



Legislation Details (With Text)

File #: 030410 **Version:** 4 **Name:** Future Electrical Needs Workshop (B)
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On agenda: **Final action:**
Title: Preliminary Integrated Resource Plan Results Update and Modifications (NB)
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Date	Ver.	Action By	Action	Result
2/9/2004	4	City Commission	Approved as Recommended	Pass
12/15/2003	3	City Commission	Approved, as shown above - See Motion(s)	Pass
11/18/2003	2	Regional Utilities Committee	Discussed	
10/16/2003	1	Regional Utilities Committee	Discussed	
9/18/2003	0	Regional Utilities Committee	Discussed	

Preliminary Integrated Resource Plan Results Update and Modifications (NB)
On September 9, 2002 the Commission authorized GRU to enter into an agreement with four other consumer owned electric utilities in Florida to evaluate the feasibility of a solid-fuel power plant. The terms of the agreement entitled GRU to a 25% share of any generating capacity constructed by the consortium. The study identified feasible options that involved siting a facility at GRU's Deerhaven Power Plant site and at a greenfield site in south Florida.

At the December 15, 2003, special meeting the Commission received a presentation summarizing the report entitled Alternatives for Meeting Gainesville's Electrical Requirements Through 2022. The Commission authorized staff to: 1) Proceed with further analysis of the elements and options identified in the preliminary results of the Integrated Resource Plan; 2) Limited the range of additional solid-fuel base load capacity options for further consideration to three (3) projects for potential development at the Deerhaven Generating Station. Those three options were: a 557 net Megawatt jointly owned unit, a 425 net Megawatt jointly owned unit and a 220 net Megawatt unit owned and operated by GRU; 3) Proceed with the development of final IRP recommendations for future consideration by the City Commission.

With the action taken by the City Commission on December 15th, staff has continued the development of an Integrated Resource Plan (IRP) composed of the following basic elements: 1) Additional energy conservation programs; 2) New demand response incentives; 3) Use of reclaimed water; 4) Additional intermediate generation capacity (natural gas); 5) Additional solid fuel (biomass, coal and petroleum coke) base load capacity, with three options: - a 557 net Megawatt unit jointly owned unit; - a 425 net Megawatt unit jointly owned unit; or - a 220 net Megawatt unit solely owned by GRU; and 6) Additional emission controls on Deerhaven Unit 2.

The option of participating in a greenfield power plant site in south Florida was eliminated from further consideration by the Commission during the workshop. As indicated during the presentation, implementation of all the previous six elements in an integrated fashion is necessary to achieve the desired environmental, reliability, and

electric rate objectives identified by GRU customers during community input sessions in the fall of 2003.

After evaluation of the information and comments received from the Commission and the public during the December 15 workshop, staff believes it would be prudent to cease further development of the 557 and 425 Megawatt base load capacity options. With the elimination of these two options, as well as the south Florida greenfield option previously dropped from consideration by the City Commission, participating in the funding of the next phase of the Joint Development Project is no longer appropriate. If the Commission adopts staff's recommendation to drop the 557 and 425 Megawatt options, staff further recommends formally withdrawing from the Joint project. Withdrawal will relinquish GRU's entitlement to a 25% share of the output of any facility that might eventually be constructed by the consortium.

The City Commission: 1) receive a brief presentation on the timing and process needed to develop a final Integrated Resource Plan (IRP) to meet Gainesville's electrical needs through 2022; 2) remove the 557 and 425 Megawatt base load capacity options from the solid fuel element of the Preliminary Integrated Resource Plan (IRP) previously approved on December 15, 2003; and 3) authorize Gainesville Regional Utilities withdrawal from the Public Power Solid-Fuel Power Plant Joint Development Project.

Prepared by: Ed Regan, AGM for Strategic Planning

Submitted by: Michael L. Kurtz, General Manager