

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 19, 2010
TO: Ann Cole, Commission Clerk
FROM: Mark Long, Assistant to Commissioner Klement *[Signature]*
RE: Docket #090451-EM - Joint Petition to Determine Need for Gainesville Renewable Energy Center in Alachua County, by Gainesville Regional Utilities and Gainesville Renewable Energy Center, LLC.

This office has received the attached letter from Mr. Thomas D. Bussing regarding the above-noted docket.

The letter has not been viewed or considered in any way by Commissioner Klement and by virtue of that fact, the letter does not constitute an ex parte communication. Please place a copy of the correspondence in the record of the above-referenced docket.

ML/ba

Attachment

RECEIVED-FPSC
10 MAY 19 PM 3:40
COMMISSION
CLERK

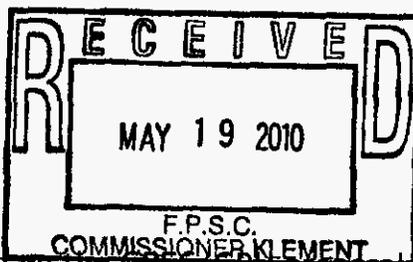
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04260 MAY 19 0

FPSC-COMMISSION CLERK

Commissioner David E. Clement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

May 17, 2010



Commissioner Clement,

The reopened evidentiary hearing on the GREC/GRU proposal (Docket 090451-EM) did not change the facts. The proposal remains an unnecessary and expensive risk for the ratepayers.

The 100 megawatts of new generation capacity are not needed. GRU claims that the capacity will be needed by 2023 at the earliest. Even then, that "need" would not be justified. It would be "manufactured" by GRU failing to bring on filler units and more cost-effective upgrades to existing units.

Our utility's ratepayers would be saddled with the massive costs of these artificially stranded assets, as existing generators are taken off-line.

The Net Present Value analysis for the proposal shows the project to be a loser in the first decades of operation. A rosy GRU projection describes a possible eventual advantage, but only in hazy and imprecise "forecasts" far into the future, the uncertainty exacerbated by the experimental technology and lack of a market record for this novel fuel.

What the reopened hearing did add to the process was a baldly political power play by GRU. Rather than depend upon their factual filings, they orchestrated an overtly political dog-and-pony show in order to pressure the Florida Public Service Commissioners to make a decision in their favor.

It is a mystery how our City Commissioners were able to plan their coordinated and well-orchestrated performances, under the Florida Sunshine Law.

One can only wonder how such a performance would have been viewed, had the applicant been an Investor Owned Utility. If this is a creative precedent for future PSC dockets, and if the IOU's see advantage in duplicating the effort, the future looks dark for Florida ratepayers.

The statutory language that directs the PSC in these regulatory decisions is broad, and can bring up conflicting findings for and against a proposal. In adjudicating these matters, I would urge you to return to the primary role that underlies your authority, above the statutory detail. That is to provide competent protection for Florida ratepayers, who are inherently held hostage to monopolistic utility systems.

The GREC proposal will only be coming before the PSC this one time. There will be no opportunity to monitor or amend the terms of this contract. With the heavy redactions in the public version of the contract, the ratepayers will never be able to see whether the agreement is met.

The current dreamy City Commissioners will be long gone.

Please do not hand over our energy future to this faulty and politically driven plan. Please vote to deny the petition.

Yours truly,

Thomas D. Bussing, PhD
Former Mayor, City of Gainesville

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FPSC-COMMISSION CLERK

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