

Draft Energy Policy Updates – Selvester

Submitted to Staff liaison on 08/23/19

Item #190098

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 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 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 guiding policy has been established then they are typically (not well vetted) 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 (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.

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.

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>Background: 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. Goals should be transparent and easy to measure.</p> <p>Goal: 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>Policy: 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, INSTITUTIONAL, AND INDUSTRIAL</p> <p>Background: The City of Gainesville has educational utility efficiency programs for commercial and institutional GRU customers.</p> <p>Goal: To increase the efficiency of the delivery and consumption of resources. These programs must maintain GRU’s safety, service levels, and fiscal responsibility while also encouraging the success of commercial customers.</p> <p>Policy: GRU shall continue to evaluate and support commercial and industrial efficiency programs.</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. 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</p>	

	<p>efficiency systems, water reclamation, and internal graywater systems.</p>	
<p>1.2 CITY INCENTIVES</p>		
<p>1.2.1 MINIMUM EFFICIENCY STANDARDS FOR RENTAL PROPERTIES</p> <p>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.</p> <p>Goal: Rental properties should meet a measurable minimum standard of efficiency for water and energy consumption.</p> <p>Policy: The City shall require that rental housing meet a minimum standard of safety, efficiency, and comfort.</p>		
<p>1.2.2 CODE ENFORCEMENT FOR NEW CONSTRUCTION</p> <p>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.</p> <p>Goal: To have more efficient new construction.</p> <p>Policy: The City of Gainesville will require new construction to meet Florida Building Code standards..</p>	<p>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.</p> <p>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.</p>	
<p>1.2.3 HVAC DESIGN STANDARDS</p>	<p>MANUAL N? MANUAL JD?</p>	

<p>Background: 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.</p> <p>Goal: To increase the efficiency of HVAC systems across GRU’s service territory.</p> <p>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.</p>	<p>Florida Building code</p>	
<p>1.2.4 FINANCING EFFICIENCY AND LIVEABILITY PROJECTS - DON</p> <p>BACKGROUND: The City of Gainesville has been a leader in creating and supporting energy-efficiency improvements regardless of requirements by the State of Florida.</p> <p>GOAL: The City of Gainesville desires to continue as a leader in energy-efficient improvements.</p> <p>POLICY: The City of Gainesville shall participate with government agencies and non-government entities who provide capital for energy-efficiency improvement programs within its service area, subject to maintaining a neutral financial impact on non-participating GRU customers. GRU will offer on-bill repayment programs in order to facilitate and encourage energy-efficiency improvement programs offered by third parties.</p>		
<p>1.3 ENERGY REVIEW OF LARGE PROJECTS - MARY</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 - WES</p> <p>Background: 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).</p> <p>Goals: To achieve that goal with a diversification of energy sources, the City will focus Focus on alternative local renewable energy generation and storage.</p> <p>Policies: The City will strive to Mmaximize use of the Deerhaven Renewable Facility within the City’s electrical generation portfolio, including the increased use of DHR when</p>	<p>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>RENEWABLE ENERGY SOURCES THAT ACHIEVE THE CITY’S GOAL OF 100 PERCENT RENEWABLE BY 2045 WILL BE PRIORITIZED OVER FOSSIL FUEL BURNING.</p>	

adopting and implementing a schedule to phase out Deerhaven 1 and 2 and the John R. Kelly plants by 2045.

2.2 RENEWABLE ENERGY PORTFOLIO – WES

Background: 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).

Goal: To achieve 100 percent of the City’s energy from renewable resources by 2045 (Resolution #180442).

Policy: Plan, budget and implement programs that achieve a 100% renewable energy portfolio in incremental stages:

- 30% of net electricity sales by December 31, 2020;
- 60% of net electricity sales by December 31, 2030;
- 100% of net electricity sales by December 31, 2040;

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). See Policy 2.1.

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.

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 **fiscally prudent, expedite** permit review by both GRU and the City building department, waive permit fees, offer financial incentives, continue support for net metering, and resume the solar feed-in-tariff program. 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.

