

Draft Energy Policy Edits – Porter
Submitted to staff liaison on 7/31/19

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UTILITY AND ENERGY POLICY 2020-2030

For the City of Gainesville and Gainesville Regional Utilities

INTRODUCTION TO THE CITY OF GAINESVILLE'S ENERGY AND UTILITY POLICY 2020 - 2030

EXECUTIVE SUMMARY:

[Cite enabling ordinance](#)

This Energy and Utility Policy reflects the shared core values of the City of Gainesville and Gainesville Regional Utilities (GRU). The City and GRU's mission is to ~~the~~ provide safe, reliable, competitively priced utility services in an environmentally responsible manner to enhance the quality of life in our community. Second, the City has committed to a path of sustainability. This includes the goals of providing 100% renewable energy by the year 2045 and becoming a zero-waste community by 2040. While these goals are necessary in order to reduce greenhouse gas emissions, reduce pollution, and promote energy independence, they also come with a cost, and the path towards those goals must be thoughtfully approached. This Energy and Utility Policy seeks a balanced and measured approach towards a sustainable utility and community; with sustainability being defined as not only being environmentally responsible for future residents and customers, but also socially just and economically viable.

Setting clear policy will lead to the next step for the City of Gainesville: clear, measurable goals and a strategic plan to prepare us for a future to address climate resiliency, support local jobs and a robust economy, provide positive economic support for the City and lower utility costs for residents and businesses.

This document is laid out in two main sections: Section One is the strategic plan and outlines the importance of an energy and utility policy and discusses how this policy can be used going forward. Section Two is the policy and the components of the policy in a unique cross-referenced format and includes links to current initiatives within the city that support those policies and links to additional information.

ABOUT GAINESVILLE REGIONAL UTILITIES SERVICE AREA AND THE CITY OF GAINESVILLE

The City of Gainesville is the county seat of Alachua County and is home to approximately 135,000 residents. Gainesville is home to the University of Florida, a land grant university with the fifth largest university campus by enrollment as well as Santa Fe College, a large state college providing a variety of degrees and accredited certificate programs. The GRU service area is growing at a rate of approximately 1% ~~or greater~~ [or greater](#) than 1000 people per year.

GRU's mission is to provide safe, reliable, competitively priced utility services in an environmentally responsible manner to enhance the quality of life in our community. This mission is the foundation for all work at the utility and for these policies.

SECTION ONE: STRATEGIC PLAN

WHAT IS A POLICY?

A policy is a guiding principle, or set of guiding principles, that is used to set direction in an organization, and in this case, a local government. Policies are typically in the form of a governing principle, plan or course of action. Policies affect every community member in some way. Policies can determine everything from what services are provided to the kinds of development that take place in a community. Aspirational

A policy is necessary before processes and procedures can be effectively implemented. Processes and procedures are a defined series of steps to be followed as a consistent and repetitive approach to accomplish an end result. Processes and procedures are important and valuable tools in any organization or city but if they are written before an overall ~~over-all~~ policy has been established then they are typically (not well vetted) ~~knee-jerk~~ reactions to specific needs or events. Not every situation can be defined by a procedure or a process. A policy provides valuable guidance in these situations.

Some of the qualities of good policy include:

- Public support
- Fair and equitable to all stakeholders
- Backed by knowledge, analysis, and an understanding of the consequence of the policy on the community
- Relevance
- Feasible
- Flexible so that unintended consequences or failures can be addressed in a timely way

THE POLICY MAKING PROCESS

The policy making process weighs and balances public values and implements the community vision. There is often more than one technically correct way to solve a problem and this can lead to conflict and controversy. A good public policy will direct problem solving by setting the direction from the beginning and reduce the adversarial competing and conflicting interests when address an issue. And great policy will direct the destiny of a community through fulfillment of its dreams and aspirations. Policy making, when done well, brings diverse community interests together around a shared purpose through diplomacy, prudence, and knowledge of issues.

Policy making has constraints. Policy must be consistent with a community's vision, goals and objectives. It must be consistent with a community's comprehensive plan. It must not conflict with mandated local ~~services~~ services (such as by state statute) or services that are prudent and customary. The policy must be able to be implemented within the given financial resources of a community and within the budget and capital improvements necessary for operation. The allocation of funds within a budget to meet competing needs is, in itself, a policy making procedure.

While policy making often falls to elected officials that may suffer from information overload. While they may have the final say in a policy implementation, the process of creating policy may be delegated to a group of qualified citizens with access to data, analysis, knowledge and experience.

