

# **Community Dialogue: Powering Our Future**

**Meeting Gainesville's  
Future Electricity Needs**

**Sponsored by the  
Gainesville Energy Advisory  
Committee**



# Agenda

- GRU Issues/Concerns (15 min.)
- Questions/Answers (10 min.)
- Small Group Discussion (45 min.)
- Small Group Reports (15 min.)
- Next Steps (5 min.)



# Why are we here?

- PSC requires 10-year site plan (yearly)
  - Demonstrate ability to meet customer electricity needs over 10-year period
- Additional capacity needed by 2010
  - Integrated Resource Planning (IRP) process to develop plans
- Results from a previous study– new generation added in 2001
  - 110 MW combined cycle unit at Kelly Generating Station

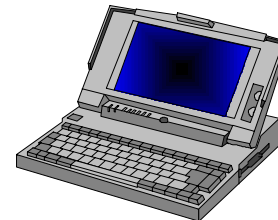
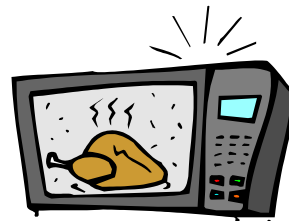
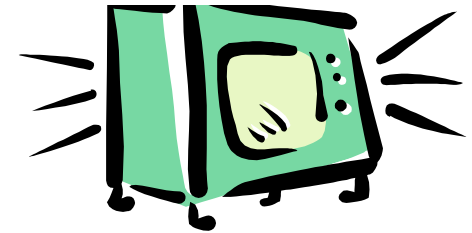
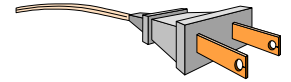
# Why are we here?

- It takes time to construct new generation
  - Longer lead time for certain types
  - We may be able to participate in a joint project
- Need to determine desires of our customers & community