Keep abreast of energy storage and battery options and the changing financial feasibility for these options, with a plan to incorporate energy

	<p>storage into the GRU grid when fiscally prudent to do so.</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>Background: GRU holds a high level of standards for safety and reliability which must be maintained as it expands its energy portfolio and moves towards renewable energy sources.</p> <p>Goal: The maintenance of existing assets should be considered critical to the operation of GRU and may take precedence over new capital projects initiated by GRU and/or the City of Gainesville in order to maintain reliability standards and avoid unplanned outages.</p> <p>Policy: GRU shall provide any and all necessary maintenance required to keep current facilities operating at maximum efficiency.</p>	<p>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>2.4 DEMAND RESPONSE AND ADVANCED METERING INFRASTRUCTURE-WENDELL</p> <p>Background: 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 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 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 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>Background: Often there are competing priorities when developing in an urban context: the Land Development Code which includes streetscape, trees, building placement; the</p>	<p>Recent examples of compromise in the urban development include GRU purchasing a mini</p>	

<p>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.</p> <p>Goal: To recognize the needs and requirements of all relevant stakeholders and work together to achieve an acceptable end result through collaboration and compromise.</p> <p>Policy: GRU and the City of Gainesville shall establish a regularly review a set of specific design standards specifically for high density and/or urban development in which normally desired standards are not feasible</p>	<p>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>	
<p>2.7 WATER SUPPLY – BARRY</p> <p>Background: 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. At the time of the writing of this policy, GRU has a perfect record of uninterrupted water supply.</p> <p>Goal: Because the uninterrupted supply of clean water is critical to GRU customers, the goal of the water supply policy is to ensure that political or financial pressures are not allowed to impact the quality or reliability of GRU water supply.</p>		

<p>Policy: GRU shall maintain the quality and reliability of the GRU water supply through adequate staffing and funding of the construction and maintenance of related facilities. Maintenance shall be carried out in accordance with policy 2.3.</p>		
<p>2.8 WASTEWATER COLLECTION AND DISPOSAL – TIM</p> <p>Background: The responsibility of the Wastewater Utility is to operate, protect and maintain the systems that collect, treat and disposes 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.</p> <p>Goal: To reduce inefficiencies and mechanical failures which result in wastewater blockages, leaks, and interruption of wastewater collection, treatment and disposal.</p> <p>Policy: 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. Maintenance shall be carried out in accordance with policy 2.3</p>		
<p>2.9 MUNICIPAL BROADBAND AND WIFI - MICHAEL</p> <p>Background: Communities with high quality and low-cost internet access see increases in economic development, property values and productivity.</p> <p>Goal: To improve access to broadband or wifi and bridge the “digital divide” by providing public access to the internet.</p> <p>Policy: GRU 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.</p>		
<p>3.0 TRANSPORTATION AND LAND USE</p>		

<p>3.1 EFFICIENCY OF TRANSPORTATION – WES</p> <p>Background: The City of Gainesville’s Comprehensive Plan states: <i>The City shall become a national model for an enhanced community transit system with a variety of transportation services that provide a safe, convenient, accessible, comfortable, continuous, and aesthetically pleasing transportation environment that promotes walking and transit use. Service shall be provided with the cleanest, quietest, and most energy efficient equipment feasible.</i></p> <p>Goal: To 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>Policy: Partner with The Metropolitan Transportation Planning Organization (MTPO) to achieve 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 – BARRY</p> <p>Background: At the time of the writing of this policy, electric vehicles (EVs) represent a very small percentage of vehicles in Gainesville. However, the numbers are rapidly increasing. This increase in EVs is desirable for GRU and the City of Gainesville because it represents a new need for GRU electricity. Additionally, EVs will improve air quality and climate impacts, which are also City and GRU goals.</p> <p>In general, electricity usage by GRU customers is currently decreasing due to a combination of increased efficiency of electrical equipment (e.g., LED lights and high efficiency air conditioners) and the success of GRU conservation programs. Based on current usages, EVs would represent approximately a 30% increase in electricity needs for a typical GRU residential customer.</p> <p>These EVs will require charging. For most single-family homes and some business, the addition of EV chargers will be relatively easy. However, for multi-family housing and other businesses, the addition of EV chargers through retrofits will be problematic. It</p>		