GOING FORWARD

These policies are the first step in the process of realizing the energy and utility vision for Gainesville Regional Utilities and the City of Gainesville. Once these policies are in place, then processes and procedures will need to be developed and implemented. ~~It is important that it not sit on a shelf and gather dust.~~

~~We recommend that the implementation of these policies~~

These policies are not only tools for elected officials, managers and administrators, but they are tools for citizens. Citizens can use these policies to hold elected officials accountable in the decision making ~~process-process.~~

Policies may have unintended consequences and changes may take place in the community or in the nation that require a change of direction. For this reason, it is recommended that this policy expire within a given amount of time unless there is a formal policy review, a reimplementation of what is working, and a revision of what is not working.

This policy is intended to guide the City of Gainesville through the next decade. The policy should be updated and republished prior to 2030.

SECTION TWO: THE POLICY

	CURRENT AND PLANNED INITIATIVES	CROSS REFERENCE
<p>0.0 THE BASE POLICY:</p> <p>GRU shall provide safe, reliable, competitively priced utility services in an environmentally responsible manner to enhance the quality of life in our community. To this end, the policies in this document must only be sustainably implemented, with respect to the triple bottom line of being economically viable, environmentally responsible, and equitable across Gainesville and GRU’s service territory.</p>		
<p>1.0 THE BUILT ENVIRONMENT</p>		
<p>1.1 UTILITY EFFICIENCY PROGRAMS</p>		
<p>1.1.1 RESIDENTIAL</p> <p><u>Background:</u> The efficient use of our natural resources is a primary goal for The City of Gainesville. Better service while minimizing consumption of critical resources benefits all concerned. Measurable Goals should be transparent and easy to measure.</p> <p><u>Goal:</u> Residential electricity, water and natural gas consumption should be reduced through efficiency measures. These goals should be measured as the average residential account for the utility for each one of these services. Note new construction and existing housing</p> <p><u>Policy:</u> GRU shall continue to evaluate and support residential efficiency programs.</p>	<p>CWC, LEEP, HABITAT, etc.</p>	<p>POLICY 2.2</p>
<p>1.1.2 COMMERCIAL, AND INSTITUTIONAL, AND INDUSTRIAL</p> <p><u>Background:</u> The City of Gainesville has a policy of creating educational utility efficiency programs for commercial and institutional (< 1,000 kWh) GRU customers.</p> <p><u>Goal:</u> These programs To increase the efficiency of the delivery and consumption of resources, need to balance. These programs must maintaining GRU’s safety, service levels, and fiscal responsibility while also encouraging the success of commercial customers.</p> <p><u>Policy:</u> GRU shall continue to evaluate and support commercial and industrial efficiency programs.</p>	<p><u>Energy efficiency improvements can be achieved through improved efficiency of electricity equipment, reduced electricity needs through changes in operations, and the addition of renewable energy sources. Customers will be encouraged to seek “win-win” situations for customer-side demand management that reduces costs for the customer and improves energy generation efficiency for GRU.</u></p>	

