Community Dialogue Part II: Powering Our Future

Meeting Gainesville's Future Electricity Needs

Sponsored by the Gainesville Energy Advisory Committee



Agenda

- Introduction and Review
- Reduce Use
- Increase Generation
- Evaluations
- Questions and Answers
- Small Group Discussion
- Small Group Reports
- Next Steps

(10 min.) (20 min.) (25 min.) (15 min.) (30 min.) (20 min.) (20 min.) (5 min.)

Community Outreach Efforts

- Three Community Workshops
- E-mail, Phone Calls, and Presentations to Advisory Groups, Homeowners, UF Professors, and Civic Organizations
- Information Presented On:
 - Our need for capacity
 - Price and availability of fuels
 - General options



Our need for electricity continues to grow



Natural gas prices are increasing faster than other fuels



Reliability and Availability of Fuels

	Years of				
Fuel	Reserve	Transportation	Storage		
Oil	16	Rail, Barge, Ship	20-30 days		
Gas	52	Pipelines	None		
Coal	480	Rail, Barge	50-75 days		
Nuclear ^a	39 ^b	Diverse	550 days		
Solar ^a	Renewable	Local	None		
Biomass ^a	Renewable	Local	20-30 days		

a. Added by request.

b. Breeder reactors could make nuclear power available indefinitely.

Consider all options

- Reduce Use
 - Increase energy conservation
 - Shift from peak hours
- Increase Supply
 - Lease capacity
 - Build new generation



What we learned from you



Important <u>factors</u> to consider

- Environment
- Health and Safety
- Cost
- Reliability/Self Sufficiency
- Resource Conservation
- Emerging Technologies
- Economic Benefits



Options to consider

- 1. Energy Conservation (reduce use)
- 2. Electric Generation (increase supply)
 - Renewable resources
 - Coal
 - Nuclear
 - Distributed generation
 - Purchasing from another company
 - A joint project
 - Others

Energy Conservation (reduce use)

How does energy conservation stack up?

- + Environment Excellent
- + Health and Safety Good
- Cost Effectiveness Depends on option
- Reliability/Self Sufficiency Limited cap.
- + Resource Conservation Good
- + Emerging Technologies Good
- + Economic Benefits Good

Not all conservation is equal

- Some conservation measures provide greater value to rate payers
 - Who benefits? Conservation participant, rate-payer, society?
- Considerations include:
 - Time of day (peak)
 - Fuel costs



Best conservation methods reduce peak demand

- Peak demand
 - Hot summer days



- Cold winter mornings and evenings
- Peaking generation units
 - Expensive fuels and less efficient

Example of Daily Summer Load



Example of Daily Summer Load



Residential Energy Conservation Measures Evaluated Through the Years

HIGH FFF AIR SOURCE HEAT PUMP TWO SPEED HEAT PUMP REDUCED DUCT LEAKAGE HEAT PUMP SETBACK/PROGRAM. THERMOST HP DLC FOR ELECTRIC HEAT HEAT PUMP CEILING INSULATION (R-0 TO R-19) CEILING INSULATION (R-19 TO R-30) WALL INSULATION (R-0 TO R-11) WINDOW FILM/REFLECTIVE GLASS SHADE SCREENS ATTIC RADIANT BARRIERS TWO SPEED CENTRAL AC WHOLE HOUSE FANS HEAT PUMP AC/HEAT PUMP MAINTENANCE ELEC. HEAT DLC of CENTRAL AC ELEC. HEAT LANDSCAPE SHADING ELEC. HEAT GAS AIR CONDITIONING INTEGRAL HEAT PUMP WATER HEATER SOLAR WATER HEATER WATER HEATER TANK WRAP HEAT TRAP DLC of ELECTRIC WATER HEATER COMPACT FLOURESCENT HIGH PRESSURE SODIUM (OUTDOOR) LOW PRESSURE SODIUM FLOODLIGHT BEST CURRENT REFRIG. MANUAL BEST CURRENT FREEZER FROST FREEZER REMOVE SECOND FREEZER HIGH EFFICIENCY CLOTHES WASHER DOWN-SIZED POOL PUMPS W/OVERSIZED PIPING

