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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. 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.

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VOLUME 1

Pages 1 through 173

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PROCEEDINGS: HEARING

COMMISSIONERS  
PARTICIPATING: CHAIRMAN NANCY ARGENZIANO  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER NATHAN A. SKOP  
COMMISSIONER DAVID E. KLEMENT  
COMMISSIONER BEN A. "STEVE" STEVENS II

DATE: Monday, May 3, 2010

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR  
Official FPSC Reporter  
(850) 413-6734

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P R O C E E D I N G S

CHAIRMAN ARGENZIANO: We'll call our meeting to order. Welcome to everyone.

First a few things. Commissioner Edgar is on her way here. She was detained and should be here momentarily.

I know we have Rod Smith. Are you on the phone, Rod?

SENATOR SMITH: Yes, ma'am, I am.

CHAIRMAN ARGENZIANO: Hi. How are you doing?

SENATOR SMITH: Doing well. How are you doing?

CHAIRMAN ARGENZIANO: Very good. Well, I'll talk to you about that later. But if you could hang on with us a bit.

SENATOR SMITH: Sure.

CHAIRMAN ARGENZIANO: Okay. Let's do this. I -- first, and this is going to be out of place but it's just something that I feel I have to do. I'm taking a moment of personal privilege, a point of personal privilege to just say to my colleagues, Commissioner Stevens, Commissioner Klement, although short time here -- I'm going to get angry. I can't tell you how much I have appreciated how you guys got up to speed so quickly here.

1           Anybody who could say you weren't qualified  
2           who watched this -- watched our rate cases and watched  
3           other cases here has to be either totally out of their  
4           mind or totally political. And I know it's probably not  
5           proper to say here today, but I really don't care.

6           I think you guys did a yeoman's job of being  
7           fair and catching up to speed. We had to read thousands  
8           and thousands of pages, had testimony before us. You  
9           guys came in at the end of everything and caught up to  
10          speed, and it was very apparent what a great job you  
11          did.

12          And I, and I do apologize for what happened to  
13          you guys. Getting caught up in politics really does  
14          stink. But I wanted to just say thank you, because I  
15          thought you were great and was really looking forward to  
16          working with you in the future. And I have a feeling  
17          the state will be hearing more about you guys. You're  
18          just too valuable to let go. But I want to thank you.

19                 COMMISSIONER STEVENS: Thanks, Commissioner.  
20          I appreciate it.

21                 COMMISSIONER KLEMENT: Thank you, Madam Chair.  
22          If I may respond briefly. Thank you very much for those  
23          comments. They really mean a lot to me.

24                 I was going to ask you -- in fact, I will ask  
25          you if I may have a point of personal privilege tomorrow

1 for the agenda hearing.

2 CHAIRMAN ARGENZIANO: Yes, of course.

3 COMMISSIONER KLEMENT: I had a word or two I  
4 would like to say as we begin tomorrow.

5 CHAIRMAN ARGENZIANO: Absolutely.

6 COMMISSIONER KLEMENT: Thank you.

7 CHAIRMAN ARGENZIANO: That's understandable.  
8 Absolutely.

9 Okay. Now, Commissioner Skop, were you waving  
10 at me?

11 COMMISSIONER SKOP: No.

12 CHAIRMAN ARGENZIANO: Okay. Well, hi back  
13 anyway.

14 Okay. We have, we have a number of people who  
15 want to speak today before us. And normally what I do  
16 is I always usually have public first, but I'll tell you  
17 that, on the tax dollar, if we have paid officials here,  
18 meaning county commissioners, city councilmen, we're  
19 going to take you first so we can get you back home to  
20 do the job that you are being paid to do. Not that  
21 that's not here -- Martha, go ahead.

22 MS. BROWN: Could we read the notice?

23 CHAIRMAN ARGENZIANO: We're going to -- yes,  
24 we're going -- I'm sorry. Please, go right ahead.  
25 We'll start doing it properly.

1           MR. SAYLER: By notice issued April 6th, 2010,  
2           in Docket Number 090451-EM, the joint petition to  
3           determine need for Gainesville Renewable Energy Center  
4           in Alachua County by the Gainesville Regional Utilities  
5           and Gainesville Renewable Energy Center, LLC, the time  
6           and place of this hearing, supplemental hearing have  
7           been set forth in the notice.

8           COMMISSIONER EDGAR: Thank you. Now I will  
9           take appearances and get to the preliminary matters.

10          MR. WRIGHT: Thank you, Madam Chairman.  
11          Robert Scheffel Wright, Roy C. Young, and John T. Lavia,  
12          III, of the law firm Young van Assenderp, appearing on  
13          behalf of Gainesville Regional Utilities and Gainesville  
14          Renewable Energy Center, LLC. Also appearing is Raymond  
15          "Skip" Manasco, General Counsel for Gainesville Regional  
16          Utilities, appearing on GRU's behalf.

17          CHAIRMAN ARGENZIANO: Thank you.

18          MR. WRIGHT: Thank you.

19          MS. DEEVEY: My name is Dian Deevey. I am an  
20          Intervenor in this case. I live in Gainesville and am a  
21          ratepayer.

22          CHAIRMAN ARGENZIANO: Thank you, Ms. Deevey.

23          MS. STAHMER: My name is Paula Stahmer. I'm  
24          appearing pro se. I'm a resident of Gainesville and I'm  
25          a ratepayer of GRU.

