



Legislation Details (With Text)

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Title: Coordinated Dispatch Agreement between the City of Gainesville, d/b/a GRU and Jacksonville Electric Authority (B)

**This item is informational only.

Sponsors:

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Attachments: 1. 150883 JEA Coordinated Dispatch Pres. Revised 20160407

Date	Ver.	Action By	Action	Result
4/7/2016	1	City Commission	Approved, as shown above	Pass

Coordinated Dispatch Agreement between the City of Gainesville, d/b/a GRU and Jacksonville Electric Authority (B)

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For some time, GRU has been exploring the benefits and consequences of combining GRU's generation with that of another entity and economically dispatching the combined fleet. The coordinated dispatch model allows JEA and GRU to dispatch their generation fleets as if they were one. The most economical units can supply power to meet the combined demand.

The coordinated dispatch model creates another option to provide power at a lower price point, but is not an obligation. GRU and JEA would dispatch their two systems as one and establish day-ahead (and in the future, week-ahead and month-ahead transactions) schedules for power flows between the entities. The pricing of the power flowing during each hour is determined by the avoided cost of the entity selling the power plus a margin. The margin is determined by the savings between dispatching the systems separately versus together.

The analysis of the benefits showed the ability to reduce JEA's production cost by running their fleet at a point of better thermal efficiency when serving part of the GRU demand. GRU's savings were the result of serving load with lower-cost power generated by JEA, rather than from its own fleet.

The agreement is projected to provide annual savings of \$6.5 - \$10.8M between May 2016 and December 2021. This will help mitigate upward rate pressure on retail customers.

Hear a presentation on the benefits and savings of the Coordinated Dispatch Agreement between the City of Gainesville, d/b/a GRU and Jacksonville Electric Authority (JEA).