GROUND SOURCE HEAT PUMP REDUCED DUCT LEAKAGE ELEC. HEAT SETBACK/PROGRAM THERM ELEC HT DLC FOR ELECTRIC HEAT ELEC. HEAT GAS FURNACE CEILING INSULATION (R-11 TO R-30) CEILING INSULATION (R-30 TO R-38) WEATHERSTRIP/CAULK(BLOW DOOR) LOW EMISSIVITY GLASS **REFLECTIVE ROOF COATINGS** HIGH EFFICIENCY CENTRAL AC WHOLE HOUSE FANS ELEC. HEAT HIGH EFFICIENCY ROOM AC AC/HEAT PUMP MAINTENANCE DLC of CENTRAL AC HEAT PUMP CEILING FANS ELEC. HEAT HIGH EFF. ELECTRIC WATER HEATER ADD-ON HEAT PUMP WATER HEATER HEAT RECOVERY WATER HEATER WATER HEATER PIPE INSULATION LOW FLOW SHOWERHEAD GAS WATER HEATER EFFICIENT INCANDESCENT MOTION DETECTORS BEST CURRENT REFRIG. FROST FREE REMOVE SECOND REFRIGERATOR BEST CURRENT FREEZER MANUAL HIGH EFFICIENCY CLOTHES DRYER HIGH EFFICIENCY POOL PUMPS DLC of POOL PUMPS

Commercial Energy Conservation Measures Evaluated Through the Years

INSTALL HE CHILLER INSTALL HE CHILLER INSTALL HE CHILLER & ASD RPL LE DX W/HE DX RPL LE RM AC W/HE RM AC INSTALL COOL STORAGE HEAT PIPE ENHANCED DX HOTEL OCCUPANCY SENSORS 2-SPEED MOTOR - COOLING TOWER SPEED CONTROL - COOLING TOWER AC MAINTENANCE – CHILLER AC MAINTENANCE - DX AIR DUCT/WATER PIPE INSUL – CHILLER **AIR DUCT/WATER PIPE INSUL - DX ENRG MGT SYSTEM – CHILLER** ENRG MGT SYSTEM - DX **TEMP SETUP/SETBACK – CHILLER TEMP SETUP/SETBACK - DX REP ER HEAT W/ GAS HEAT GAS-FIRED COOLING** INC ROOF INSULATION ADD WIND FILM LIGHT ROOF DUCT LEAKAGE REPAIR - DX AC VAV W/INLET V - CHILLER VAV W/INLET V - DX AC ASD CON W/VAV - CHILLER ASD CON W/VAV - DX AC TIME/PROG CON – CHILLER TIME/PROG CON - DX AC **HE VN MOTORS – CHILLER HE VN MOTORS - DX AC** MAKEUP AIR/EX – CHILLER MAKEUP AIR/EX - DX AC 4'-34W FL W/ HYBRID BAL #1 4'-34W FL W/ HYBRID BAL #2

4'-34W FL W/ ELECTRONIC BAL #1 4'-34W FL W/ ELECTRONIC BAL #2 8'-60W FL W/ELEC BALLAST #1 8'-60W FL W/ELEC BALLAST #2 **T8 LAMPS/ELEC BALLAST #1** T8 LAMPS/ELEC BALLAST #2 REF/DE-L FL: 4'-40W, ELEC B REF/DE-L FL: 4'-34&40W. ELEC B REF/DE-L FL: 8'-75W. ELEC B REF/DE-L FL: 8'-60W. ELEC B REF/DE-L FL: 4'-34&40W. HYBRID B #1 REF/DE-L FL: 4'-34&40W. HYBRID B #2 REF/DE-L FL: 4'-34&40W, ELEC B #1 REF/DE-L FL: 4'-34&40W. ELEC B #2 REF/DE-L FL: 8'-60W, ELEC BAL #1 REF/DE-L FL: 8'-60W. ELEC BAL #2 4'-34W FL/DIMMING BALLASTS #1 4'-34W FL/DIMMING BALLASTS #2 HPS (70/100/150/250W) HPS (70/100/150/250W), ELEC BAL HPS (35W) **METAL HALIDE (32W)** COMPACT FL (15/18/27W) **INSTALL HE CHILLER INSTALL HE CHILLER & ASD RPL LE DX W/HE DX RPL LE RM AC W/HE RM AC** INSTALL COOL STORAGE HEAT PIPE ENHANCED DX HOTEL OCCUPANCY SENSORS 2-SPEED MOTOR - COOLING TOWER SPEED CONTROL - COOLING TOWER AC MAINTENANCE – CHILLER AC MAINTENANCE - DX **AIR DUCT/WATER PIPE INSUL – CHILLER** AIR DUCT/WATER PIPE INSUL - DX **ENRG MGT SYSTEM – CHILLER** ENRG MGT SYSTEM - DX **TEMP SETUP/SETBACK – CHILLER**

