



# Renewable Energy Plan Debt Impacts

# New Money for Renewable Effort

Increases total projected debt service to **\$6.55 billion** through 2065

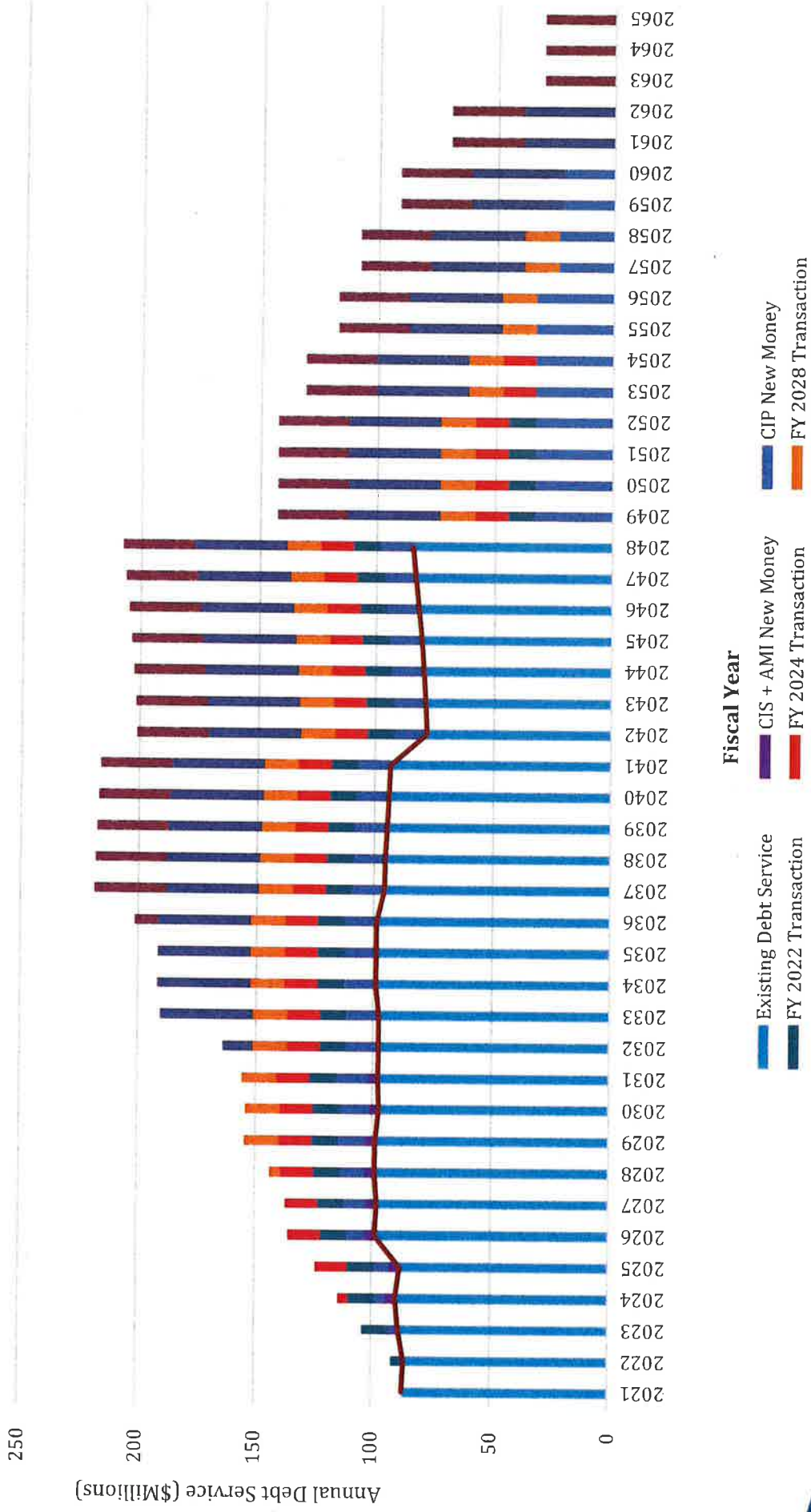
- The City of Gainesville recently published an Energy and Utility Policy, 2020-2030 with a goal of 100% renewable energy by 2045
- This effort would require substantial construction – many new renewables would be financed with debt and built in the local area
- The tables to the right show the summary statistics for GRU's anticipated capital needs for the renewable projects
- November 1 closing dates for each new money borrowing
- Assumes 30-year level debt service for each transaction, extending the debt profile until FY 2065