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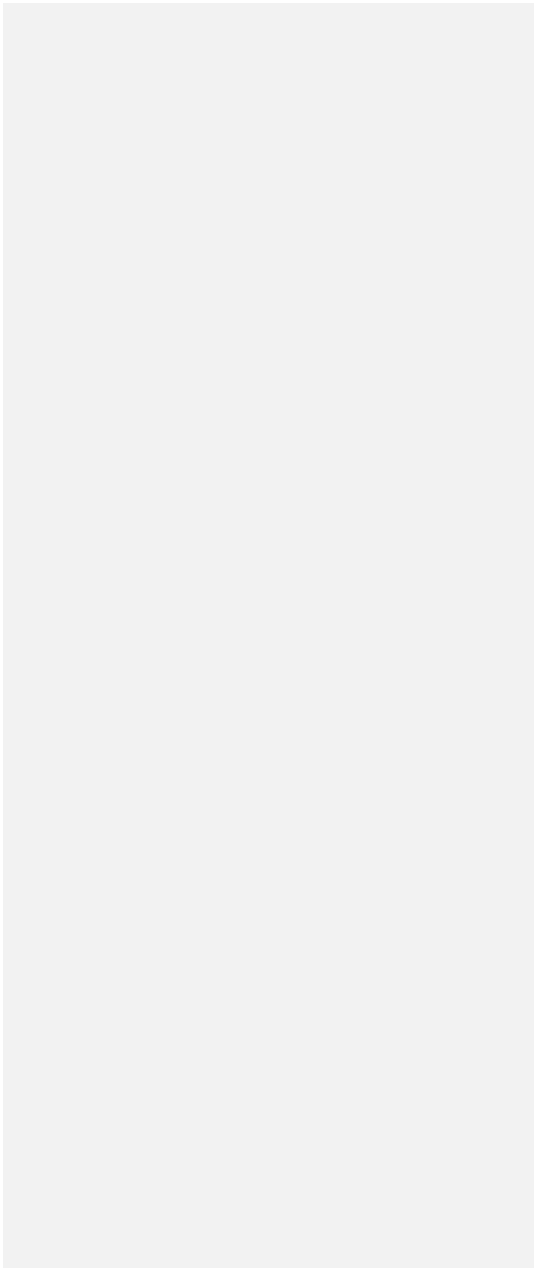
<p>Energy efficiency improvements can be achieved through improved efficiency of electricity equipment, reduced electricity needs through changes in operations, and the addition of renewable energy sources. Customers will be encouraged to seek “win-win” situations for customer side demand management that reduces costs for the customer and improves energy generation efficiency for GRU.</p> <p>Water efficiency improvements can be achieved through improved water efficiency systems, water reclamation, and internal graywater systems.</p> <p>Time of use, commercial demand, large power user</p> <p>Resource recovery park</p>	<p><u>Water efficiency improvements can be achieved through improved water efficiency systems, water reclamation, and internal graywater systems.</u></p>	
<p>1.1.3 INDUSTRIAL</p> <p>The City of Gainesville has a policy of creating utility efficiency programs for industrial (→ 1,000 kwh) GRU customers. These programs need to balance maintaining GRU’s safety, service levels, and fiscal responsibility while also encouraging the success of industrial customers.</p> <p>Energy efficiency improvements can be achieved through improved efficiency of electricity equipment, reduced electricity needs through changes in operations, and the addition of renewable energy sources. Industrial customers will be encouraged to seek “win-win” situations for customer side demand management that reduces costs for the customer and improves energy generation efficiency for GRU.</p> <p>Water efficiency improvements can be achieved through improved water efficiency systems, water reclamation, and internal graywater systems. External grey water systems should also be encouraged when they are technically and financially viable.</p>		
<p>1.2 CITY INCENTIVES</p>		
<p>1.2.1 MINIMUM EFFICIENCY STANDARDS FOR RENTAL PROPERTIES</p> <p><u>Background: The existing housing stock in Gainesville is substandard and does not allow for the efficient use of resources. This adversely and disproportionately impacts the most vulnerable GRU customers. The City of Gainesville requires that rental housing meet a minimum standard of safety, efficiency and comfort.</u></p> <p><u>Goal: Rental properties should meet a measurable minimum standard of efficiency for water and energy consumption.</u></p> <p><u>Policy: The City shall require that rental housing meet a minimum standard of safety, efficiency, and comfort.</u></p>		
<p>1.2.2 CODE ENFORCEMENT FOR NEW CONSTRUCTION</p>	<p><u>Where practical, building officials will perform tests and inspections on-site to verify that prescriptive requirements are in place and performance thresholds are</u></p>	

<p><u>Background: City building officials work to ensure that structures conform to the plans submitted for review during the permitting process. However, many structures in GRU's service territory but do not conform to all aspects of the existing building codes.</u></p> <p><u>Goal: To have more efficient new construction.</u></p> <p><u>Policy: The City of Gainesville will actively work to ensure require new construction to meet that Florida Building Code standards for new construction, are met or exceeded. City building officials will work to ensure that structures conform to the plans submitted for review during the permitting process. Where practical, building officials will perform tests and inspections on site to verify that prescriptive requirements are in place and performance thresholds are achieved. City building officials are encouraged to exercise their discretion under the City of Gainesville Code of Ordinances to ensure the proper operation of any permitted project not specifically covered by the Florida Building Code. The City will also promote the permitting and construction of resource efficient buildings. To achieve this goal, general government will appropriately fund and publicize the Gainesville Green Building Program and its incentives. The City will study, through the building department and the Utility Advisory Board, the best practices employed by other cities to encourage this type of development.</u></p>	<p><u>achieved. City building officials are encouraged to exercise their discretion under the City of Gainesville Code of Ordinances to ensure the proper operation of any permitted project not specifically covered by the Florida Building Code.</u></p> <p><u>The City will also promote the permitting and construction of resource efficient buildings. To achieve this goal, general government will appropriately fund and publicize the Gainesville Green Building Program and its incentives. The City will study, through the building department and the Utility Advisory Board, the best practices employed by other cities to encourage this type of development.</u></p>	
<p>1.2.3 HVAC DESIGN STANDARDS - MARY</p> <p><u>Background: Recognizing that the efficiency of HVAC systems is dependent on proper sizing of equipment, and the size of equipment may change as buildings change use, change configuration, or are upgraded in any way.</u></p> <p><u>Goal: To increase the efficiency of HVAC systems across GRU's service territory. Manual N (or Manual J&D as required by code) should be provided by a third party engineer independent of the HVAC installer prior to the bidding or selection of new or replacement HVAC equipment on municipal building</u></p> <p><u>Policy: As required by the Florida Building Code, A Manual N (or Manual J&D as required by code) should be provided by a third party engineer independent of the HVAC installer prior to the bidding or selection of new or replacement HVAC equipment on municipal buildings.</u></p>	<p><u>MANUAL N? MANUAL JD?</u></p> <p><u>Florida Building code</u></p>	
<p>1.2.4 FINANCING EFFICIENCY AND LIVEABILITY PROJECTS - DON</p> <p>When fiscally possible and justified the City will provide opportunities for financing of efficiency upgrades for qualified residents and businesses through financing opportunities through property assessed clean energy "PACE" programs, financing through the utility billing system, partnership through appropriate private programs and/or other strategies to incentivize efficiency throughout the GRU service district</p>		