TEMP SETUP/SETBACK - DX REP ER HEAT W/ GAS HEAT GAS-FIRED COOLING INC ROOF INSULATION ADD WIND FILM LIGHT ROOF DUCT LEAKAGE REPAIR - DX AC **VAV W/INLET V – CHILLER** VAV W/INLET V - DX AC ASD CON W/VAV - CHILLER ASD CON W/VAV - DX AC **TWO COMPACT FL LAMPS (18W)** ENERGY MANAGEMENT SYSTEM OCCUPANCY SENSORS DAYLIGHTING DESIGN PHOTOELECTRIC CONTROL LPS SECURITY LIGHTS MULTIPLEX: AIR COOL MULTIPLEX: AIR COOL/ AMB SUBC MULTIPLEX: AIR COOL/ MECH SUBC MULTIPLEX: AIR COOL/ AMB&MECH SUBC MULTIPLEX: AIR COOL/EXT LIQ SUCT HX **OPEN-DRIVE REFRIG (ASD)** ANTI-CONDENS HEAT CONTROL HI R-VALUE GLASS DOORS ENERGY MANAGEMENT SYSTEM DUAL PATH SUPERMARKET AC HEAT PUMP WATER HEATER SOLAR WATER HEATER HEAT RECOVERY WATER HEATER DHW HEATER INSULATION DHW HEAT TRAP LO FLO/VARI FLO SHOWERHEAD DHW CIRCULATION PUMP GAS WATER HEATER CONVECTION OVENS ENERGY EFFICIENT ELEC FRYERS GAS COOKING

Current Residential Energy Conservation Programs

- Conservation Surveys
- Self-Audit Materials
- New Construction Consultation
- Green Builder Program
- Customer Consultation
- Low-Income Weatherization
- Solar Water Heating Rebates

- Solar Electric Interconnection and Buyback
- Gas Water Heating Rebate
- Gas Heating Rebate
- Gas Range Rebate
- Gas Dryer Rebate
- Gas New Construction Rebate

Current Commercial Energy Conservation Programs

- Conservation Surveys
- Commercial Lighting Service
- Solar Water Heating Rebates
- Solar Electric Interconnection and Buyback



- Gas Air Conditioning Rebate
- Gas Dehumidification Rebate
- Gas Water Heating Rebate

24 Years of GRU Conservation Programs

- Summer Electric Demand Reduction 14 MW
- Winter Electric Demand Reduction 34 MW
- Annual Energy Savings* 70,000 MWh/Yr

* Equivalent to approximately 6,000 residential customers' usage per year

GRU residential customers have lowest electricity usage per customer



Substantial savings from energy conservation initiatives (MWh/Year)

- Kelly CC-1 110,420
- Conservation Programs 70,000
- Landfill Gas to Energy 18,575
- Solar at the Airport 15
- Systems Control Center PV 11
- Customer Owned PV 6
- Solar at the Schools

5

How much more energy conservation can we get by 2010?

- Summer Demand*
- Winter Demand
- Annual Energy

5.4 MW 2.4 MW 10,500 MWh/Year

* 3.6 MW included in current forecast

The current conservation model: utility companies modify customer behavior

- How do we do this?
 - Select energy conservation measures that benefit <u>all</u> rate payers
 - "Sell" customers one at a time
- How successful is this approach?
 - Participants to date: 54% of residential dwelling units and 40% of commercial buildings

What if we change this model?

