

GRU AND CITY OF GAINESVILLE - ENERGY AND UTILITY POLICY

UAB Initial Draft Presentation
October 22, 2019

0.0 - THE BASE POLICY

- Lays the foundation for each policy that comes next
- Introduces the triple bottom line approach: economically viable, environmentally responsible, equitable across the service territory

“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.”

SECTION 1 – THE BUILT ENVIRONMENT

SUBSECTION 1.1 – UTILITY EFFICIENCY PROGRAMS

- 1.1.1 – Residential
 - Establishes the importance of resource conservation in the residential context
 - Policy: GRU shall continue to evaluate and support residential efficiency programs for new construction and existing housing
- 1.1.2 – Commercial, Institutional, and Industrial
 - Establishes the importance of resource conservation in the commercial, institutional, and industrial contexts
 - Policy: GRU shall continue to evaluate and support commercial and industrial efficiency programs.

SUBSECTION 1.2 – CITY INCENTIVES

- 1.2.1 – Minimum Efficiency Standards for Rental Properties
 - Establishes the need for minimum standards of efficiency for energy and water consumption in rental housing
 - Policy: The City shall require that rental housing meet a minimum standard of safety, efficiency, and comfort.
- 1.2.2 – Code Enforcement for New Construction
 - Establishes the necessity to ensure new construction conforms to Florida Building Code Standards
 - Policy: The City of Gainesville will require new construction to meet Florida Building Code standards.
- 1.2.3 – HVAC Standards
 - Calls for the use of appropriate design documents for municipal HVAC systems
 - 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.

- 1.2.4 – Financing Efficiency and Livability Projects
 - Encourages the City to seek funding for energy-efficiency improvement programs
 - 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.
- 1.2.5 – Utility Impact Review of Projects
 - Calls for the City to review projects with significant impacts on the distribution of utility services
 - Policy: Projects will be evaluated for impact to the system and how they fit into expected growth patterns with respect to existing infrastructure in an area. As part of the development negotiation process the developer will be asked to mitigate their impact to the system. When a development is presented to the City Commission for approval, the presentation will address these impacts and the mitigation.

SECTION 2 – UTILITY SUPPLY AND DISTRIBUTION

- 2.1 – Diversification of Energy Sources
 - Encourages the optimization of renewable sources to maintain a diverse generation portfolio
 - **Policy:** The City will strive to optimize use of the Deerhaven Renewable Facility (DHR) 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.
- 2.2 – Renewable Energy Portfolio
 - Offers a phased approach to reaching the City's goal of 100% renewable generation by 2045.
 - **Policy:** Plan, budget and implement programs that achieve a 100% renewable energy portfolio in incremental stages.

- 2.3 – Maintenance of Assets and Reliability
 - Prioritizes continued maintenance of existing assets as the City strives toward its goal of 100% renewable energy
 - Policy: GRU shall provide any and all necessary maintenance required to keep current facilities operating at maximum efficiency.
- 2.4 – Demand Response and Advanced Metering Infrastructure
 - Encourages the deployment of Advanced Metering Infrastructure to allow for greater customer control of their usage
 - Policy: Future infrastructure decisions should consider consumer's ability to affect the electrical load profile through the planned combination of advanced metering infrastructure and the Internet of Things.
- 2.5 – Urban Design Standards
 - Recognizes the need for flexibility and collaboration among stakeholders in urban design projects
 - Policy: GRU and the City of Gainesville shall establish and regularly review a set of specific design standards for high density and/or urban development in which normally desired standards are not feasible.

- 2.6 – Energy Districting
 - Encourages the City and GRU to utilize energy districting as one strategy for reaching its renewable energy and zero waste goals
 - Policy: GRU and the City will look for opportunities for energy districting and for potential pilots for a net zero energy pilot project. The City will support these efforts with the cooperation and help from public works, the building department and the City Attorney's office.
- 2.7 – Water Supply
 - Recognizes and further encourages GRU's high standards for water quality and reliability
 - 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.

- 2.8 – Wastewater Collection and Disposal
 - Prioritizes the continued maintenance and improvement of the City's wastewater collection system
 - 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.
- 2.9 - Municipal Broadband and Wifi
 - Recognizes the importance of internet access for the public and encourages the City to seek ways to ensure same
 - 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.

