



Legislation Text

File #: 130576., **Version:** 2

ECONOMIC DEVELOPMENT INCENTIVE RATE RIDER PROGRAM (B)

Ordinance No. 130576

An ordinance of the City of Gainesville, Florida, amending the Code of Ordinances relating to the electric utility, by amending section 27-21 by creating a new definition for "economic development incentive rate rider program," by creating a new section 27-38 titled "economic development incentive rate rider program"; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

The City Commission adopt the proposed ordinance.

GRU ENERGY AND BUSINESS SERVICES DEPARTMENT STAFF REPORT

Currently, the City has one existing utility-based economic rate incentive, titled the "Retained, Expanded or Attracted Load (REAL) service rider". This program offers new, expanding or at-risk-to retain customers a 13% discount over a four-year term. Funding for the REAL discount is provided by a reduction in general fund transfer (GFT) to the City.

At its meeting on December 19, 2013, the City Commission heard a presentation from GRU staff where staff recommended the adoption of an additional economic rate incentive to be funded from utility revenue related to system growth rather than GFT funds. The "Economic Development Incentive (EDI) rate rider program" would target larger electric customers and incentivize local growth. The EDI rate rider program could be used in conjunction with the REAL rider.

The EDI rate rider program is designed to attract the increased revenue that comes from serving larger customers without impacting other GRU customers. Increased revenue helps offset fixed costs, which benefits all customers in the form of reduced electric rate pressure.

As proposed, both new and existing General Service Demand and Large Power electric customers would be eligible for the EDI rate rider program. New customers would need to demonstrate a minimum metered electric usage of 100,000 kWh per month through a single point of delivery. New customers would receive a 20% discount on base electric rates for a five-year term. Existing customers would need to increase baseline usage by 20% or greater and have a resulting minimum metered electric use of 100,000 kWh per month through a single point of delivery. Existing customers would receive a 15% discount on base electric rates for a five-year term.

CITY ATTORNEY MEMORANDUM

At its meeting on December 19, 2013, the City Commission authorized the City Attorney to draft and the Clerk of the Commission to advertise an ordinance implementing the EDI rate rider.

This ordinance requires two hearings and shall become effective upon final adoption. The first reading is scheduled for October 16, 2014. The second reading is scheduled for November 6, 2014.