- GRU provides funding to give customers incentives to shift their peak use and conserve energy
- Private businesses (not GRU) run programs and aggregate demand and energy reductions
- How much will we pay?
 - Value of avoided capacity
 - Fuel cost savings
 - Market value of green power



Other Conservation Ideas

- Inverted rates prices increase as usage increases
- Real Time Pricing price depends on the time of day
- Mandatory Energy Conservation

Electric Generation (increase supply)

Renewable Resources

Conventional Fuels

How do renewable resources stack up?

- + Environment Excellent
- + Health and Safety Good
- Cost Effectiveness Option/site specific
- Reliability/Self Sufficiency Insufficient Capacity
- + Resource Conservation Good
- + Emerging Technologies Good
- + Economic Benefits Good

Electricity from Renewable Resources

- Launch <u>server</u> on Nov. 30
- 2 cent per kWh premium
- Blend of renewable resources
 - Biomass/landfill gas produced from decomposing garbage at the Southwest Landfill in Archer
 - Solar produced locally
 - Wind purchased from other energy companies
- Sign up forms available in the back

Renewable Resource Factors

- Costs more to produce
- Must determine if customers will pay more
 - Sign up rate on a nationwide basis is about 1 percent
 - Some communities are higher
- Many environmental benefits, but also some disadvantages
- Continue to implement as feasible

Renewable resource opportunity?

Biomass

 300 tons per day of waste wood potentially available within a 25 mile radius*



- 109,500 wet-tons/year of biomass
- This amount of biomass production could support approximately 12.5 MW of electrical generation

*Source: Sept. 2, 2003 GRU Workshop participants

Renewables Evaluation

<u>Source</u>

Solar

Flat-Plate Water Heaters Photovoltaic **Passive Solar Design Concentrating Collectors Biomass Refuse Derived Fuel Energy Crops** Waste wood Wind

Tidal and Wave Geothermal

Screening Outcome

Further analysis Further analysis Education program Not viable

Community rejected Further analysis Further analysis Not viable in Florida Not viable in Florida Not viable in Florida

Generation from Conventional Fuels

- Gas
- Coal
- Petroleum Coke
- Oil
- Nuclear



What we heard about coal

- Liked the low and stable prices, availability, and ability to store coal
- Isn't coal dirty? What about:
 - Air quality?
 - Particulates?
 - Mercury?
 - Global warming (Carbon)?

Air Quality

- We have good air quality
- We want to maintain this good air quality
 - We are very involved in air quality monitoring and analysis



Alachua County Scorecard

Air Quality

- Days with Good Air Quality
- Days with Moderate Air Quality
 8%

92%

Unhealthful Days for Sensitive People
 0%

Air Quality Index

- Maximum Air Quality Index*
 85
- 90th Percentile Air Quality Index*
 49
- Median Air Quality Index*
 31

*Index Ratings 0-50 Good; 50-100 Moderate; 100+ Unhealthful

Instructions: Go to the Environmental Defense group's report at www.scorecard.org. Step 1: Use "Find your community" feature (enter Zip Code). Step 2: Click on "How clean is your air?"

We have good air quality

Parameter		Regulatory Std.		Ambient	Level	% of Standard		
SO ₂	(Ann Avg)	0.02	(ppm)	0.001	(ppm)	5%		
NO ₂	(Ann Avg)	0.053	(ppm)	0.0070	(ppm)	13%		
O ₃	(8-Hr Avg)	0.08	(ppm)	0.072	(ppm)	90%		
O ₃	(1-Hr Avg)	0.12	(ppm)	0.089	(ppm)	74%		
PM ₁₀	(24-Hr Avg)	150	(ug/m3)	35	(ug/m3)	23%		
PM ₁₀	(Ann Avg)	50	(ug/m3)	18	(ug/m3)	36%		
PM _{2.5}	(24-Hr Avg)	65	(ug/m3)	31	(ug/m3)	47%		
PM _{2.5}	(Ann Avg)	15	(ug/m3)	9.9	(ug/m3)	66%		

Source: Air Quality Trends in Alachua County, Brown & Cullen, Inc., Draft June 2, 2003.

Notes: SO2 data from 2000, NO2 data from 2001, Ozone data from 2003, PM10 and PM2.5 data from 2002.

Alachua County's worst ozone conditions were in May 1988, coincident with hot, dry, weather.