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<p>1.3 ENERGY REVIEW OF LARGE PROJECTS - <u>MARY</u></p> <p>Significantly large projects have an impact on the distribution of power, water and wastewater, and other services provided by the city. Due to these impacts, projects should be reviewed for ways they can contribute to the overall stability and/or efficiency of the system through a microgrid, solar contributions or other innovation</p>		
<p>2.0 UTILITY SUPPLY AND DISTRIBUTION</p>		
<p>2.1 DIVERSIFICATION OF ENERGY SOURCES - <u>WES</u></p> <p>The City of Gainesville has committed to a goal of providing 100 percent of the City’s energy from renewable resources by 2045 (Resolution #180442). To achieve that goal with a diversification of energy sources, the City will focus on alternative local energy generation and storage. The City will strive to maximize use of the Deerhaven Renewable within the City’s electrical generation portfolio, including the increased use of DHR when adopting and implementing a schedule to phase out Deerhaven 1 and 2 and the John R. Kelly plants by 2045. The City will make an annual progress report to the Citizens of its efforts to reach the 2045 goal.</p> <p>When making decisions on new or refurbished fuel sources the city will consider the remaining useful life of existing assets; impacts of new fuels sources on the utility’s reliability; the total cost of fuel sources including infrastructure, fuel costs and environmental costs; and the impact of different fuel sources on rates.</p>		
<p>2.2 RENEWABLE ENERGY PORTFOLIO - <u>WES</u></p> <p>The City of Gainesville has committed to a goal of providing 100 percent of the City’s energy from renewable resources by 2045 (Resolution #180442). To achieve that goal with a renewable energy portfolio, the City will:</p> <p>Reduce energy consumption (conserve) through increased efficiency standards, including development and redevelopment incentives, new building construction requirements, retrofit rebates, and community weatherization programs (both in-house and through local community partner programs). I</p> <p>Implementing a schedule to phase out Deerhaven 1 and 2 and the John R. Kelly plants by 2045. Such schedule will include reportable goals to be reported annually to the City.</p> <p>Develop a resilient distributed renewable power generation system by encouraging residents, business owners, and local governmental entities to build and maintain rooftop or ground-mount solar arrays. When economically viable, consider expedited permit review by both GRU and the City Building Department, waiver of permit fees, financial incentives, continued support for net metering, and resumption of the solar feed-in-tariff program.</p>		



<p>Increase centralized solar power use and distribution by setting annual goals for either the construction of a City-owned solar field or the long-term purchase of solar power by agreement with private or public utilities. Such goals will be measurable benchmarks in reaching the 2045 goal.</p> <p>Keep abreast of energy storage and battery options and the changing financial feasibility for these options, with a plan to incorporate energy storage into the GRU grid when economically viable.</p> <p>Incorporate goals and standards into the City's Ten-Year Site Plan, submitted annually to the Public Service Commission.</p>		
<p>2.3 MAINTENANCE OF ASSETS AND RELIABILITY - TIM</p> <p>GRU's standard for safety and reliability must be maintained even as it expands its energy portfolio and moves towards renewable energy sources. This means that existing assets cannot be neglected, and regular operation and maintenance responsibilities cannot be deferred in return for short term savings.</p> <p>GRU shall provide any and all necessary maintenance required to keep current facilities operating at maximum efficiency. This shall be accomplished through a broad spectrum of services, competencies, processes and tools provided by both internal and external partners including but not limited to: routine inspection of existing assets to determine existing and future maintenance needs, regular scheduled maintenance and repairs, emergency repairs as needed, replacement of aging assets as needed to prevent failure situations with the need for emergency repairs. GRU shall also engage in the hiring, training and retaining of new and current employees to ensure a stable and knowledgeable workforce to carry out these duties.</p> <p>It is understood that these expenditures are considered critical to the operation of GRU and may take precedence over expenditures associated with the renewable energy goals set by GRU and the City of Gainesville in order to maintain reliability standards and avoid unplanned outages.</p>		
<p>2.4 DEMAND RESPONSE AND ADVANCED METERING INFRASTRUCTURE-WENDELL</p> <p>The City shall support integrating demand side management programs with AMI and customer support system upgrades in a manner that provides citizens with increased options for fulfilling their utility needs on both a time and cost basis.</p> <p>(Do we want something here about the Utility utilizing AMI and demand side management to help manage solar and energy efficiency programs?)</p> <p><u>Background</u></p> <p><u>The electrical demand in a utility's service area is typically met by operating a fleet of generating units for differing times at different load levels. With the advent of advanced</u></p>		