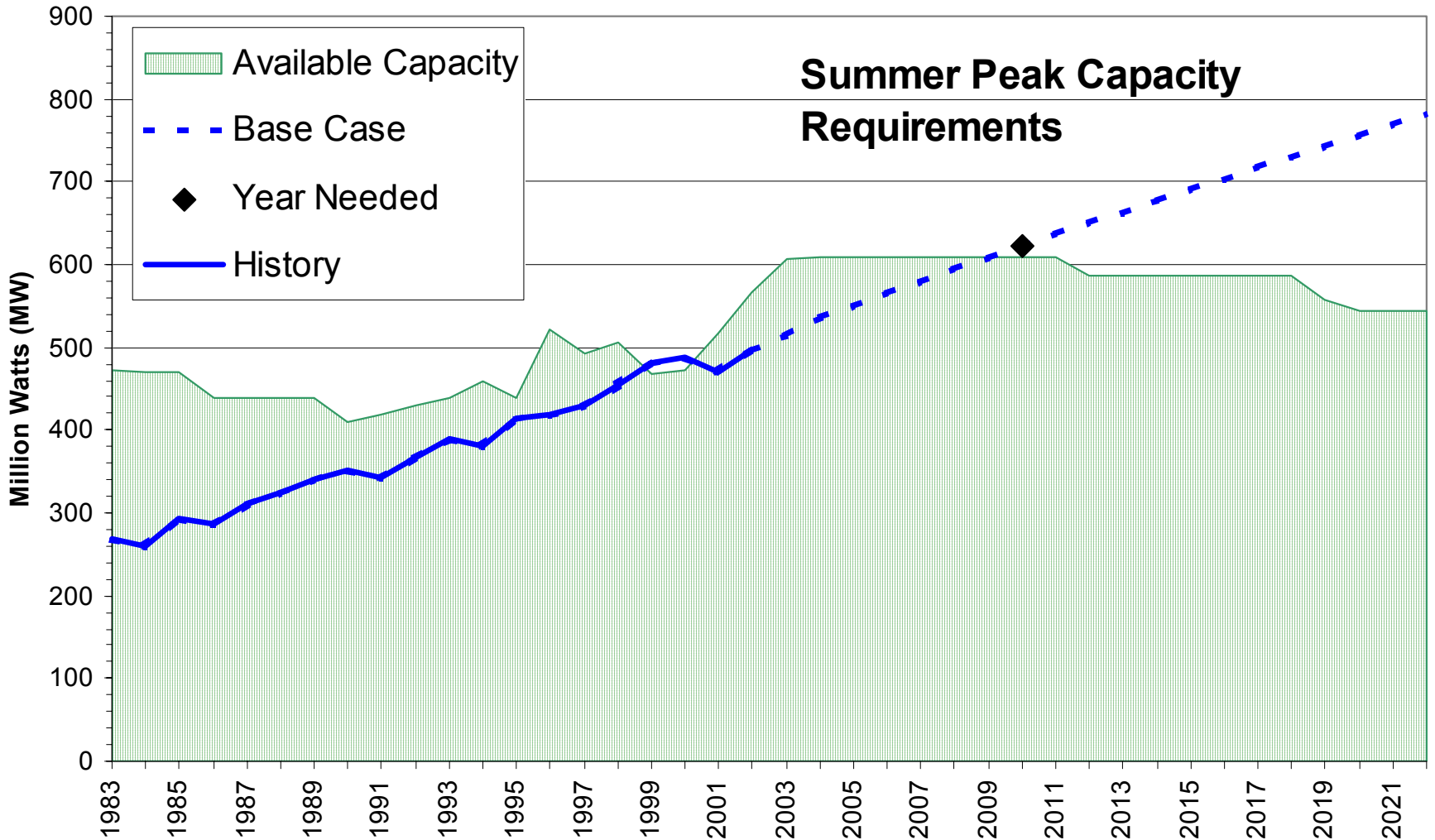


# Our need for electricity continues to grow

- More residential customers
  - 28 % increase since 1993
- More electricity use per customer



# Our need for electricity continues to grow

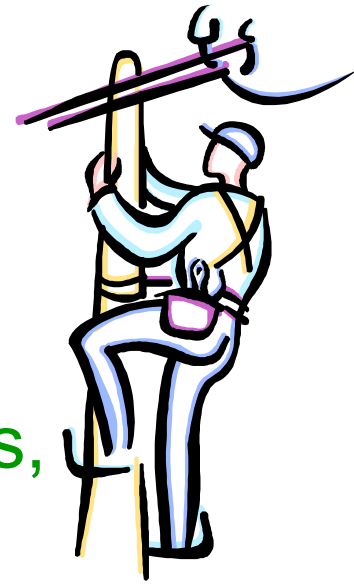


# The fuel portion of customer bills continues to rise

- Bill includes two main components:

## 1) Non-Fuel Charges

- Covers operating & maintenance costs such as power lines, power plants, vehicles, personnel, etc.
- Reduced 10% since 1993