1 CHAIRMAN ARGENZIANO: Welcome. Thank you.

2 MR. SAYLER: On behalf of Commission staff,  
3 Erik Sayler and Martha Brown.

4 CHAIRMAN ARGENZIANO: Any preliminary matters  
5 we need to take care of, other than -- I'm sorry.

6 MS. HELTON: Can I make my appearance?

7 CHAIRMAN ARGENZIANO: I'm sorry. Yes. I  
8 didn't see you there.

9 MS. HELTON: I'm stuck here down at the end  
10 today.

11 Mary Anne Helton and Curt Kiser, our General  
12 Counsel here, advising the Commission.

13 CHAIRMAN ARGENZIANO: Where's Curt?

14 MS. HELTON: He's coming through the door  
15 right now.

16 CHAIRMAN ARGENZIANO: Oh, okay. Okay.

17 MR. SAYLER: Preliminary matters at this time?

18 CHAIRMAN ARGENZIANO: Yeah. Okay.

19 MR. SAYLER: Madam Chairman, there's some  
20 preliminary matters related to the technical portion of  
21 this hearing, but staff would recommend that they be  
22 taken up after public testimony and at the beginning of  
23 the technical portion of this hearing.

24 CHAIRMAN ARGENZIANO: Okay. Let's do that.  
25 Just remind me when we get done with the public

1 testimony that we need to do that.

2 MR. SAYLER: Yes, ma'am.

3 CHAIRMAN ARGENZIANO: And I also see -- I'm  
4 trying to get my papers together on our elected  
5 officials, our public, the public -- hang on one second.  
6 And I believe we had also an individual who traveled who  
7 needs to be -- who needs to leave early. Is that  
8 correct? Because we can take him maybe first and let  
9 him go, and then -- is that the -- Cindy, are you  
10 around? Was that correct? Was Mr. -- okay.

11 MS. MUIR: Yes.

12 CHAIRMAN ARGENZIANO: Okay. Needs to leave.  
13 Okay.

14 All right. Then let's move on to our public  
15 testimony.

16 COMMISSIONER EDGAR: Madam Chair, if I may.

17 CHAIRMAN ARGENZIANO: Yes.

18 COMMISSIONER EDGAR: Just before we move into  
19 that, I'd like to just apologize to you and to everyone  
20 here for being a few minutes late. I have two sick  
21 children this morning.

22 CHAIRMAN ARGENZIANO: Uh-oh.

23 COMMISSIONER EDGAR: And had to completely  
24 reorganize child care and all those arrangements. So my  
25 apologies, but I am ready to get to work.

1                   CHAIRMAN ARGENZIANO: Thank you. We told  
2 people that you had a, had a little problem and you were  
3 on your way. Okay. Thank you.

4                   Okay. Let's have -- if we're going to move  
5 into public testimony, we need everyone who is here to  
6 speak on the issue to stand and take an oath. We have  
7 to swear you in.

8                   And I believe, staff, if you can help me, Rod  
9 Smith is also, there's a notary involved, and I don't  
10 know how we're going to do that. Is that done at the  
11 same time?

12                  SENATOR SMITH: She's right here, Madam  
13 Chairman.

14                  CHAIRMAN ARGENZIANO: Okay. Okay. We're  
15 going to do it at the same time?

16                  SENATOR SMITH: I'm looking at her and I've  
17 got my hand up.

18                  CHAIRMAN ARGENZIANO: Okay. I guess she can  
19 testify to that.

20                  Okay. All those who are here today to speak  
21 before the Public Service Commission, if you would raise  
22 your right hand.

23                  (Witnesses collectively sworn.)

24                  Okay. Everybody spoke up; right? Okay.

25 Thank you.

1                   We'll move into our public testimony.

2                   I'm going to move to Dr. Ronald, is it Saff?

3                   Mr. -- Dr. Saff, if you would come up. I apologize.

4                   We'll take you first, because I understand that you

5                   really need to leave.

6                   And then, Rod, if you'd hang on a minute.

7                   SENATOR SMITH: That's fine.

8                   CHAIRMAN ARGENZIANO: Okay.

9                   MS. BROWN: Madam Chairman?

10                  CHAIRMAN ARGENZIANO: Yes.

11                  MS. BROWN: If I might interrupt.

12                  CHAIRMAN ARGENZIANO: Please.

13                  MS. BROWN: Did you have an idea of a time

14                  frame?

15                  CHAIRMAN ARGENZIANO: Yes. I'm sorry. We're

16                  going to try to stick to five minutes for testimony

17                  because of the fact that we have a very long day. And

18                  what I thought, Commissioners, is if something was

19                  burning that somebody wanted to just keep talking about

20                  that hadn't been addressed, that at the end we can, if

21                  we had the time, give them more time.

22                  But at this point I think five minutes may be

23                  fair, and we're going to try to stick to that if that's

24                  okay with everybody else.

25                  Dr. Staff -- Saff. I'm sorry.

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DR. RONALD SAFF

appeared as a witness and, swearing to tell the truth,  
testified as follows:

DIRECT STATEMENT

DR. SAFF: Yes. My name is Dr. Ronald Saff,  
and I'm an allergy and asthma specialist, and I'm also a  
member of the environment and health section of the  
Florida Medical Association.

It's no secret that this biomass plant will  
release massive amounts of pollutants that will cause  
death, disease, cancer, and shorten lives. All the  
pollutants are mentioned right there in the application.

I think most people know that air pollution  
is, is bad, but they really don't comprehend just how  
deadly air pollution can be. Not only does air  
pollution shorten lives, but it can also be a risk  
factor for pregnant women, because women that carry the  
babies in their wombs, these, these children are at risk  
and they're at risk for developing cancer later on in  
their lives after they're born because air pollution  
alters the DNA.

The Florida Medical Association is deeply  
concerned about the massive amounts of pollutions that  
will spew from these biomass plants, as is the  
Physicians for Social Responsibility, which won a Nobel

1 Peace Prize years ago. And, in fact, the Massachusetts  
2 Medical Society called three proposed biomass plants  
3 there an unacceptable public health risk.

4 These three medical groups, representing  
5 75,000 physicians, are deeply concerned about the  
6 massive amounts of pollutants that will come out from  
7 the biomass plants.

8 I want to share a story with you about a  
9 proposed biomass plant in Tallahassee that was proposed  
10 for approximately ten miles from here, on land right  
11 across from Florida State University and several high  
12 schools. We, a concerned group of college professors,  
13 physicians, went to the Department of Environmental  
14 Protection and said, "How could you even dream of  
15 permitting a biomass plant in the middle of a  
16 residential neighborhood with the massive amounts of  
17 pollutants that will come out and have been shown to  
18 cause health problems and with the local medical  
19 community all up in arms about this biomass plant?"