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<p>metering infrastructure and the internet of things, a region’s electrical can also be met by customers changing the way they operate their home.</p> <p>Goal</p> <p>The goal is to integrate the consumer’s ability to vary their electrical demand into the utility’s control scheme in such a way as to make the local utility grid more resilient and more cost effective.</p> <p>Policy</p> <p>Future infrastructure decisions should include consumer’s ability to affect the electrical load profile through the planned combination of advanced metering infrastructure and the Internet of Things.</p>		
<p>2.5 URBAN DESIGN STANDARDS – TIM</p> <p>Often there are competing priorities when developing in an urban context: the Land Development Code which includes streetscape, trees, building placement; the Utility which requires safe, efficient and easily serviced infrastructure; and the Owner/Developer who wants predictable standards, a clear process for resolving conflict, and an attractive and fiscally feasible end result. When these competing priorities are successfully resolved, everyone benefits. The Utility and the City must recognize needs and requirements of the other stakeholders and work together to achieve an acceptable end result through compromise. Recent examples of compromise in the urban development include GRU purchasing a mini excavator to work in smaller spaces, an Owner agreeing to pay for the difference in cost certain repairs should they become necessary in the tighter environment and the Land Development Code was amended to add more flexibility around tree preservation and setbacks. ,</p>		
<p>2.6 ENERGY DISTRICTING - MARY</p> <p>Energy districts have historically been areas where, through the economy of scale, efficient heating, cooling and/or hot water are shared to a group of buildings. This allows greater versatility in the design of the structures, it frees property owners from the operation and maintenance costs of these systems, and typically there is a greater reliability and back up in the event of a power outage or system failure. This would provide an opportunity for GRU to partner in the development process and expand GRU’s service role with it’s customers. Additional opportunities may be available for Net Zero Energy Districts as the City moves towards it’s goal of 100% renewable energy by 2045. A net zero energy district combines the synergistic effect of renewable energy, efficient building design, energy storage, traditional energy districting, and motivated tenants to create a net zero area. This may be a pilot program towards meeting the 2045 goal. GRU and the City of Gainesville will look for opportunities to provide these services, and the City of Gainesville will support these efforts through the cooperation of public works, the building department and the City attorney’s office.</p>	<p>https://rmi.org/wp-content/uploads/2017/03/Insight-brief_Net-zero-energy8_2.pdf</p> <p>https://www.epa.gov/sites/production/files/2015-06/documents/sf_district_energy_planning.pdf</p>	

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2.7 WATER SUPPLY — BARRY

The responsibility of the Water Utility is to provide GRU customers with a reliable supply of clean, high quality drinking water now and into the future. The utility consists of the Murphree wellfield with 15 wells, the Murphree Water Treatment Plant and the pipe network that distributes the treated water to GRU customers. Through its design and construction standards, GRU shall provide regulation and control of the extension of mains and new water connections, prevent the introduction of pollutants in the system, provide for the protection and well-being of personnel associated with the water system and the general public, and maintain the highest possible quality drinking water to its customers. Deferred maintenance leads to inefficiencies and failures which result in nonrevenue water which is lost through physical leaks, monitoring errors and metering inaccuracies. Maintenance shall be carried out in accordance with policy 2.3

(water conservation programs?)