# The fuel portion of customer bills continues to rise

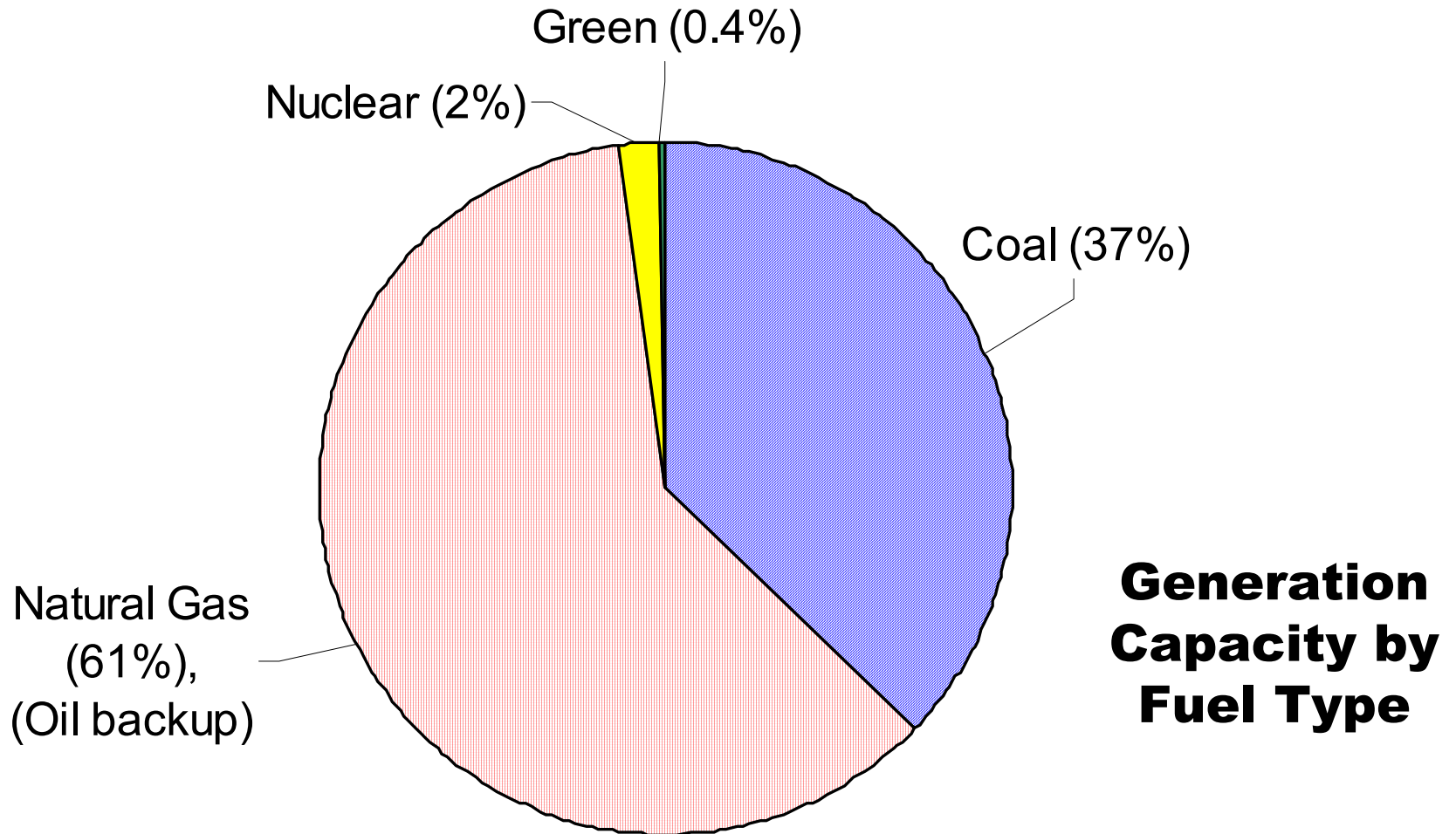
## 2) Fuel Charges

- Largest portion of bill
- Direct pass through (no markup)
- Prices (especially for natural gas) - much higher and projected to stay that way





