



March 8, 2010

Mr. Robert E. Hunzinger
Gainesville Regional Utilities
P.O. Box 147117 (A134)
Gainesville, FL 32614-7117

**RE: Gainesville Regional Utilities 100 MW Proposed Biomass Power Plant
Need Determination Request**

Dear Bob,

The Orlando Utilities Commission (OUC) is the sixteenth largest municipal electric and water utility in the U.S., serving over 250,000 customer accounts in the City of Orlando and City of St. Cloud, as well as unincorporated Orange and Osceola Counties. Established in 1923, OUC has a long history of providing our customers with affordable rates, reliable power and environmental stewardship. Our power plants have been built with the best available environmental control technology at the time of construction, and we have a diversified generation fuel mix that we evaluate against changes in market and regulatory conditions

With this corporate strategy, OUC was one of the first utilities in the State in 1997 to make a substantial investment in renewable energy by co-firing landfill gas from the nearby Orange County Landfill in our Stanton Energy Center coal fired power plant.

Since that time, we have actively evaluated the addition of renewable generation to our portfolio and sought projects that meet our three guiding principles. To date, the renewables that we are pursuing or have deployed include landfill gas, solar, biomass, hybrid solar/biomass and municipal solid waste-to-energy.

OUC is one of the municipal electric utilities in Florida that has expressed interest in the purchase power possibilities from the Gainesville Renewable Energy Center LLC. In addition to its renewable aspects, biomass energy offers a potential source of firm, base load generation that, though not competitive against traditional forms of generation, competes very well against other forms of renewable energy such as solar photovoltaic.

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Ultimately, the extent of OUC's commitment to this project will depend on several factors, including cost, OUC's need for additional renewable generation, and the outcome of GRU's proceedings before the Florida Public Service Commission.

Please let me know if you need any additional information.

Sincerely,



Kenneth P. Ksionek
General Manager & CEO

KPK/emm

cc: Jan Aspuru, Vice President, Power Resources