Assumptions:  
 COI of 300K and UWID of \$3/bond  
 Rates and scales as of November 2<sup>nd</sup>, 2020  
 Scale of +70bps credit spread to MMD + 1.00% IR risk  
 MMD increased and adjusted based on closing date

Renewable New Money Summary Statistics												
Fiscal Year	2022	2024	2028	2032	2036	Total						Total
Dated/Delivery Date	11/1/2021	11/1/2023	11/1/2027	11/1/2031	11/1/2035							
All-In Rate	3.869%	3.867%	3.867%	3.861%	3.860%							3.863%
Project Fund	205,810,000	246,280,000	262,080,000	695,230,000	538,660,000							1,948,060,000
Total Par	179,925,000	215,250,000	229,045,000	607,160,000	470,485,000							1,701,865,000
Total Debt Service	351,118,063	420,059,875	446,976,146	1,184,858,667	918,151,646							3,321,164,396
Avg. Annual Debt Service	11,326,389	13,550,319	14,418,585	38,221,247	29,595,772							74,792,861
Fiscal Year	Existing Debt Service	CIS + AMI New Money	CIP New Money	FY 2022 Transaction	FY 2024 Transaction	FY 2028 Transaction	FY 2032 Transaction	FY 2036 Transaction	FY 2036 Transaction	FY 2036 Transaction	Total Existing Debt Service	
2021	86,813,603										86,813,603	
2022	86,168,343	569,688	1,068,750	3,748,438							91,565,218	
2023	88,375,151	1,367,250	2,565,000	11,580,000							103,987,401	
2024	89,876,907	4,146,000	4,186,875	11,579,125	4,484,375						114,273,282	
2025	88,092,398	4,144,875	6,457,500	11,581,250	13,848,375						124,124,398	
2026	98,627,876	4,146,250	7,738,958	11,581,000	13,851,000						135,945,085	
2027	97,917,133	4,149,625	9,533,000	11,578,125	13,855,125						137,033,008	
2028	98,913,078	4,144,750	10,389,042	11,577,250	13,850,500	4,771,771					143,646,391	
2029	98,652,765	4,146,250	11,587,500	11,577,875	13,851,750	14,742,875					154,559,015	
2030	97,210,520	4,148,500	12,443,542	11,579,500	13,853,250	14,739,875					153,975,187	
2031	97,604,270	4,146,500	13,642,000	11,576,750	13,854,500	14,738,125					155,961,770	
2032	97,525,435	4,146,125	13,642,000	11,579,125	13,855,000	14,742,000	12,649,167				163,992,726	
2033	97,447,324		13,642,000	11,581,000	13,854,250	14,741,000	39,074,500				190,340,074	
2034	98,725,655		13,642,000	11,577,000	13,851,750	14,739,750	39,076,000				191,612,155	
2035	98,516,976		13,642,000	11,581,500	13,851,875	14,742,625	39,074,000				191,612,155	
2036	98,547,974		13,642,000	11,578,875	13,853,875	14,739,125	39,072,375				191,408,976	
2037	95,409,725		13,642,000	11,578,625	13,852,125	14,738,750	39,074,750				201,235,995	
2038	95,023,636		13,642,000	11,580,000	13,851,000	14,740,750	39,074,750				218,572,100	
2039	94,457,232		13,642,000	11,577,375	13,854,625	14,739,375	39,076,000				218,168,136	
2040	93,775,611		13,642,000	11,577,125	13,853,125	14,739,625	39,072,125				216,941,361	
2041	93,271,497		13,642,000	11,577,125	13,853,125	14,739,625	39,071,625				216,941,361	
2042	77,933,877		13,642,000	11,578,000	13,851,375	14,739,500	39,072,750				216,941,361	
2043	76,495,631		13,642,000	11,581,625	13,851,125	14,738,250	39,073,750				201,659,831	