# We are concerned about natural gas fuel prices



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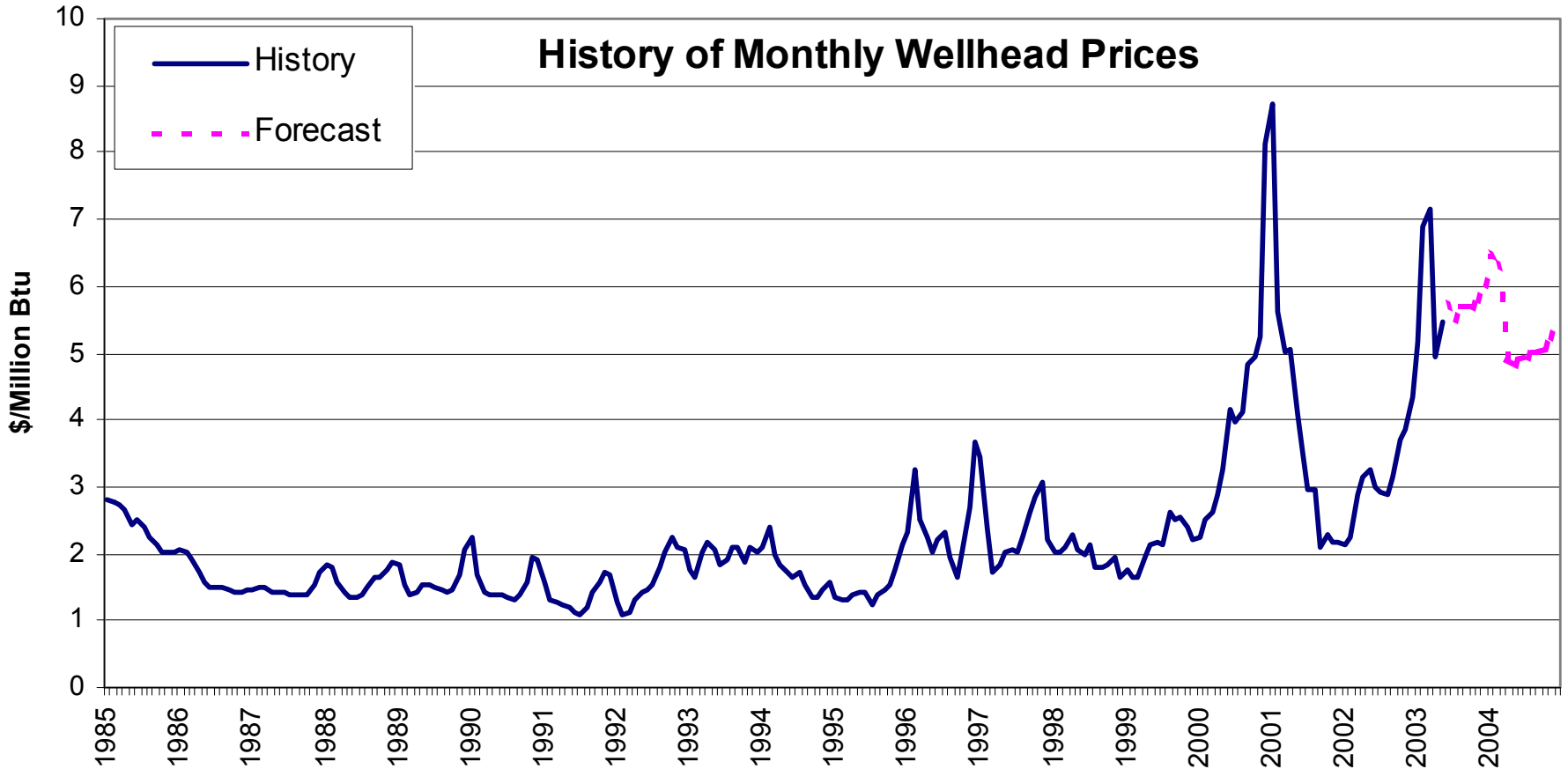
## Wellhead Prices

- Ten years ago - **\$1.80** /million Btu
- Today's price - **\$5.00** /million Btu