20 And their answer to us was, "Well, we don't  
21 have to look at local health impacts. That's not our  
22 job." And so I was floored when I heard that. And  
23 fortunately the biomass plant was not built.

24 But the key point is that there's, just like  
25 there's no such thing as a safe cigarette, there's no

1 such thing as a safe biomass plant.

2 And what I want to do is I want to share with  
3 you -- you should have three handouts. The first one is  
4 from the president of the American Lung Association  
5 written to, to Congressmen Waxman and Markey. And it's  
6 all on the second page there. It's highlighted for you.  
7 This is what the American Lung Association says, quote,  
8 "The Lung Association urges that the legislation not  
9 promote the combustion of biomass. Burning biomass  
10 could lead to significant increases in emissions of  
11 nitrogen oxides, particulate matter, and sulfur dioxide,  
12 and have severe impacts on the health of children, older  
13 adults, and people with lung disease."

14 Here's the grades -- this is from the American  
15 Lung Association. This is the grades from Florida for  
16 ozone. You can look at Florida air quality. It's  
17 terrible. There's a lot of Ds and Fs. And, in fact,  
18 Alachua County is rated as a D by the American Lung  
19 Association when it comes to pollution.

20 Coal -- you know, to Governor Crist's credit,  
21 since he's come into office there's been no more coal  
22 plants. But to permit biomass plants, which emit even  
23 more pollution per megawatt of energy produced, is, is  
24 just plain foolish. Half of all men and a third of all  
25 women will develop cancer at some point in time in their

1 lives, and air pollution is a risk factor. I'm not  
2 immune and nobody in this room is immune from the health  
3 impacts of air pollution.

4 And we know that air pollution blows. There's  
5 no fence that's going to be over Alachua County that's  
6 going to prevent the air pollution from blowing in and  
7 impacting all of us.

8 So please do the right thing and protect the  
9 health and welfare of Floridians and yourselves by  
10 saying no to this proposed plant. The medical community  
11 is deeply concerned.

12 In addition, this is going to chop down our  
13 precious forests, and the United Nations is deeply  
14 concerned about deforestation. Remember the words of  
15 the American Lung Association: "When you can't breathe,  
16 nothing else seems to matter." Thank you.

17 MR. WRIGHT: Cross-examination, Madam  
18 Chairman?

19 CHAIRMAN ARGENZIANO: Thank you. Yes, you're  
20 recognized.

21 CROSS EXAMINATION

22 BY MR. WRIGHT:

23 Q. Good morning, Dr. Saff.

24 A. Good morning.

25 Q. We know each other and have for quite a while.

1           A.    Yes.

2           Q.    I have a few questions for you.  You've been  
3 talking about concern about the emissions from the  
4 proposed Gainesville Renewable Energy Center.

5                    Have you done any analysis of the relative  
6 emissions from the Gainesville Renewable Energy Center  
7 as compared to the emissions from open burning of forest  
8 residues in the Gainesville area woodshed, air shed?

9           A.    I have not done any head-to-head quantities.  
10 But the biomass plant in its application will release  
11 massive amounts of, of air pollution.

12                   The point is, Schef, is that we don't need it.  
13 We -- here's -- this is a Scientific American article  
14 that said we can get all our energy from wind, water,  
15 and solar by the year 2030.  What do we need a biomass  
16 plant for?  We can get it all by conservation measures.  
17 And please read this article from the Scientific  
18 American, which I've provided you a copy.  Actually the  
19 title says it all:  "We don't need these stinking  
20 biomass plants."

21           Q.    Do you know Dr. Kathy Cantwell?

22           A.    No, I don't.

23           Q.    Okay.  Are you -- have you heard any estimate  
24 of how many tons per year of wood waste is presently  
25 burned in the open within 75 miles of Deerhaven?

1           A.    I do not know that.

2           Q.    Okay.  Have you asked the Florida Medical  
3 Association for any backup as to their Resolution 08-21,  
4 which you have cited on numerous occasions?

5           A.    Have I asked for backup?  What does that mean?

6           Q.    Have you asked them for any analyses,  
7 documentation, studies, or reports that they considered  
8 in adopting that resolution?

9           A.    The Florida Medical Association passed that  
10 resolution based on the scientific evidence that it was  
11 presented.

12          Q.    Have you reviewed the evidence that was  
13 presented?

14          A.    Absolutely.

15          Q.    Have you asked them for the evidence that they  
16 considered?

17          A.    I showed them some of the evidence, and  
18 they're aware of the evidence.  And the environment and  
19 health section of the Florida Medical Association  
20 provided them with the evidence.

21                The medical community is deeply concerned,  
22 Schef, about the, about all the massive amounts of  
23 pollutants that will come from the biomass plant.  Not  
24 only the Florida Medical Association, but the Physicians  
25 for Social Responsibility and the Massachusetts Medical

1 Society called three proposed biomass plants there an  
2 unacceptable public health risk. The health impacts are  
3 just flatly undeniable.

4 Q. Can you name one scientific analysis that the  
5 Florida Medical Association considered when it adopted  
6 its Resolution 08-21?

7 A. There were numerous articles that came from  
8 the New England Journal of Medicine that they, that they  
9 used to make -- that was submitted to the Florida  
10 Medical Association.

11 MR. WRIGHT: Madam Chairman, I'm going to ask  
12 Mr. Lavia to distribute an exhibit. I make the  
13 following proffer. I have asked now on four separate  
14 occasions, three of which are documented in this  
15 exhibit, the Florida Medical Association for documents,  
16 studies, reports, analyses, et cetera, that they  
17 considered in adopting this resolution. I have included  
18 the one response I got from them, along with my  
19 requesting letters.