2044	79,367,482		13,642,000	11,577,250	13,851,375	14,740,000	39,072,875				202,528,732	
2045	80,462,668		13,642,000	11,579,000	13,851,125	14,738,875	39,073,250				202,528,732	
2046	81,671,064		13,642,000	11,580,750	13,854,250	14,739,000	39,072,875				204,838,564	
2047	83,056,032		13,642,000	11,576,625	13,854,625	14,739,625	39,074,625				206,219,782	
2048	84,437,145		13,642,000	11,580,500	13,851,250	14,739,000	39,076,250				207,666,895	
2049			33,020,125	11,581,125	13,852,875	14,741,750	39,075,500				142,551,250	
2050			33,020,875	11,577,500	13,853,125	14,741,500	39,075,000				142,545,500	
2051			33,019,375	11,578,375	13,850,750	14,742,125	39,072,250				142,539,875	
2052			33,022,875	11,577,375	13,854,250	14,742,375	39,074,500				142,548,000	
2053			33,018,625	13,852,125	13,852,875	14,741,000	39,073,875				130,965,125	
2054			33,018,750	13,852,875	13,852,875	14,741,625	39,072,500				130,964,500	
2055			33,020,000	14,737,875	14,737,875	14,737,875	39,072,250				117,107,625	
2056			33,019,125	14,738,250	14,738,250	14,738,250	39,074,750				117,110,750	
2057			23,638,250	14,741,000	14,741,000	14,741,000	39,071,625				107,730,750	
2058			23,641,000	14,739,500	14,739,500	14,739,500	39,074,250				107,733,750	
2059			21,583,750	39,073,750	39,073,750	39,073,750	39,073,750				90,936,125	
2060			21,586,500	39,071,250	39,071,250	39,071,250	39,071,250				90,934,000	
2061				39,072,500	39,072,500	39,072,500	39,072,500				69,351,625	
2062				39,073,000	39,073,000	39,073,000	39,073,000				69,352,375	
2063				30,279,125	30,279,125	30,279,125	30,279,125				30,279,125	
2064				30,280,250	30,280,250	30,280,250	30,280,250				30,280,250	
2065				30,278,500	30,278,500	30,278,500	30,278,500				30,278,500	
<b>Total</b>	<b>2,556,437,209</b>	<b>35,109,313</b>	<b>666,135,417</b>	<b>351,118,063</b>	<b>420,059,875</b>	<b>446,976,146</b>	<b>1,184,858,667</b>	<b>918,151,646</b>	<b>1,184,858,667</b>	<b>30,278,500</b>	<b>6,546,367,834</b>	

# New Money for Renewable with Current Debt Profile

- The below chart shows the new money needs for renewable in addition to the current debt profile
- Also includes the CIS and AMI borrowings, with 2 years of deferred principal, and the CIP borrowings from 2022 to 2030



# State of the Utility

## Towards A Sustainable Utility

### Must Haves:

- GRU must not pay more in the GFT than it earns
- Profits must not be more than fully transferred to the GFT
- Debt defeasance plan must be developed
- Next steps in power generation must be balanced with ability to fund it

### Decisions:

- Whether to continue as power generator
- Whether to pursue a 100% renewable plan so quickly
- Whether to layoff/reduce workforce
- Whether to deliver the same level of utility services
- Whether to consider a cycle of constant financial restructurings to meet current debt service requirements
- Whether to risk downgrades from rating agencies and higher borrowing costs and limited capital market demand