Btu - similar to calories -  
a measure of heat  
content

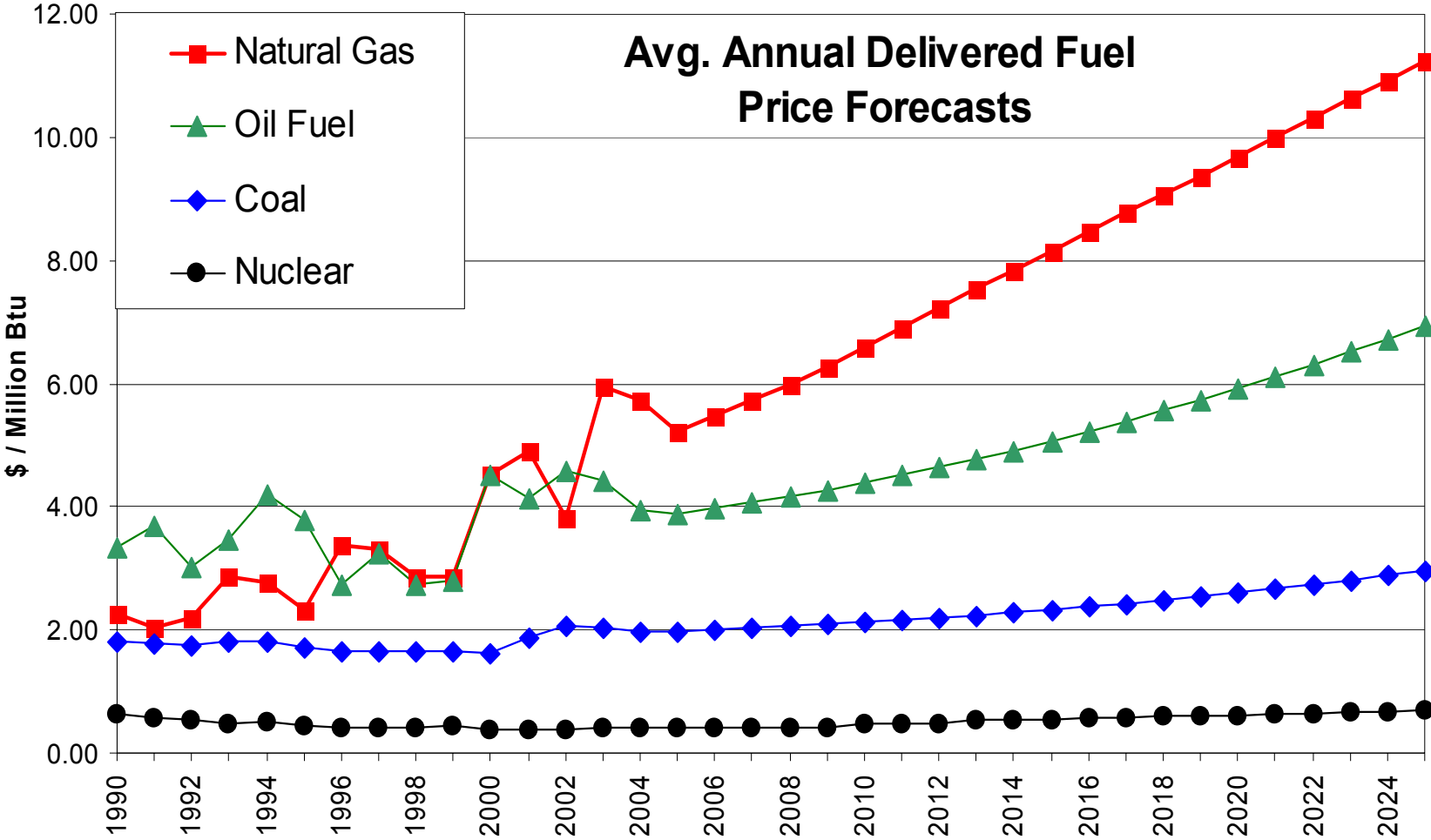


# We are concerned about natural gas fuel prices



Source: Energy Information Administration - Short Term Energy Outlook

# Natural gas prices are increasing faster than other fuels



Source: GRU Strategic Planning

# **We're concerned about the availability / reliability of fuels**

## **Transportation and Storage**

<b>Fuel</b>	<b>Source</b>	<b>Local Storage</b>
Coal	Rail, Barge	50-75 days
Gas	Pipelines	None
Oil	Rail, Barge, Ship	20-30 days

# **We're concerned about the availability / reliability of fuels**

## **U.S. Fossil Fuel Reserves**

<b>Fuel</b>	<b>US Consumption of Fossil Fuel by Type (All Energy Uses)</b>	<b>Percentage of US Fossil Fuel Consumption Imported</b>	<b>Years of Reserve at Current Usage of Each Fuel</b>
Coal	23%	-4%	480
Gas	25%	18%	52
Oil	52%	53%	16

Source = DOE EIA. Annual Energy Outlook 2002

# We are concerned about environmental aspects

- Understand where we are now
- Consider future impacts
- Consider future regulations



# Consider all options to make best choice for community

- Reduce use
  - Shift from peak hours
  - Increase energy conservation
- Increase supply
  - Purchase electricity
  - Build new generation





# Small Group Discussion

- What options should GRU consider?
- What are the factors GRU should consider in evaluating the options?
- How can GRU improve the presentation or be more effective in communicating with the community.

# How will we proceed?

- Community Dialogue Workshops
  - Millhopper Branch Library  
September 2, 5:30-7:30 PM
  - Williams Elementary  
September 9, 5:30-7:30 PM
  - Tower Road Branch Library  
September 18, 5:30-7:30 PM
  - Millhopper Branch Library  
October 7, 5:30-7:30 PM
  - Tower Road Branch Library  
October 9, 5:30-7:30 PM
  - Williams Elementary  
October 21, 5:30-7:30 PM
- Sharing information/hearing from customers
  - [www.gru.com](http://www.gru.com)
  - Email: [futurepower@gru.com](mailto:futurepower@gru.com)
  - Voice mail 393-1036
- Recommendation to City Commission
  - **November/December timeframe**