20 I'd like these marked as, I believe, Exhibit  
21 71.

22 MR. SAYLER: Excuse me, Madam Chair. If Dr.  
23 Smith's [sic] exhibit will be proffered in as a separate  
24 hearing exhibit, that should be 71, and Mr. Wright's  
25 exhibit 72.

1 CHAIRMAN ARGENZIANO: 72.

2 (Exhibits 71 and 72 marked for  
3 identification.)

4 BY MR. WRIGHT

5 Q. Dr. Saff, you're welcome to take a look at  
6 this. I aver to you that I have asked the Florida  
7 Medical Association four separate times, three of which  
8 are documented in this correspondence, to furnish to me  
9 reports, documents, analyses, et cetera, that they  
10 furnished. The one response I got from them was a  
11 letter from October 2008 from the FMA to Governor Crist  
12 that basically states their conclusions. I didn't get  
13 anything else.

14 A. I'm not understanding -- I'm not sure I  
15 understand your point, Schef. The point is very clear  
16 that these biomass produced -- biomass plants produce  
17 massive amounts of air pollution, which cause cancer,  
18 shorten lives, and cause asthma attacks and heart  
19 attacks and strokes.

20 The evidence is out there. It's indisputable.  
21 The Florida Medical Association acknowledges the  
22 evidence. We know that there's huge amounts of  
23 pollutants that are, that are emitted from these things,  
24 just like we know that cigarette smoking is bad. So we  
25 know that biomass plants produce massive amounts of

1 pollution which also harm health.

2 So how you could possibly argue that the  
3 Florida, that this is some sort of cover-up from the  
4 Florida Medical Association, that the Florida Medical  
5 Association doesn't believe these things cause health  
6 impacts is really beyond me.

7 MR. WRIGHT: Thank you, Madam Chairman.

8 CHAIRMAN ARGENZIANO: Thank you, Dr. Saff.  
9 Any -- okay. Let's move on. I think what we're going  
10 to do is I'm going to go to Senator Rod Smith on the  
11 phone, and then I noticed that Senator Oelrich has come  
12 in. We're going to have to swear you in, Senator  
13 Oelrich. So we'll move to Senator Rod Smith.

14 Hi, Rod. You're up.

15 SENATOR ROD SMITH

16 appeared as a witness and, swearing to tell the truth,  
17 testified as follows:

18 DIRECT STATEMENT

19 SENATOR SMITH: Thank you, Madam Chairman.  
20 I'll be very brief. And I did take the oath down here.  
21 I guess what I'll do is I'll have the notary submit that  
22 to the Commission for verification. And additionally, I  
23 have submitted a letter to the City, and I know that  
24 they have filed that with you, and I would ask that it  
25 be filed and be considered as further to my comments.

1 And I won't take a great deal of time on this.

2 I would want to say to you, Madam Chairman,  
3 and to the rest of the Commissioners, that this is not  
4 something that I have a kind of a great personal or  
5 political stake in. I actually pretty much stayed  
6 removed up in Washington for quite some number of years.  
7 I only recently made a decision that I would comment in  
8 support of the biomass plant. And I kind of want to  
9 focus on the reasons why very quickly, and I hope they  
10 will be things that you will focus.

11 First of all, there obviously are -- there has  
12 been, and it's, I guess this is the sixth or seventh  
13 year when we've been facing questions regarding what's  
14 the best way for us to make up a shortfall in energy  
15 that we clearly need and are going to continue to need  
16 to fill in the Gainesville and North Central Florida  
17 area.

18 As this Commission is aware, and I'm certain  
19 from the history of this case you are aware that there  
20 was, at one time there was consideration of coal. All  
21 of us know that both the size and the coal source itself  
22 was largely rejected, and that there are sound reasons  
23 to do so. We know that, and you all are much more the  
24 expertise, Madam Chairman -- experts, Madam Chair, than  
25 I, but you know that the cost, conditions, limitations,

1 online problems regarding nuclear.

2 We know that solar and wind are -- we're  
3 hopeful and prayerful for their success, but we know  
4 that they are, they are de minimis right now, and that  
5 their immediate future is costly. That doesn't mean  
6 they're not being explored and that we're not trying to  
7 develop the technology. It is.

8 And then what becomes kind of a unique  
9 technology for North Central Florida is biomass. Why?  
10 Because we've got a tremendous resource in terms of  
11 renewable energy in our forests, as well as, as many of  
12 us can remember from the stacks of storms from 2004,  
13 from time to time we get a thinning we don't even ask  
14 for, and that, oftentimes that's ended up essentially  
15 useless and sometimes even rotting.

16 Among the things that I relied on in making my  
17 decision to support this was, and I heard the name  
18 earlier when I had the privilege of serving with you,  
19 Madam Chair -- Dr. Cantwell I believe at that time was  
20 either the chairman or the immediate former chairman of  
21 the Sierra Club, someone that didn't necessarily always  
22 agree with decisions I made nor did I always agree with  
23 theirs, but I had tremendous respect for her.

24 In going online, I personally looked up  
25 Dr. Cantwell's opinion. It was published February 28th

1 of 2010. And Dr. Cantwell, who is an M.D., as well as  
2 her work on behalf of the environment, her support for  
3 the, her published support for the plant did impress me.  
4 And it's, and I only want to read the very, very simple  
5 part where she says, "I support building the  
6 100-megawatt biomass plant. This will not be a  
7 deforesting, tree burning incinerator that will cause an  
8 increase in air pollution. Just the opposite. It will  
9 burn forest residue from timber operations currently  
10 burned in the open and urban wood waste. 15 to  
11 20 percent of landfill material is clean wood waste that  
12 could be segregated and used as fuel." Madam Chairman,  
13 that did impress me, because I know of her commitment to  
14 both our environment and to human health.

