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COMMISSION  
~~CLERK~~

April 8, 2010

Ms. Ann Cole, Clerk  
Florida Public Service Commission  
2450 Shumard Oak Blvd.  
Tallahassee FL 32399-0850

**RE: Docket Number 090451**  
**Application of Gainesville Regional Utilities and American Renewables, LLC (as the Gainesville Regional Energy Center (GREC) for certification of need**

Ms. Cole:

It has come to my attention that Mayor Pegeen Hanrahan of Gainesville, Florida, has recently submitted testimony (March 15, 2010) in favor of the Gainesville Renewable Energy Center (GREC). In support of her testimony, Mayor Hanrahan referenced me in my former capacity as a Gainesville City Commissioner. I would like to take this opportunity to clarify my position on the claimed need for Gainesville Regional Utilities (GRU) to produce new electrical generation capacity.

In her March 15 testimony, Mayor Hanrahan was asked the following question: "Do you believe that local electoral control provides adequate protection for your citizens and electric customers?" (Page 9, lines 14-16)

Mayor Hanrahan's response:

*"So far, eleven Commissioners have voted unanimously in support of GREC over the years, including myself and sitting Commissioners Craig Lowe, Jack Donovan, Thomas Hawkins, Lauren Poe, Jeanna Mastrodicasa, and Sherwin Henry, and previous Commissioners Rick Bryant, Ed Braddy, Warren Nielsen, and Chuck Chestnut."*

This statement is clearly intended to suggest that a broad range of elected officials are all on the "same page" with regard to the proposal for a new electrical generating plant.

I served as a Gainesville City Commissioner from May, 2002 until May, 2008. Over the course of these six years, I cast many votes on energy-related issues. Shortly after taking office in 2002, GRU's general manager and senior staff informed me that the utility needed to explore adding additional capacity in anticipation of a possible "energy gap" resulting from fixed supply and increased demand. The two overriding issues for me were **perceived need and rate impact**.

At the time, GRU's original proposal was to use coal as a primary fuel source. I publicly stated my position on this proposal in a guest column to the Gainesville Sun on January 23, 2005. Using the information provided to me by GRU staff, I argued that new electrical generation was necessary because our fixed ability to produce energy was soon to be exceeded by customer demand, which would consequently increase utility rates: "With demand rising and supply fixed, an 'energy gap' will emerge by 2011 between our community's needs and GRU's ability to meet those needs."

Two things changed shortly thereafter: 1) The proposal changed from coal to biomass as a fuel source; and 2) the need's timeline was pushed back from 2011 to 2013.

My "support" that Mayor Hanrahan has referenced was determined by the reliability of the information I had on which to base a decision. I was not "sold" on the superiority of biomass energy over coal - believing that public policy is ultimately about trade-offs and that this alternative, while perhaps "greener," would impose significantly higher costs on ratepayers.

Weighing heavier on my decision, however, was the timeline. Based on the projection provided to me by GRU staff, I was convinced that new electrical generation (regardless of fuel type) was needed by 2013 or else ratepayers would face even higher costs than if we were to take no action or or delay our decision.

However, the analysis by PSC staff has indicated that new electrical generation is not needed by 2013 and that no additional capacity is needed until a full decade later - 2023. This is a very important change in the substance of the information, and **I can say with absolute certainty that - with this new assessment - I would not have been in support of GREC.** Although I cannot speak for the other commissioners, I suspect I would not be alone in this determination.

I believed then, and still believe today, that our utility rates represent a significant burden on customers who are struggling to make ends meet.

In closing, I would add that with the promising advances in new technologies (particularly nano technology), I believe it is premature to go forward with any kind of new power generation at this time. The decision-makers in 2015, for instance, will have even more technologies and alternatives available to them on which to make a better decision than today's officials, despite their good intentions. In other words, I would not circumscribe tomorrow's leaders in their ability to deliver a superior product to our citizens for the desire of today's leaders to "go green."

Respectfully submitted,

A handwritten signature in black ink that reads "Ed Buddy". The signature is written in a cursive, slightly slanted style.

CC: Erik Saylor, Senior Attorney, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850

Dian Deevey, 1702 SW 35<sup>th</sup> Place, Gainesville, Florida 32608

Referenced Information

Supplemental Testimony of Pegeen Hanrahan, P.E. on Behalf of Gainesville Regional Utilities and Gainesville Renewable Energy Center, LLC" March 15, 2010

<http://www.psc.state.fl.us/library/filings/10/01762-10/01762-10.pdf>

Ed Braddy: "GRU proposal aims to overcome the "energy gap"

Gainesville Sun Guest Column, January 24, 2005

<http://www.gainesville.com/article/20050123/EDITORIALS/50124027>