Deerhaven 2 has good NO_X emission rates compared with coal fired power plants in Florida



Deerhaven 2 is cleanest unscrubbed coal fired power plant in Florida





Source: <u>Air Quality Trends in Alachua County</u>, Brown & Cullen, Inc. June 2, 2003 Draft

Deerhaven's contribution to particulates is minimal



Source: <u>Air Quality Trends in Alachua County</u>, Brown & Cullen, Inc. June 2, 2003 Draft

Results of UF Study on Particulates in Alachua County

Source	PM ₁₀	PM _{2.5}		
asphalt	11.33%	1.67%		
cement	19.33%	0.33%		
coal-fired	1.33%	2.87%		
distillate oil	0.33%	0.10%		
fertilizer	1.67%	0.70%		
field burning	8.00%	1.47%		
marine	12.33%	20.33%		
oil-fired	0.43%	0.10%		
residual oil	0.33%	0.20%		
soil	10.33%	0.27%		
transportation	12.33%	31.67%		
unidentified	19.77%	29.43%		
unpaved	1.47%	0.53%		
wood burning	1.00%	10.33%		
Totals	100.00%	100.00%		

Sources: A Study to Assess the Impact of Power Plant Particulate Emission on Alachua County's Air Quality (University of Florida, 01/31/03) Composition, Particle Size, and Source of Ambient Aerosol in Alachua County, Florida, (P. Chuaybamroong, UF thesis dissertation, 2002) Air Quality Trends in Alachua County, Brown & Cullen, Inc. June 2, 2003 Draft

Mercury and the Santa Fe River



*Natural Emissions include volcanoes, geysers, wildfires, erosion, and earthquakes.

Results from GEAC Recommended Mercury Santa Fe River Deposition Study



Source: <u>Potential Rates of Deerhaven 2 Mercury Deposition in the Santa Fe River Basin</u> <u>of North Central Florida</u>, C. Pollman, Tetra Tech, Inc., Draft September 30, 2003

World Climate Change

Greenhouse gases

- Increasing due to industrialization
- Believed to contribute to global warming
- Include Water Vapor, CO₂, Methane, Ozone, NO_x, Fluorocarbons, and Particulates, among others
- Warming trend this century is partly because we are coming out of a "little ice age"
- Forecasted effects of greenhouse gases vary widely due to confounding factors

Suggested Reading: <u>Climate Change Science</u>, National Research Council 2001; <u>Reconstructing Climatic and Environmental Changes of the Past 1000 Years</u>, Harvard-Smithsonian Center for Astrophysics, Energy & Environment Journal, Vol. 14, Nos. 2&3, 2003

Carbon Reduction Strategies

Reduce Carbon Intensity per KWh

- More fuel efficiency
- Less dependence on fossil fuel
 - Renewable energy
- Carbon capture

Carbon Content of Fuels



Source: Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories Workbook

GRU CO₂ Reductions (tons/yr)

Kelly CC1 Repowering 117,000 **Demand-Side Management** 74,000 Forest Protection (10,000 acres) 32,000 20,000 Landfill Gas to Energy Project Solar at the Airport (proposed) 16 Systems Control Center PV 12 Solar in Schools (proposed) 5

GRU CO₂ Intensity Reductions								
<u>lb-CO2</u> %								
Year	MWh	Change						
1999	1816							
2000	1888	4.0%						
2001	1845	-2.3%						
2002	1689	-8.5%						

How do conventional fuels stack up?

- + Environment Good
- + Health and Safety Good
- + Cost Effectiveness Depends on option
- + Reliability/Self Sufficiency Local options
- Resource Conservation Uses fossil fuels
- + Emerging Technologies Better efficiency, fewer emissions
- + Economic Benefits Local options

Conventional Fuels Evaluation

Type Natural Gas & Oil Peakers (CT) **Combined Cycle (CC) Coal & Petroleum Coke** Gasifiers (IGCC)* **Pulverized Coal (PC)** Fluidized Bed (CFB)* PC – Supercritical*

Screening Outcome

Further analysis Further analysis

Further analysis Further analysis Further analysis Further analysis

Conventional Fuels Evaluation (Continued)