SECTION 3 – TRANSPORTATION AND LAND USE

- 3.1 – Efficiency of Transportation
 - Encourages collaboration with the MTPO to ensure the safety and efficiency of transportation
 - 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
- 3.2 Electric Vehicles and Charging Stations
 - Recognizes the role electric vehicles will play in the future revenues and reliability of GRU's grid
 - 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.

- 3.3 – Multi Modal and Low Impact Transportation
 - Recognizes the benefits of multi modal and low impact transportation options, encourages development of same
 - Policy: The City of Gainesville has a policy of supporting multi-modal and low impact transportation while balancing the costs and potential benefits.
- 3.4 – Environmental Impacts and Environmental Justice
 - Encourages the equitable distribution of the benefits and burdens of development across the community
 - 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.

SECTION 4 – PUBLIC FACING AND FINANCIAL

- 4.1 – Education Programs
 - Encourages GRU and the City to “tell the utility’s story” through inclusive and widely available sources
 - Policy: GRU and the City Commission will offer education and outreach programs that engage customers so that they better understand the role of, and advocate for, the utilities that serve them. Programs will focus on the value provided by, and need for, safe, reliable, competitively priced utility services in an environmentally responsible manner. Special consideration should be given to creating inclusive programs and materials designed to reach diverse communities within the customer base.

- 4.2 Rate Planning and Determination
 - Recognizes GRU's need for adequate revenue to provide high-quality, reliable utility service to greater Gainesville
 - Policy: The City Commission will adjust utility rates incrementally annually over a five to ten-year period. Incremental changes allow customers to better estimate and plan for anticipated future utility costs and to more accurately predict and project energy savings through conservation or other measures. The City will encourage customer's participation and education through City Commission outreach and public meetings on rate setting to ensure to the best extent possible the public's understanding of why rates are being adjusted. The City should consider programs that offset disproportionate individual impacts, rather than reduce overall rates needed to sustain utility services and public needs.

- 4.3 – General Fund Transfer Determination
 - Recognizes the central importance of the General Fund Transfer (GFT) to the City’s budget and calls for continued thoughtful consideration of appropriate funding levels
 - 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.
- 4.4 – City/County Rate Differential
 - Recognizes the increased costs of serving customers outside the City limits and calls for continued recovery of same
 - Policy: The City of Gainesville should continue to recognize and recover the higher cost of delivering utility services by imposing a surtax outside of its boundaries.

- 4.5 – The University of Florida
 - Calls for the City and GRU to seek ways to provide utility services to UF main campus and other UF sites throughout the service territory
 - Policy: The City of Gainesville and GRU shall make every effort to become UF's preferred utility provider.
- 4.6 – Economic Development
 - Recognizes the role that a municipally owned utility can play in economic development efforts throughout its service territory
 - 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.

SECTION 5 – ENVIRONMENTAL AND CLIMATE RELATED

- 5.1 – Climate Disruption Planning and Impacts
 - Recognizes the disruptive impacts of Climate Change and calls on the City to plan for same
 - Policy: The City of Gainesville shall study and plan for the likely impacts of climate change.
- 5.2 – Fuel Supply
 - Recognizes the role of fuel diversity in addressing the disparate impacts of climate change
 - Policy : GRU shall maintain its status as a fuel diverse utility as it transitions to 100% renewable energy by 2045

- 5.3 – Energy Management Systems
 - Recognizes the role of Energy Management Systems that will allow efficient operation of the utility and combat climate change impacts
 - Policy: Energy Management Systems will allow climate changes to be managed with less impact to customers and less cost to the utility once established. GRU will work toward an integrated Energy Management System which will provide long-term to both the utility and to customers. The City of Gainesville will support this goal financially.
- 5.4 – Water Supply
 - Recognizes the threat of climate change to reliable sources of potable water
 - 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.

- 5.5 – Economic Impact of Conservation Measures
 - Recognizes the tension between increase customer efficiency and corresponding loss of revenue to the utility
 - Policy: GRU and the City of Gainesville will explore alternative utility operational models in order to continue to provide service to their customers in a reliable, safe, environmentally responsible and economically viable way.

QUESTIONS?