15 The other thing, I know that Rob Brinkman, who  
16 is an environmental leader in the community, who again  
17 was not always someone with whom I had agreement, I took  
18 time to read his January 10th, 2010, online publication  
19 regarding why we need GRU biomass. And I know that he's  
20 a former chairperson or a president of a number of local  
21 conservancy groups, including at one time I know he was  
22 very active, if not president, in the Sierra Club  
23 itself.

24 I also for balance found the Gainesville Area  
25 Chamber of Commerce. Eric Godet had given his, his

1 response. And the one that I thought was the most  
2 telling of that was where he said, and I quote, "Forgive  
3 me for having a serious case of deja vu. I remember six  
4 years ago as a community, this community was debating  
5 its future energy needs, that the Gainesville Area  
6 Chamber of Commerce urged the City Commission to approve  
7 a 220-megawatt coal-fired plant to meet the future needs  
8 of the community. The hue and cry was deafening. 'We  
9 don't need a plant that big,' they said. 'We need to  
10 invest in renewable energy sources,' others cried.  
11 'More needs to be done to encourage conservation.'  
12 Everyone agreed."

13 We have a unique opportunity in my view in  
14 North Florida to take what is a natural resource to one  
15 that is -- that frankly I think has a tremendous  
16 economic future for us, and that's renewable energy in  
17 our forests without damaging the hardwood forests that  
18 exist. In fact, probably performing better management  
19 of our forest resources, translating that into energy  
20 that is competitive with the energy costs that would  
21 come from those already unacceptable sources, and in  
22 anticipation of those which, while they are certainly  
23 things that we hope will be productive, they are right  
24 now, they don't translate to immediate affordable  
25 solutions to our need.

1           And finally is the practical, and I know from  
2           the Commission's background and from the Chairman's  
3           background, the practical fiscal aspect. This is a  
4           private investment in terms of a company that has, that  
5           has shown it has the wherewithal to go forward. I, I  
6           know it was tremendously involved in what happened up in  
7           Tallahassee. I know a few questions there of whether or  
8           not the company that was making its representation had  
9           at that time the wherewithal.

10           The wherewithal is here, absent which we're  
11           talking about the taxpayer being, facing a dramatic  
12           capital outlay investment at a time when that becomes  
13           very difficult for the local community to support.

14           So for those reasons -- I claim no unique  
15           expertise, as you know. Frankly, when I was serving in  
16           public life, probably what I would have done is walked  
17           across the aisle and asked Senator Argenziano what she  
18           thought. Now I'm probably still going to live with  
19           whatever she thinks, as I would then. But what I am  
20           saying is, is that as I have, that as I have looked at  
21           the options and as I have reviewed the positions that  
22           have been taken by the people that, for whom I have  
23           great respect on both sides of the issue, it seems to me  
24           on balance that this is a smart way for Gainesville to  
25           proceed. And, therefore, I declare my support for the

1 project.

2 With that, I'll take questions, although, as I  
3 say, I claim no particular expertise, and there are  
4 certainly better people there to answer technical  
5 questions than I would ever be.

6 CHAIRMAN ARGENZIANO: Thank you, Senator  
7 Smith. If you can hang on one second. I believe  
8 Commissioner Skop may have a question.

9 COMMISSIONER SKOP: Thank you, Madam Chairman.  
10 Good morning, Mr. Smith.

11 SENATOR SMITH: Commissioner, how are you,  
12 sir?

13 COMMISSIONER SKOP: Pretty good. How about  
14 yourself?

15 SENATOR SMITH: Great.

16 COMMISSIONER SKOP: I just wanted to ask two  
17 brief questions.

18 In speaking in favor of approving this need  
19 determination petition, and notwithstanding the, the  
20 positive economic development aspects that may result,  
21 are you aware that GRU's own documents indicate that GRU  
22 has no need for additional baseload generating capacity  
23 until 2023?

24 SENATOR SMITH: Well, the answer is, is I'm  
25 not sure that I -- I don't think that I'm an expert on

1       it.  If you're asking me have I sat down and asked them  
2       about it?  Yes.  And do I, do I know that part of the,  
3       part of the reason for this was to have the ability to  
4       sell some excess, which to me, of course, anything that  
5       would benefit the ability to recapture costs and  
6       investment did not seem to me to be a problem.

7                But, you know, I know this was a 30-year plan.  
8       I know that there's some period of time, it seemed to me  
9       it was about 10 or 15 years, that it seemed, that the  
10      needs were arguably met.  So, I mean, that's a decision  
11      for people with greater expertise than me, but that did  
12      not dissuade me from my position that I thought this was  
13      the right thing for them to do and the right time for  
14      them to do it.

15               I do not think that in energy, especially  
16      given the delays in energy online performance, as you  
17      are much more an expert than I am, I did not think that  
18      waiting until we had the immediate demonstrated  
19      shortfall was the best time to make those decisions.  
20      They've got to be made over the long haul.

21               COMMISSIONER SKOP:  Agreed.  And then so you  
22      understand that this petition seeks to add an additional  
23      100 megawatts of excess capacity to that excess capacity  
24      that GRU currently has?

25               SENATOR SMITH:  I understood that it -- I

1 can't say that I knew exactly the megawattage of it. I  
2 knew it was 100 megawatts and I knew it was above  
3 capacity that's currently needed.

4 COMMISSIONER SKOP: Okay. And then just one  
5 final question, Madam Chair.

6 Mr. Smith, you mentioned the desire of the  
7 utility to sell part of the electricity generated by  
8 this plant. Are you aware that GRU's own documents  
9 indicate that GRU customer bills will increase,  
10 notwithstanding the fact that 50 percent or 50 megawatts  
11 of the biomass power is expected to be sold to other  
12 utilities, so --

13 SENATOR SMITH: I can't say that I'm -- I  
14 can't say that I'm aware, but I can say that I have  
15 certainly read from documents that indicate that there  
16 will be price increases. Although, Commissioner, I --  
17 whatever decision is made here, I don't see a decision  
18 that will be made now or in the future that did not,  
19 does not have with it a risk of rate increase. I mean,  
20 energy costs for whatever our sources are, I don't need  
21 to tell you, those have, those have been an upward slide  
22 under all circumstances.

