

Clerk's Copy

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5/5/11
Citizen
Committee
Jo Lee
Beaty

[May 5, 2011, 8:00 – Since I was not able to complete my presentation I request each Commissioner's written response]

Good evening, Mayor Lowe and Commissioners.

My name is Jo Lee Beaty.

I am one of approximately 93,000 Gainesville Regional Utilities electric customers.

I became a staunch opponent of the facility when the binding contract ultimately proposed by a GRU advisory committee headed by GRU General Manager Bob Hunsinger and including GRU Assistant General Manager Ed Regan – and ratified by the Gainesville City Commission – proposed a fiscally and environmentally unsound 100 megawatt tree-incinerating monstrosity to be owned and operated by a shell entity calling itself “GREC, whose only asset will be a \$667 million white elephant funded by off-shore and multi-national money interests for the benefit of out-of-state entrepreneurs who expect me and 93,000-some-other rate payers to fork over more than \$3 billion over the next thirty years -- five times the overblown cost of the facility

GRU customers' monthly electric bill, by GRU's own figures provided to the PSC that show that GRU customers will see an average monthly electric bill increase of about \$100 per month when the incinerator goes on line in 2014 – a \$1200 a year hike. [Ed Regan back-up presentation to the PSC, May 2010]

Much of what GRU-GREC has sought to keep secret can be found in the now unredacted power purchase agreement, and in the about-to-be unredacted Public Service Commission litigation files. Those files will soon be made public as a result of a result of the settlement of a lawsuit.

Today, I appear before you on behalf of an organization called Gainesville Citizens for Clean Affordable Renewable Energy (website gc-care.org). Gainesville Citizens CARE at the last city commission meeting launched Phase 1 of its Biomass Truth Seekers Project, when Ms. Paula Stahmer appeared before this commission and asked three plain and simple questions, substantially as follows:

1. Wasn't it true that the Gainesville City Commission on March 12, 2008 ordered GRU to negotiate a multi-year power purchase agreement with GREC, ensuring that the contract contained a “back door” clause that would allow the city to cancel the contract if the contract would not be in the best interest of the citizens of Gainesville and GRU ratepayers?
2. Wasn't it true that on May 7, 2009 a GRU committee headed by Hunsinger brought before the Gainesville City Commission a substantially revised contract, providing greater monetary benefits to GREC while secretly eliminating the city commission's mandated “back door” clause?
3. Wasn't it true that in the May 7, 2009 public meeting the Gainesville City Commission approved the Hunsinger-committee recommended contract as presented, without discussing or informing the public that the commission mandated “back door” clause has been removed?

As you may recall, Mayor Craig Lowe's response to Ms. Stahmer was substantially as follows:

1. "There was direction from the commission to include such a clause."
2. "Working with American Renewables it was presented to the City Commission and with the knowledge of the City Commission [but without the knowledge of the public] the contract was approved without that particular clause in it."
3. "I don't know there's ever been a member of the city commission that felt like they wish we had one."

Tonight, on behalf of the Truth Seekers Project of Gainesville Citizens CARE,

I ask these additional questions to each currently sitting commissioner:

1. Do you believe it was appropriate for the City Commission to direct the General Manager of GRU to negotiate a contract that included a "back out" clause and then, "working with American Renewables" to have a GRU working under the General Manager submit a contract to the city commission without the mandated "back out" clause?
2. Do you believe it was appropriate on May 7, 2009, for individual city commissioners to discuss the removal of the mandated "back out" clause privately with members of GRU's group and then, in a public meeting, vote to ratify the contract without informing the public that the mandated "back out" clause has been removed as a result of non-public advisory advice?
3. On April 6, 2011, as a result of a lawsuit settlement agreed to by litigants in the three legal challenges - including some members of Gainesville Citizens CARE -- the May 7, 2009 power purchase agreement was unredacted, and it became known clear the mandated "back out" clause had been removed by the city commission without public notice or opportunity to be heard. Putting aside the ethics of the city commission's action,
Do you agree with Mayor Lowe's suggestion that there is not and never has been a member of the city commission that wishes there had been a back out clause?"

On behalf of Gainesville Citizens CARE and the Truth Seekers Project, I look forward to hearing an answer to each of these questions from each commissioner.

Thank you for your kind attention to these important questions. Your answers -- or lack of them -- will be posted on the Gainesville Citizens CARE website at gc-care.org.



“MY QUESTION IS WHAT ABOUT US IF WE GET AS WE ARE APPROACHING THIS . . . STARTING UP, WE DECIDE THAT THERE IS A TECHNOLOGY THAT IS QUITE INTEREST TO US AND WE WANT TO DEVIATE FROM THE BIOMASS PLANT, WHAT LIABILITY OR WHAT CONSTRAINTS WILL KEEP US FROM GOING IN THAT DIRECTION IF WE DESIRE TO DO SO?”

--SCHERWIN HENRY, MAY 2009

“OBVIOUSLY, SOMETHING NEEDS TO BE NEGOTIATED IN THE FINAL CONTRACT.”

***--ED REGAN, GRU ASSISTANT GENERAL MANAGER,
MAY 2009***

“IT IS SOMETHING YOU THAT WE WILL HAVE TO HAVE WIRED DOWN BEFORE WE SIGN A CONTRACT.”

***--ED REGAN, GRU ASSISTANT GENERAL MANAGER,
MAY 2009***

“MY GUESS IS BY THE TIME YOU GET TO THE NOTICE TO PROCEED, YOU STILL HAVEN’T PUT IN YOUR MAJOR EQUIPMENT TO WORK, OR BASICALLY YOU HAVE YOUR PROGRESS, SO IT’S NOT A GROSS AMOUNT OF MONEY. MAYBE A COUPLE OF MILLION DOLLARS.”

***--ED REGAN, GRU ASSISTANT GENERAL MANAGER,
MAY 2009***

“AND MAY I ASK EITHER ED OR OUR CITY ATTORNEYS, IS THIS SOMETHING THAT IS EASY TO PUT INTO A CONTRACT, OR SOMETHING YOU HAVE TO NEGOTIATE FOR, WHAT’S THE, ANY ISSUES AROUND THIS PARTICULAR IDEA? IS IT SOMETHING WE WILL GO FORWARD WITH? DO YOU NEED TO BE DIRECTED TO GO FORWARD WITH THAT KIND OF THING, OR WHAT?”

--COMMISSIONER JACK DONOVAN, MAY 2009

“I WILL TELL YOU THAT THIS IS NORMAL, IN A CONTRACT IT DOES NEED TO BE NEGOTIATED, BECAUSE THE QUESTION IS HOW MUCH SKIN DO YOU HAVE IN THE GAME AT THAT POINT.”

--GRU ASSISTANT MANAGER ED REGAN, MAY 2009

“OK. MADAM MAYOR, IT SOUNDS TO ME LIKE THIS IS A GOOD IDEA. SHOULD WE AMEND THE MOTION AT THIS POINT TO ENSURE THAT A CONTRACTUALLY BINDING BACK DOOR IS AVAILABLE?”

--COMMISSIONER JACK DONOVAN, MAY 2009

“I THINK WITHOUT OBJECTIONS . . . IT’S BEEN AMENDED AND WE HAVE A SECOND.

--MAYOR PEGEEN HANRAHAN, MAY 2009

“THANK YOU.”

--COMMISSIONER JACK DONOVAN, MAY 2009