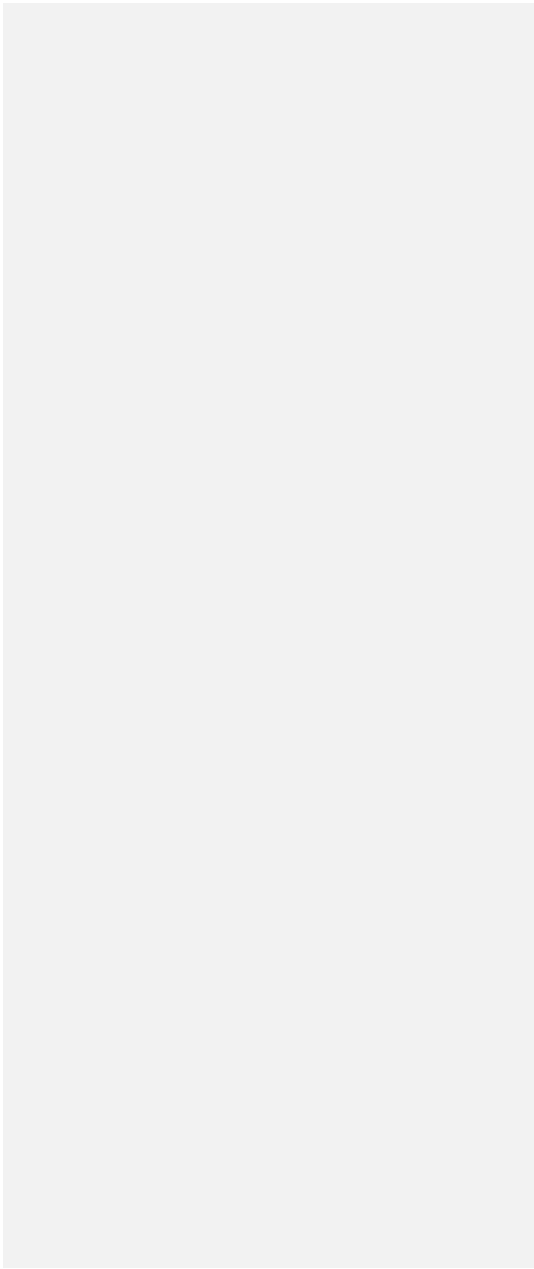
(disincentives for lawns requiring installed irrigation?)

(Charging for true cost of water?)

2.8 WASTEWATER COLLECTION AND DISPOSAL — TIM

The responsibility of the Wastewater Utility is to operate, protect and maintain the systems that collect, treat and dispose of residential, commercial and industrial sewage generated within its service area. The utility consists of Kanapaha Water Reclamation Facility and Main Street Water Reclamation Facility as well as a pipe network made up of gravity mains, pump stations and pressurized sewer pipes that convey wastewater to the treatment plants. Through its design and construction standards, GRU shall provide regulation and control of sewer connections, prevent the introduction of pollutants in the system, provide for the protection and wellbeing of personnel associated with the wastewater treatment system and the general public, and ensure that utility complies with its NPDES permit conditions, sludge use and disposal requirements, and any other federal or state laws to which the Publicly owned treatment works (POTW) is subject. POTW's generally have a 20 – 50 year lifecycle. Deferred maintenance results in increased inefficiencies and failures. Maintenance shall be carried out in accordance with policy 2.3

<p>(Beneficial reuse of sewage sludge?)</p> <p>(Beneficial use of reclaimed water? Treat reclaimed water as commodity and subject to conservation under certain conditions?)</p> <p>(Connection of septic tanks to sewage system? – Policy for new septic tanks within City and urban boundaries?)</p> <p>(Location and maintenance of lift stations? Environmental justice issues?)</p>		
<p>2.9 MUNICIPAL BROADBAND AND WIFI — MICHAEL</p> <p>Municipal broadband internet may provide services for local governments and government entities like school boards, to businesses, and to residents. Communities with high quality and low cost internet access see increases in economic development, property values and productivity. Access to broadband or wifi helps bridge the “digital divide” by providing public access to the internet with far reaching implications to education, home based businesses, and property values. Because GRU has already invested in the basic structure to provide these services through a fiber network, they shall work, as requested, with the City of Gainesville, and with businesses to provide internet access to as many people as possible in an economically viable way and with financial consistency.</p>		
<p>3.0 TRANSPORTATION AND LAND USE</p>		
<p>3.1 EFFICIENCY OF TRANSPORTATION — WES</p> <p>The City of Gainesville will encourage efficient transportation systems that will enable people to minimize vehicle miles traveled (VMT) when traveling in the Gainesville urbanized area. Reducing VMT conserves fuel and reduces vehicle emissions. VMT reduction strategies—or transportation demand management—also can reduce traffic congestion, enable the use of more efficient vehicles, reduce transportation costs, and save time for drivers.</p> <p>The Metropolitan Transportation Planning Organization (MTPO) is responsible for continuing, comprehensive, and cooperative urban transportation planning in the Gainesville Urbanized Area. The MTPO’s most recent (Gainesville Year 2040) Long Range Transportation Plan’s vision statement is: A transportation system that is safe and efficient, serves the mobility needs of people and freight, and fosters economic prosperity while minimizing transportation-related fuel consumption and air pollution.</p>		



