From: Brown, Thomas R
To: De Leo, Dino S
Cc: Bielarski, Edward J
Subject: FW: Info Needs for GREC Analysis - CONFIDENTIAL and EXEMPT from Public Records FS § 119.0713 (2)(b)
Date: Thursday, March 23, 2017 9:45:40 AM

Dino,

This is an FYI. Need to start to think about how to put together a reasonable operating and capital cost scenarios to address these questions. Need to provide answers to questions posed by Mr. Holt (first four questions). I have access to outside technical and operational consultants with a high level of biomass expertise to help.

- Scenario 1
  - We make technical mods and operate the facility within our normal dispatch. I.e. the min load achievable is 25 MW
    - Electrical duct heaters
    - Gas duct heaters
    - Urea injection in main boiler
    - Supplemental gas firing or operating on gas up to loads that would permit operating on wood and maintaining emissions (say 25-60 MW)
  - Optimization mods
    - Possible rice engine installation
    - Dual firing on gas
- Scenario 2
  - The unit is capable of say 50 MW without technical mods and we utilize the facility to the extent it makes economic sense within our normal dispatch
- Scenario 3
  - Maintain the unit in cold standby. Facility is staffed. Operated for reliability and during peak seasons or economically justified.
- Scenario 4
  - The unit is placed in long term layup. Facility is staffed with a skeleton crew
- Scenario 5
  - Unit is shutdown and removed. I.e. the facility is sold for scrap, or as a project

Tom Brown
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(352) 393-1006 office
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BrownTR@GRU.com

From: Bielarski, Edward J
Sent: Tuesday, March 21, 2017 7:27 PM

To: Brown, Thomas R
Subject: Fwd: Info Needs for GREC Analysis - CONFIDENTIAL and EXEMPT from Public Records FS § 119.0713 (2)(b)

Sent from my iPad

Begin forwarded message:

From: "Holt, Carlos L" <HoltCL@cityofgainesville.org>
Date: March 21, 2017 at 5:50:15 PM EDT
To: "Bielarski, Edward J" <BielarskiEJ@gru.com>
Cc: "Locke, Justin M" <LockeJM@gru.com>
Subject: Info Needs for GREC Analysis - CONFIDENTIAL and EXEMPT from Public Records FS § 119.0713 (2)(b)

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Mr. Bielarski,

I request your best efforts to provide the following items for analysis. Request that they be provide as each one can be provided. Don't wait until all are available (some are easy).

1) Breakdown of annual cost for GRU, if it owned the GREC plant, to keep it in cold standby (includes all labor, material, chemicals, periodic maintenance, testing, fuel, all compliance requirements, etc.)
2) Breakdown of annual cost for GRU, if it owned the GREC plant, to keep it in a shutdown state but could be made operational within several months (includes all labor, material, chemicals, periodic maintenance, all compliance requirements, etc.)
3) Breakdown of annual cost for GRU, if it owned the GREC plant, to keep it operating and producing energy (excludes fuel cost).
4) Annual cost of insurance for a). #1 above, b). #2 above, c). #3 above
5) Last twelve GREC monthly invoices.
6) Latest Bond Agency Guidance.
7) Lowest rating GRU bonds have experienced within last 24 months.
8) Two companies GRU would buy woody biomass fuel from.
9) Cost of additional IT requirements that may be required to monitor or maintain GREC.
10) Annual cost of any additional regulatory licenses or fees that are not now paid by GRU.
11) Initial start-up costs for training of personnel due to the acquisition of the GREC plant.
12) Estimated useful life of plant without major upgrades.

13) Estimated value or the plant at end of useful life.
14) Estimated cost to return property to a natural state at the end of the useful life.
15) Latest and greatest draft MOU.
16) Total bond issuance $ costs for issuing bonds in the amount of the MOU purchase price (as computed by par/face value of bonds to be paid back – dollars received when issuance is complete).

This not necessarily a complete list, other items may be needed during the engagement.

Carlos L. Holt, CPA, CFF, CFE, CIA, CGAP
City Auditor, City of Gainesville, FL
(352) 334-5020
Effective Auditing: A Key to Quality Government

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