23 COMMISSIONER SKOP: Okay. Thank you.

24 CHAIRMAN ARGENZIANO: Thank you.

25 Any other questions for Senator Smith?

1 Thank you, Rod. It's good to hear from you.

2 SENATOR SMITH: It's wonderful to hear from  
3 you, and take care and give me a call sometime.

4 CHAIRMAN ARGENZIANO: Thank you. Sure will.

5 SENATOR SMITH: Bye-bye.

6 CHAIRMAN ARGENZIANO: Bye now.

7 Okay. Do we need to get an exhibit number on  
8 Senator Smith's? That would be 74, I believe.

9 MR. SAYLER: Madam Chairman, I have 73.

10 CHAIRMAN ARGENZIANO: Oh, I'm sorry. Yes.  
11 73.

12 MR. SAYLER: I have 71, which is Dr. Saff's  
13 composite exhibit.

14 CHAIRMAN ARGENZIANO: And Schef Wright's --  
15 and 72?

16 MR. SAYLER: And then 72 is the FMA  
17 resolution, 08-21. And then 73 is the Rod Smith letter.

18 (Exhibit 73 marked for identification.)

19 CHAIRMAN ARGENZIANO: Yes. Okay. All right.  
20 Let's -- thank you. Let's move on.

21 Senator Oelrich, I'm going to have to swear  
22 you in. Good to see you.

23 (Witness sworn.)

24 Thank you, and welcome. You're recognized.

25 SENATOR STEVE OELRICH

1 appeared as a witness and, swearing to tell the truth,  
2 testified as follows:

3 DIRECT STATEMENT

4 SENATOR OELRICH: Thank you, Madam Chairman  
5 and other Commissioners.

6 I feel somewhat that I need to address  
7 Commissioner Klement and Commissioner Stevens in that,  
8 you know, here we are at the Florida Legislature, and  
9 I'm on the Public Service Nominating Committee, and we,  
10 after reviewing some 80 applicants, we submit some names  
11 to the Governor and he, through his responsibilities,  
12 names you. And then that same body of senators -- how  
13 can I say that -- kicked you out, I guess. So I feel  
14 bad about that, and for a couple of reasons.

15 One is that you both seem very able. And,  
16 quite frankly, some of the criticism that I heard about  
17 you all is that you're not kind of involved in the, in  
18 the industry and so forth, and I thought that was a plus  
19 as opposed to a minus. So I did vote to confirm both of  
20 you, but my side was not on the winning side, and I want  
21 to wish you both the best.

22 Having said that, I want to talk a little bit  
23 about this biomass plant that they're planning for  
24 Gainesville Regional Utilities. And, folks, I want to  
25 really set the stage here by telling you about the

1 surrounding area about Gainesville.

2 Like any big university town, these folks were  
3 filled with people with the title of doctor, and there's  
4 lots of scientific folks around there in that community  
5 and it's a very, a well read and well educated  
6 community.

7 What's very unique about Gainesville is we  
8 have for our mayor an environmental engineer. And Mayor  
9 Hanrahan has a foot in both camps, very firmly, between  
10 the practical and the scientific. And I can't imagine a  
11 situation in a community as environmentally aware as  
12 Gainesville is that the Commission would vote  
13 unanimously to approve this plant without having a  
14 thorough review of some little over two years. I think  
15 it was, it was a year ago this month that they voted to  
16 do it unanimously, but they had looked at it prior to  
17 that time for well over a year and a half at that point.

18 So this is a subject that has been thoroughly  
19 reviewed and has gotten the, kind of the support of the  
20 Chamber of Commerce, the local environmentalists, and,  
21 and the landowners and folks in the, in the industry of  
22 clean air, and we have gotten an excellent bill of  
23 health.

24 I might -- if Dr. Saff, is it, that spoke  
25 earlier? I remember he came and spoke to our committee

1       in public utilities, energy, and communications, and I  
2       asked him some questions about, you know, his position  
3       when I heard he had this very adamant position about  
4       burning this organic material and how harmful it was to  
5       you, and to the extent that he even said that it was  
6       harmful to sit in front of a fireplace or sit around a  
7       campfire. And it may very well be, you know, in the  
8       spectrum of one to a thousand perhaps two or five or ten  
9       points, and maybe -- I'm sure he would not agree with  
10      that, that it would be much more dangerous.

11                But, you know, part of this is the inherent  
12      risk of living, that we get up in the morning. And I  
13      think is a very reasonable -- certainly I think people  
14      smarter than I and with more scientific expertise could  
15      tell you that it's probably much more healthy than  
16      burning fossil fuels.

17                This also, from the, kind of the ancillary  
18      part about it will bring 700 jobs to our region. Like  
19      most of Florida, we need jobs and so forth in our  
20      region, and this will bring some 700 jobs, which, most  
21      of which will be permanent. Of course we'll have some  
22      more jobs than that when we construct this plant, and  
23      we're very enthusiastic about that whole process.

24                This will put us kind of very unique  
25      throughout the United States, certainly in Florida, in

1       this plant, and I think the long-term effects are going  
2       to only be positive.

3                You know, I heard some questions from Mr. Skop  
4       about the Gainesville utilities being a little bit  
5       perhaps ahead of its time here, that we had the energy  
6       needs that came to us through 2023, and in some ways  
7       that seems like a long time. But many times a criticism  
8       of energy production is, is that we don't look into the  
9       future. And here we have a community that is looking to  
10      the future, and, as strange as it may seem, 2023 is 12  
11      years away.

12              And so I think it's entirely appropriate that  
13      not only that they build this plant for the purposes of  
14      planning for the future, but also that they have the  
15      wherewithal to, quite frankly, put this power, excess  
16      power on the grid, if necessary, to help other  
17      communities.