<p>3.2 ELECTRIC VEHICLES AND CHARGING STATIONS <u>-- BARRY</u></p> <p>The City of Gainesville and GRU will encourage all new development to install electric vehicle charging stations.</p>		
<p>3.3 MULTI MODAL AND LOW IMPACT TRANSPORTATION <u>-- BARRY</u></p> <p>The City of Gainesville and GRU will evaluate each project for possible impacts to and ways to enhance multi modal and low impact transportation. Power line easements? Maximizing easement utilization?</p>		
<p>3.4 ENVIRONMENTAL IMPACTS AND ENVIRONMENTAL JUSTICE <u>-- MICHAEL</u></p> <p>The negative environmental impacts of development, and the growing effects of climate change, disproportionately affect low-income communities and communities of color. Environmental Justice is equity – it means planning our city so that we receive the benefits and bear the burdens of development together, equally. When making planning decisions the City of Gainesville will consider what communities will be most affected – both positively and negatively; how to mitigate existing and future environmental impacts for all communities, especially those that have historically carried a greater share of the burden; how to balance environmental protection with the need for investment in underserved areas; and how land use decisions either contribute to or counteract harmful historical patterns of development across the city.</p>		
<p>4.0 PUBLIC FACING AND FINANCIAL</p>		
<p>4.1 EDUCATION PROGRAMS <u>-- CARLA</u></p> <p>The City will work to develop online customer education materials for each area of our Energy Policy and look to community partners to help effect this effort. Develop hands-on training materials for additional audiences not reachable by online resources. The City, Utility and Community partners will engage with customers in different communities to assist with the design of education materials to assure they are easily understood and operational for all customers.</p> <p>The Utility will work to educate the community on their collective ownership of the utility and the collection and purpose of the GFT through community events and workshops.</p>		
<p>4.2 RATE PLANNING AND DETERMINATION <u>-- CARLA</u></p> <p>Rates for utility services charged to residents, businesses and public entities such as Alachua County School Board or the University of Florida should reflect actual the cost of service. Tiered rate structures as a conservation incentive for energy have been shown to be ineffective in promoting conservation and are not encouraged. Wastewater rate policy</p>		

<p>is to utilize the winter water usage as a basis for wastewater charges in the remaining months of the year.</p> <p>Because the costs of service are expected to increase with inflation and with aging infrastructure, regular rate increases should be planned for, pub and projected outward over five to ten year periods. Rate changes should be predictable to allow for customers to project their costs and to accurately predict and project energy savings and be presented to customers with explanation of increases prior to being proposed to general government. These rate increases should be small and reflective of actual expected changes. Additional rate increases should not be considered unless there are extenuating circumstances such as massive and unexpected requirements for additional infrastructure. At such time that additional rate increases are necessary, a community wide presentation should be done in each district in such a manner that would allow residents to ask questions and get and understanding of why an additional increase is necessary and voice concerns. The rate stabilization fund should be maintained at a level consistent with good industry practice and should always be used with for the purpose intended.</p>		
<p>4.3 GENERAL FUND TRANSFER DETERMINATION – BARRY</p> <p>The General Fund Transfer (GFT) reflects the city’s return on their investment in Gainesville Regional Utilities. General Fund Transfer amounts and purposes should be reported to the residential investors through a report from General Government done in the community to allow for community engagement and questions. The GFT should be projected five to ten years out with relative certainty to allow for both city and utility planning. The GFT should increase proportionately with rate increases to allow for inflation. The GFT should not be derived from utility emergency or stabilization funds. Should that be required, both city and utility budgets should be adjusted concurrently to address shortfalls.</p> <p>The Utility shall periodically review and adjust policies for assistance programs to assure that all persons needing the programs have access to the assistance. The Utility should research ways to deliver to vulnerable households who pay into the LEAP programs a return on their investments</p>		
<p>4.4 CITY/COUNTY RATE DIFFERENTIAL – DON</p> <p>Rates should, within reason, reflect the differential cost of service between the city and county. County residents should not subsidize the utility in an outside of the actual cost of providing the services to the areas outside the limits of Gainesville.</p>		
<p>4.5 UNIVERSITY OF FLORIDA – WENDELL</p> <p>GRU and the City of Gainesville will foster a positive relationship with the University of Florida and provide them, at every appropriate opportunity, information on how the UF could assist the City of Gainesville and how the City of Gainesville could assist UF</p>		