<p>should be noted that advances in EV battery ranges are reducing the need for charging during the day, except for extended driving days. However, the presence of charging stations can be helpful for EV drivers and increase the awareness of EVs for non-EV drivers.</p> <p>Goal: To support the adoption rate of EVs and to ensure charging stations are available for the increasing number of EVs. This support needs to be done in a fiscally responsible way that balances the cost of the support with the expected benefits.</p> <p>Policy: The City of Gainesville and GRU shall encourage the increased adoption of EVs and the availability of EV charging stations through fiscally responsible programs and incentives.</p>		
<p>3.3 MULTI MODAL AND LOW IMPACT TRANSPORTATION - BARRY</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 - MICHAEL</p> <p>Background: The negative environmental impacts of development, and the growing effects of climate change, disproportionately affect low-income communities and communities of color.</p> <p>Goal: To create equity in city planning so that Gainesville residents receive the benefits and bear the burdens of development together, equally.</p> <p>Policy: 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 development patterns across the city.</p>		
<p>4.0 PUBLIC FACING AND FINANCIAL</p>		
<p>4.1 EDUCATION PROGRAMS - CARLA</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 - CARLA</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 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>Background: The City of Gainesville is somewhat unique compared to most cities in that around 60% of the property exempt from paying property taxes. Combining this fact with Florida’s legal limits property tax rates reduces the ability of the City to receive funds through property taxes.</p> <p>The City of Gainesville has many positives, such as excellent parks and cultural events. The City also has several challenges. The largest challenge is the income disparity. At the writing of this policy, the City is ranked in the top five nationally for income disparity.</p> <p>The General Fund Transfer (GFT) reflects the city’s return on their investment in Gainesville Regional Utilities. These funds are important for the City to be able to provide important services to the citizens of Gainesville. However, the GFT also negatively impacts GRU rates which can create a burden on GRU customers – residential, customer, non-profits, etc. Therefore, the Gainesville City Commission has the unenviable task of balancing these two factors.</p>		

<p>Historically, the GFT has been highly politicized. This can lead to short-term approaches, such as periods of rates remaining constant or even decreasing when revenues are dropping while expenses are increases by reducing rate stabilization funds to inappropriate levels. These periods are then followed by periods of rapid increase, which is a burden to GRU customers.</p> <p>Goal: The goal of this quality is to aid the City Commission in balancing the needs to fund City services while not unduly burdening GRU customers – especially our most vulnerable citizens. Both GRU and general government programs that support citizens in need should be emphasized. When possible, rate changes should be more gradual and reflect longer term needs to maintain GRU services and the City’s needs. Citizen engagement should be encouraged throughout the budgeting process.</p> <p>Policy: The GFT shall be determined through the City budgeting process and shall reflect the balanced needs of maintaining GRU services, funding City services, and not unduly burdening GRU customers. City and GRU programs shall be supported to mitigate the impacts of these decisions on the City’s most vulnerable citizens.</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>Background: 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.</p> <p>Goal: 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.</p> <p>Policy: The City of Gainesville and GRU shall make every effort to become UF’s preferred utility provider.</p>		
<p>4.6 ECONOMIC DEVELOPMENT - DON</p>		

<p>GRU would benefit financially from growth in demand for its utility services. The trade off will be the cost of infrastructure needed to accommodate the increased demand. Those costs should be lower within GRU’s existing service areas thus those areas should be the initial focus. On a case-by-case basis GRU may benefit from expanding its existing service areas.</p> <p>BACKGROUND It is the policy of the City of Gainesville to encourage economic development efforts by insuring an adequate provision of utilities (water/sewer, electric, gas and broadband) to the community served by each of its utility services and to report on utility capacity and areas where utility service deficits exist.</p> <p>GOAL GRU has not developed a wide audience when seeking to “tell its story” about reliability and service while maintaining competitive utility rates. GRU would benefit from developing a wider audience through targeting partners who serve the business community such as the economic development offices at chambers of commerce, Alachua County, UF, SFC, CareerSource of North Central Florida, and others. GRU would benefit by receiving input from the economic development partners and by engaging them to become its ambassadors and help “tell its story”.</p> <p>POLICY GRU will develop a list of potential economic development partners located within its service area, develop regularly scheduled communication, and encourage non-scheduled input with those partners to insure that it is a proactive participant in economic development.</p>		
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<p>5.0 ENVIRONMENTAL AND CLIMATE RELATED</p>		
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<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, 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>REFERENCE: ADAPTING TO CLIMATE CHANGE: A GUIDE FOR THE ENERGY AND UTILITY INDUSTRY, BSR</p>	
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<p>5.2 FUEL SUPPLY - WENDELL</p> <p>Background 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>Goal We should maintain GRU’s status as a premier fuel-diverse utility for the near future as we transition to renewable energy.</p> <p>Policy 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>Background: It is projected fresh water will be an increasingly limited commodity and consequently be more costly.</p> <p>Goal: To increase the efficiency of the delivery and consumption of natural resources (water) and stay within permitted water capacity.</p> <p>Policy: To promote conservation of this limited resource, GRU will work towards charging the full cost of providing safe, reliable drinking water – not just the cost of treatment and distribution, but correspondingly the cost of instituted conservation measures and anticipated decrease in revenue.</p>		
<p>5.5 ECONOMIC IMPACT OF CONSERVATION MEASURES - THERESA</p> <p>Background: Conservation measures promoted by the implementation of this policy will affect GRU’s revenue streams negatively, given the current and traditional business model.</p>		

Goal: To promote conservation measures while maintaining appropriate revenue streams

Policy: 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.