18              One of the things that we found through my  
19      prior work when I was sheriff, I was also very active in  
20      the Chamber of Commerce, and many times we were, like  
21      all communities in the State of Florida, trying to  
22      attract new businesses and industries to our area. And  
23      along with what kind of education system do you have,  
24      they always wanted to know how stable is your energy  
25      production and energy and electricity supply situation.

1           How, how is it? How stable is it? And this will just  
2           enhance that whole concept that we have stable, ongoing,  
3           looking after our best interests of not only the  
4           community, but to attract new businesses and industries.

5                       GRU's fuel comes from coal presently, and  
6           certainly I think that this, by -- I'll let the  
7           scientists speak to this -- that this would certainly be  
8           an improvement over coal burning, even though I think  
9           that GRU does an excellent job in making sure that the  
10          emissions from their plant are as clean as they possibly  
11          can.

12                      I want to urge you -- I have letters here from  
13          the legislative delegation in support of this plant, and  
14          I'd like to make those, however I do, part of the record  
15          and so forth. I have a copy for each Commissioner.

16                      CHAIRMAN ARGENZIANO: If staff can -- we'll  
17          get someone to get that from you and enter that.

18                      And any questions? Commissioner Klement.

19                      COMMISSIONER KLEMENT: Thank you, Madam Chair.  
20          I just wanted to respond to Senator Oelrich's opening  
21          statement.

22                      I intend to indicate no bias in advance  
23          regarding any decision to be made on this case, but I  
24          just want to thank you for your fairness and willingness  
25          to consider an issue on its facts and its merits, rather

1 than its politics. It's unfortunate that more of your  
2 colleagues could not do that, but thank you.

3 SENATOR OELRICH: Absolutely. Yes, sir.

4 CHAIRMAN ARGENZIANO: Commissioner Stevens.

5 COMMISSIONER STEVENS: Thank you, Senator  
6 Oelrich. I appreciate it.

7 SENATOR OELRICH: Yes, sir. Okay. Thank you.

8 CHAIRMAN ARGENZIANO: Senator, just one thing.  
9 I don't know if you're aware, we as a body have to look  
10 at, excuse me, need determination. So if the  
11 legislative delegation would rather us not look at need  
12 determination and look at future, maybe that's something  
13 you could take back to them, that having them understand  
14 that part of what we have to look at is need  
15 determination. That's why, that's why it's called a  
16 need determination hearing.

17 SENATOR OELRICH: I understand, ma'am.

18 CHAIRMAN ARGENZIANO: And I think that's what  
19 Commissioner Skop was getting to. That's one of the  
20 criteria we have to look at. So you might want to  
21 discuss that with the rest of the delegation as to --  
22 and that's not saying where we're going to do. I can't,  
23 you know, say what I'm going to do until I hear  
24 everything. But that is something I have to look at as  
25 a Commissioner.

1                   SENATOR OELRICH: Okay. Yes, ma'am.

2                   CHAIRMAN ARGENZIANO: Thank you.

3                   Any other?

4                   Thank you so much for being here, Senator. I  
5 appreciate that.

6                   Can someone get the information the senator  
7 wants to enter? We have -- okay. Thank you very much.  
8 And that will be now 74?

9                   MR. SAYLER: 74, Senator Oelrich composite,  
10 letters from legislative delegation.

11                   CHAIRMAN ARGENZIANO: Thank you, Senator  
12 Oelrich.

13                   Good to see you.

14                   (Exhibit 74 marked for identification.)

15                   SENATOR OELRICH: Thank you. As I used to say  
16 as sheriff, am I free to go?

17                   CHAIRMAN ARGENZIANO: Yes, you are. Thank you  
18 for being here.

19                   Okay. And Commissioner Bronson is not here  
20 yet, is he?

21                   Okay. Then we're going to move on to the  
22 public testimony, and appreciate -- I'm sorry. The City  
23 Commissioners -- and I appreciate the public. As I say,  
24 normally I put the public first. But because these are  
25 paid officials, I want to get them back to work.

1                   So we're going to, we're going to start with  
2                   the City of Gainesville. Henry Scherwin, a City  
3                   Commissioner. Please come up. Were you sworn in?

4                   COMMISSIONER HENRY: Yes, I was.

5                   CHAIRMAN ARGENZIANO: Okay. Thank you.  
6                   Welcome.

7                   COMMISSIONER SCHERWIN HENRY  
8                   appeared as a witness and, swearing to tell the truth,  
9                   testified as follows:

10   DIRECT STATEMENT

11                   COMMISSIONER HENRY: Thank you. Good morning.  
12                   Okay. Well, good morning, Madam Chair and fellow  
13                   Commissioners. I'm going to speak to you this morning  
14                   about fuel diversity and reliability. Thank you for  
15                   allowing me to address you this morning.

16                   After careful consideration and a thoughtful  
17                   public process, I voted to support the contract for  
18                   biomass generation in Gainesville, and maintain my  
19                   commitment to bring reliable renewable energy to our  
20                   community.

21                   The proposed biomass plant is critical to the  
22                   long-term vitality of our community and to ensuring GRU  
23                   customers have a reliable source of electricity  
24                   delivered at a reasonable price.

25                   Improved reliability is at the heart of the

1 reason we need the biomass plant. Our current fleet of  
2 generation units is aging. The average age is 28 years  
3 old. The Deerhaven Unit 2, which provides almost all  
4 the communities around-the-clock baseload power, is  
5 nearly 30 years old. Just like older model cars,  
6 maintenance costs and the risk of breakdown can increase  
7 as units age.

8 Except when down for maintenance, Deerhaven  
9 Unit 2 runs 24 hours a day, seven days a week. The  
10 biomass plant is designed to help with this baseload  
11 supply and prevent unplanned outages from forcing GRU to  
12 buy high-cost power over the grid.

