From:	Communications
To:	Communications
Bcc:	Woods, Robert L.; Rawson, Laura E.; Dl_charterofficers; Citycomm@ci.gainesville.fl.us; Dl_media
Subject:	MOU Executed for Potential GRU Purchase of GREC CORRECTED
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Gainesville Regional Utilities
Media Line: 352-393-1486

March 23, 2017

Correction: The GRU press release dated March 22, 2017, on this same subject erroneously listed the date of the execution of the Memorandum of Understanding. The MOU was executed on March 22, 2017.

MOU Executed for Potential GRU Purchase of GREC

Main Idea: A Memorandum of Understanding (MOU) laying the framework for negotiating a definitive agreement for GRU to purchase the assets of Gainesville Renewable Energy Center (GREC) with a purchase price of $750 million, and to terminate the Power Purchase Agreement (PPA), has been signed by both parties.

Background: The MOU – a nonbinding agreement – was executed on Wednesday, March 22, after months of negotiation.

The incentive for the MOU and definitive agreement is to reduce electric rates for GRU customers by 8-10 percent, and reduce payments by GRU of almost $2.1 billion over the life of the PPA by $650 million or more. The agreed to purchase price is $750 million with a refinance rate of no more than 3.53 percent. GRU would be able to terminate the MOU if that rate were to increase.

This expansion could be a transformational event for GRU, restoring an above market contract to an ownership position of an environmentally-friendly power generation facility which would diversify the utility's fuel mix for decades.

GRU is developing plans for the facility to allow it to run at levels substantially lower than the current limit of 70 megawatts. A modified GREC would meet GRU's future generation requirements while also allowing GRU to avoid a 2022 replacement cost of about $200 million.

Quotable: "I'm simply happy to be part of such a positive event for GRU and the City of Gainesville."– General Manager Edward Bielarski

Media Contact: Lauren Munsey, 352-275-3678

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GRU is a citizen-owned, multi-service utility in Gainesville, Fla., providing reliable electric, natural gas, water, wastewater and telecommunications services to more than 93,000 retail and wholesale customers in Gainesville and the surrounding community. As an engaged participant in an innovative community, GRU offers programs and services to help customers manage their utility use and save money. GRU also has a proven commitment to renewable energy.