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<p>through GRU providing power to the University of Florida’s main campus. Benefits to UF would include access to a higher percentage of renewable power, higher reliability, local expertise at GRU to assist with steam plant. Benefits to the City of Gainesville include full utilization of energy portfolio and additional revenue.</p> <p>Background</p> <p><u>The University of Florida is the largest electrical consumer within the Gainesville municipal area and is currently served by Duke Power. Some University units south of Archer Road and in other parts of the county are served by GRU. Electrical consumption on campus represents about 20-25% of GRU’s annual electricity production.</u></p> <p>Goal</p> <p><u>The goal of the City of Gainesville and its utility is to develop a closer partnership with the University of Florida in an effort to spread the utility’s fixed costs over a greater annual generation of electricity and other utilities. This will reduce the overall cost of generation and solidify the stated goals of partnership between the City and UF.</u></p> <p>Policy</p> <p><u>The City of Gainesville and GRU shall make every effort to become UF’s preferred utility provider.</u></p>		
<p>4.6 ECONOMIC DEVELOPMENT - DON</p> <p>It is the policy of the City of Gainesville to encourage economic development efforts. The reliability and availability of utility service and broadband across the City are significant assets that can encourage businesses to relocate or expand in Gainesville. To date, general government has engaged in marketing programs for the city and the metropolitan area, while GRU offers special power rates to large power users. The Manufacturing Retention and Expansion Program offers a reduction in fees to incentivize the development of manufacturing businesses within GRU’s service territory. Going forward, the City will continue to evaluate and refine its existing programs and introduce new programs and incentives as appropriate. In particular, the City will explore opportunities to promote existing strengths in the fields of technology, medical sciences and education.</p>		
<p>5.0 ENVIRONMENTAL AND CLIMATE RELATED</p>		
<p>5.1 CLIMATE DISRUPTION PLANNING AND IMPACTS - BARRY</p> <p>Climate change is expected to bring warmer temperatures, a rise in sea levels, more frequent and severe weather events, and decreased availability of natural resources such as fresh water. These and other changes will increase the capital costs of providing utility services. Increased customer and stakeholder awareness, heightened safety concerns,</p>	<p>REFERENCE: ADAPTING TO CLIMATE CHANGE: A GUIDE FOR THE ENERGY AND UTILITY INDUSTRY, BSR</p>	

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<p>and rising insurance costs will also affect capital and operational expenses. Finally, the City of Gainesville has committed to a 100% renewable portfolio by 2045. These additional capital concerns will be budgeted and planned for by supporting a higher capital projects improvement fund and a higher rate stabilization fund</p>		
<p>5.2 FUEL SUPPLY - WENDELL</p> <p>Gainesville Regional Utilities shall analyze the risks of supply and access to current fuel and other projected and expected needs. Future resource planning and budget projections will recognize that as resource availability fluctuates, access to and costs for these supplies will change and it is necessary to plan for these contingencies .</p> <p><u>Background</u></p> <p>Prudent operations of a utility require a reliable and flexible fuel supply and a diverse stable of generating units that can use these fuels. The ability to use different energy sources or fuels procured from different vendors and/or locales in a fast-changing future is a must. Currently GRU is one of the most fuel diverse utility in Florida.</p> <p><u>Goal</u></p> <p>We should maintain GRU’s status as a premier fuel-diverse utility for the near future as we transition to renewable energy.</p> <p><u>Policy</u></p> <p>GRU shall maintain its status as a fuel diverse utility as it transitions to 100% renewable energy by 2045.</p>		
<p>5.3 ENERGY MANAGEMENT - CARLA</p> <p>will become more critical and cost effective as supplies of fuels change and prices fluctuate. Climate variability will increase strains on the electrical grid, both above and below ground. Additionally, the number of heating days and cooling days will change impacting equipment lifespan, cooling process efficiency, and may affect overall system reliability if not managed. Energy management systems must be prioritized in order to meet these challenges.</p>		
<p>5.4 WATER SUPPLY - THERESA</p> <p>As global temperatures increase; levels of fresh water and sea water will change. It is expected that fresh water will be an increasingly limited commodity and therefore have higher costs. Limited availability may affect the ability to obtain additional permitted capacity. In order to promote conservation of this limited resource, GRU will work towards charging for the full cost of providing drinking water – not just the cost of treatment and distribution, but the cost of conservation measures and in expected resulting decrease in revenue.</p>		

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5.5 ECONOMIC IMPACT OF CONSERVATION MEASURES - THERESA

Conservation measures promoted by the implementation of this policy will affect GRU's revenue streams negatively, given the current and traditional business model. GRU and the City of Gainesville will explore alternative utility operational models in order to be able to continue to provide service to their customers in a reliable, safe, environmentally responsible and economically viable way.