Screening Outcome Type **Distributed Generation Emergency Back-up*** AttenGen! **Dispatchable Back-up*** AttenGen! **Microturbines*** Not viable in Florida Fuel Cells* R & D Stage **Plasma Reduction*** R & D Stage **Biomass Co-Firing*** R & D Stage **Hydrogen Production*** R & D Stage

Generation Cost For Selected Options



Monthly Electric Bill for Selected Options (1,000 KiloWatt-hours)



Societal Costs of Environmental Emissions

Direct Cost

Health Costs

- Lost Wages
- Crop Yields
- Fish Harvest
- Building Maintenance

Indirect Cost

- Activity Curtailment
- Wage Differentials
- Real Estate
- Visibility
- Endangered
 Species

Societal Cost Used By Other States (\$/lb)

STATE	NOx	SO ₂	PM ₁₀	CO	CO ₂
California PUC	3.76	0.86	2.31		
Massachusetts DPU	3.6	0.85			0.01
Minnesota PUC	0.03 -	0.00 -	0.08 -	0.48	0.00 -
	0.82	0.15	1.19		0.01
Nevada PSC	3.40	0.78	2.09		0.01
New York PSC	0.92	0.42		0.46	0.00
Oregon PSC	1.00 -	0.00			0.01 -
	2.50				0.02
Wisconsin PSC					0.01
BPA	0.03	0.75			
MAXIMUM	3.76	0.86	2.31	0.51 ⁽²⁾	0.02

Sources: 1) Issues and Methods in Incorporating Environmental externalities into the Integrated Resource Planning Process, November 1994, National Renewable Energy Laboratory, Golden, CO

2) FY 2001 Sustainability Report, September 2001, National Renewable Energy Laboratory, Golden, CO

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Societal and Generation Costs for Selected Options



We have a unique opportunity to increase energy output and reduce emissions (tons/yr)

Scenario	SO ₂	NO _X	PM ₁₀	Total
Deerhaven Unit 2 (235 MW)*	6,993	3,317	163	10,473
Hypothetical New Unit (475 MW-coal)	2,008	1,405	301	3,714
Deerhaven Unit 2 with Controls**	2,604	962	118	3,684
Both units	4,612	2,367	419	7,398
Net Change in Emissions (tpy)	(2,381)	(950)	256	(3,075)
Net Change in Emissions (%)	(34)	(29)	157	(29)

Note: Preliminary estimates

*Avg. 2001/2002, 69% capacity factor

** Assumed control efficiency: $SO_2 - 90\%$, $NO_X - 80\%$, 100% capacity factor

Evaluation Summary for Discussion

Rating 3 0 = Wor 1 = Goo 2 = Bes EVALU	Scale rst od t JATION FACTORS	Le25	ed Cap	acity con gy Phot	Servati ovoltai Gas	on 5 5 6 ³⁵	5C Biom	ass*	S.FL Coal	Deerha	vent
Long-	Term Capacity	2	0	0	1	2	0	2	2	2	
Econo	mic \$/MWh	1	2	0	0	1	1	2	2	1	
Econ.+Societal \$/MWh		1	2	0	1	1	2	1	1	1	
Fuel P	rice Volatility	0	2	2	0	0	1	2	2	2	
Fuel T	rans. Security	0	2	2	0	0	2	2	2	1	
Fuel S	torage Ability	0	2	0	0	0	2	2	2	2	
Grid Independent		0	2	2	2	2	2	0	2	0	
Reduce Local Emissions		2	2	2	0	1	1	1	2	1	
Local Econ. Benefits		0	2	2	2	2	2	0	2	0	
	Number of Ones:	2	0	0	2	3	3	2	1	4	
	Number of Twos:	2	8	5	2	3	5	5	8	3	

*Fuel supply price very uncertain and assumes zero societal cost for CO_2

** Includes Deerhaven 2 retrofit

Questions and Answers

30 minutes

Topics for Discussion Groups (20 minutes)

- Have we overlooked anything?
- What are your remaining concerns and questions?

Group Reports (20 minutes)



Community Dialogue Workshops

- 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
 - Email: futurepower@gru.com
 - Voice mail 393-1036
- Deerhaven Open House with Facility Tours
 - Saturday, December 6, 9:00 AM until 3:00 PM
- Recommendation to City Commission
 - December timeframe

Good Night! Thanks for your help.

