the rates, with charges that are higher in the second tier are:

Consumption - 0 - 1500 kWh - Rates Billed \$0.05548
Consumption - Over 1500 kWh - Rates Billed \$0.07183

The customer also inquired about the Business Partner Discounts. As of October 1, 2006, no new or amended Business Partner Discounts agreements are available. GRU's Business Partner Discounts were based on 10 year contracts at discounts of 7%, 10% and 13% for General Service Non-Demand, General Service Demand, and Large Power, respectively. Most of these contracts will expire by 2012.

Gainesville Regional Utilities rates can be found in Appendix A of the City of Gainesville Code of Ordinances and can be found at www.municode.com.

RECOMMENDATION *The Regional Utilities Committee: 1) hear a presentation from staff on the GRU rate structure; and 2) remove this item on the referral list.*

Legislative History

8/13/07 City Commission Referred (6 - 0 - 1 Absent) Regional Utilities
Committee

8/27/07 City Commission Placed on File

070360_20070827.pdf

070360A_20070827.pdf

RUC Rate Structure Presentation October 9 2007.pdf

Backup for GRU Rate Structure Item 070360 Oct 9.pdf

070456.

Large Electric Power Customers (B)

Explanation: At the September 10, 2007 City Commission meeting, Commissioner Lowe referred the issue of Large Power customers and conservation to the Regional Utilities Committee. Gainesville Regional Utilities had 16 Large Power customers in August 2007. The customers are shown in order of energy use.

VA Medical Center

North Florida Regional Medical Center

Gainesville Regional Utilities - Murphree

Metal Container Corporation

Santa Fe Community College

Shands @ AGH

State of Florida Department of Children & Family Services

Clariant LSM Florida Inc

*Gainesville Regional Utilities - Kanapaha WRF
Alachua County Board of County Commission
State of Florida Department of Transportation
Nationwide Mutual Ins Co
US Department of Agriculture
US Postal Service
Florida Farm Bureau Insurance Co
Shands Healthcare*

Large Power customers are charged a customer charge, an energy charge and a demand charge. Two meters record the energy used and the maximum demand for the month. The demand level is defined as the highest peak of use, measured in kilowatts, per month, and generating units must be sized to accommodate this use. The objective of the Large Power rate is to provide a rate that rewards customers with good load factors. Staff will present load profiles for various uses to illustrate this.

The City Commission adopted an ordinance changing the definition of Large Power customer slightly on September 24, 2007. The definition of Large Power is a customer that has an average demand of over 1,000 kW per month. Previously the definition was at least one month of demand of over 1,000 KW in a 12 month period. The impact of the definition change is to discourage incidents of load banking. Load banks, which resemble large electric heaters, may be rented and run to maximize the demand of a customer in one month. Under the previous Large Power customer definition, a customer could use a load bank to increase load in one month to over 1,000 KW, and become a Large Power user for the next year.

Of the 16 Large Power customers, 5 have participated in energy conservation measures through the customized commercial rebate in FY 2007.

RECOMMENDATION

The Regional Utilities Committee: 1) hear a presentation from staff on GRU Large Power electric customers and conservation strategies; and 2) remove this item from the referral list.

Legislative History

9/10/07 City Commission Referred (6 - 0 - 1 Absent) Regional Utilities Committee

RUC Large Power Presentation October 9 2007.pdf

070181.

Forest Certification Stewardship Issues (B)

Explanation: At the June 18, 2007 City Commission meeting, the issue of Forest Certification Stewardship was referred to the Regional Utilities Committee. Staff will discuss various forms of forest management programs applied in Florida and the availability of biomass for lands managed under each of these programs. Staff will also discuss the proposal to incentivize these programs as part of the Request for Proposals for biomass energy supply.

RECOMMENDATION

The Regional Utilities Committee: 1) hear a presentation from staff on forest management programs; and 2) remove this item on the referral list.

Legislative History

6/18/07 City Commission Referred (6 - 1)

Regional Utilities
Committee

RUC Forestry Presentation October 9 2007.pdf

Backup for Forest Stewardship Item #070181 Oct 9.pdf

MEMBER COMMENT

CITIZEN COMMENT

OUTSTANDING REFERRALS

051194

GRU Wholesale Sales of Electricity

Legislative History

4/12/06	City Commission	Referred (7 - 0)	Regional Utilities Committee
6/8/06	Regional Utilities Committee	Discussed	
8/14/07	Regional Utilities Committee	Deferred	

Backup for Item #051194 GRU Wholesale Sales.pdf

060294.

General Fund Transfer from GRU

Legislative History

7/25/06	City Commission	Referred (7 - 0)	Regional Utilities Committee
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061213.

Digital Cities Conference in Washington DC - Commissioner Braddy Referral Item

Legislative History

4/23/07	City Commission	Referred (7 - 0)	Regional Utilities Committee
4/23/07	City Commission	Referred	Regional Utilities Committee
6/12/07	Regional Utilities Committee	Discussed	
7/10/07	Regional Utilities Committee	Deferred	
8/14/07	Regional Utilities Committee	Discussed	

061214.

Photovoltaic Policies- Proposed Energy Neutral Neighborhood- Commissioner Craig Lowe Referral

Legislative History

4/23/07	City Commission	Referred (7 - 0)	Regional Utilities Committee
6/12/07	Regional Utilities Committee	Discussed	

7/10/07 Regional Utilities Approved as shown above (See Motion)
Committee
8/27/07 City Commission Approved as shown above (See Motion) (5 - 1 - 1 Absent)

070084.**City of Gainesville Energy Policy - Gainesville Energy Advisory Committee (GEAC)****Legislative History**

5/14/07 City Commission Approved as Recommended (7 - 0)
7/9/07 City Commission Referred (6 - 0 - 1 Absent) Regional Utilities
Committee

070255.**Home Energy Rating System (HERS)****Legislative History**

7/23/07 City Commission Referred (5 - 0 - 2 Absent) Regional Utilities
Committee
8/14/07 Regional Utilities Discussed
Committee

070352.**Status Report on Maximum Energy Efficiency****Legislative History**

8/27/07 City Commission Referred (6 - 0 - 1 Absent) Regional Utilities
Committee

070352_20070827.pdf

070487.**Florida's Electrical Reserve Margins****Legislative History**

9/24/07 City Commission Referred (6 - 0 - 1 Absent) Regional Utilities
Committee

070516.**Developing Conservation and Energy Use Goals for the Community****Legislative History**

9/24/07 City Commission Referred (7 - 0) Regional Utilities
Committee

NEW BUSINESS

NEXT MEETING DATE

The next meeting date is November 13, 2007.

ADJOURNMENT