13 Adding fuel diversity is another key reason  
14 that Gainesville needs this biomass plant. Currently  
15 almost two-thirds of the energy GRU produces is fueled  
16 by coal, and another quarter comes from natural gas.  
17 The biomass plant will add a new fuel source, which will  
18 protect customers from rising costs in any one fuel  
19 type. Bond rating agencies have stated time and time  
20 again that GRU needs to add new fuel sources for  
21 generation to maintain its financial strength and to  
22 keep prices stable for customers. GRU needs biomass to  
23 manage these risks and fulfill its responsibility to its  
24 customers.

25 I respectfully request that you approve this

1 project. Thank you for allowing me to address you this  
2 morning.

3 CHAIRMAN ARGENZIANO: Thank you very much.

4 Any questions?

5 Thank you for being here.

6 COMMISSIONER HENRY: Thank you.

7 CHAIRMAN ARGENZIANO: Commissioner Hawkins, or  
8 Councilman? I'm not sure which one it is in the City.  
9 Commissioner.

10 Commissioner Hawkins, welcome. You were here  
11 also for the swearing in?

12 COMMISSIONER HAWKINS: Yes, ma'am.

13 CHAIRMAN ARGENZIANO: Okay. Thank you.

14 COMMISSIONER HAWKINS: And did swear in.

15 CHAIRMAN ARGENZIANO: Okay. You're  
16 recognized.

17 COMMISSIONER THOMAS HAWKINS  
18 appeared as a witness and, swearing to tell the truth,  
19 testified as follows:

20 DIRECT STATEMENT

21 COMMISSIONER HAWKINS: Thank you. I want to  
22 thank you, Chair Argenziano, and also other  
23 Commissioners for the opportunity to speak today. It's  
24 a pleasure to be here and share the morning with you.

25 I ran for Gainesville City Commission

1 beginning in 2007 to be elected in 2008, and throughout  
2 my campaign did support biomass. It was an issue at  
3 that time. Shortly before taking office the previous  
4 Commission endorsed American Renewables to begin,  
5 endorsed staff entering into contract negotiations with  
6 them. As a Commissioner, I strongly supported that  
7 contract at the conclusion of those negotiations because  
8 I believe that the biomass plant as currently envisioned  
9 is a key to affordable renewable energy in Gainesville.

10 And I'd like to talk a little bit specifically  
11 about affordability. Our existing baseload capacity,  
12 and Commissioner Henry touched on this a little bit,  
13 relies not just on coal from Deerhaven 2, but also  
14 natural gas production. And our natural gas production  
15 can cost anywhere from 40 percent more than production  
16 by coal to 300 percent more than production by coal,  
17 simply because our natural gas units are not designed to  
18 run around the clock, in the same way that our baseload  
19 coal capacity is, and because of the higher cost of  
20 natural gas.

21 And continuing to rely on natural gas is not  
22 the best way to maintain affordability for ratepayers.  
23 And we often purchase, Gainesville Regional Utilities  
24 often purchases power off the grid rather than relying  
25 on our baseload natural gas in order to keep prices low.



1                   CHAIRMAN ARGENZIANO: Congratulations. That's  
2 hard. That's hard to do. I understand.

3                   COMMISSIONER MASTRODICASA: It is. It is.  
4 Although I have to say I was up already when we left,  
5 so --

6                   CHAIRMAN ARGENZIANO: We're certain of that.

7                   COMMISSIONER MASTRODICASA: Yes. Thank you.  
8 Thank you very much for this opportunity to be here.

9                   When I first ran for City Commission in 2006,  
10 the big issue in the campaign was our future energy  
11 needs and what type of plant should our community  
12 consider. And at the time the real distinction was the  
13 220-megawatt coal plant versus not. I supported not.  
14 And being elected, we were able to sort of steer the  
15 direction of our community towards where we are today.  
16 And we have considered all our options and vetted them  
17 thoroughly to reach the point at which we're today.

18                   The current situation at GRU provides  
19 potential risk for our customers. We've got the risk of  
20 an aging generation fleet, the risk of relying heavily  
21 on a single fuel type, and the risk of price volatility  
22 and projected price increases for fossil fuels. The  
23 biomass plant will address all of these issues.

24                   Further, it'll protect our customers by  
25 preparing our community for potential carbon

1 regulations. Currently, almost two-thirds of our energy  
2 produced at GRU comes from coal, so our electricity  
3 prices could soar if regulations are implemented before  
4 GRU has made a substantial investment in renewable  
5 energy. We believe there's a real risk if we don't take  
6 proactive steps now.

7 Further, we have other consumer protections  
8 built into the biomass energy plan. We have gone to  
9 great lengths to further shield our customers with a  
10 contract with American Renewables. American Renewables  
11 will build and own the plant, while GRU will purchase  
12 and own the energy produced. Therefore, GRU and its  
13 customers don't have to commit the capital to build the  
14 plant. They only have to pay for the energy that the  
15 plant produces once the plant is up and running. That  
16 saves -- that is about \$500 million saved in upfront  
17 costs, and that was something that I believed would be  
18 very important for us in our community. The power  
19 purchase contract is structured so that prices are  
20 mostly fixed for 30 years.

21 We've been mindful of customers' needs every  
22 step of the way in the process, and that is what is  
23 reflected in the final proposal. And I ask that you  
24 support our biomass plant and our efforts to meet our  
25 community's need for reliable renewable energy. Thank

1           you.

2                       CHAIRMAN ARGENZIANO: Thank you very much.

3                       Any questions?

4                       Thank you for coming today, and good luck with  
5           the twins.

6                       COMMISSIONER MASTRODICASA: Thank you. Thank  
7           you for this opportunity. Thank you.

8                       CHAIRMAN ARGENZIANO: Take your vitamins.

9                       COMMISSIONER MASTRODICASA: I will. Thanks.

10                      CHAIRMAN ARGENZIANO: Okay. Thank you for  
11           being here.

12                      I notice that Commissioner Bronson has come  
13           into the room. And, Commissioner, I'm going to have to  
14           swear you in, even though you're wearing that beautiful  
15           uniform. And we're, we're trying to limit the testimony  
16           to five minutes, so I'm going to swear you in and start  
17           the clock.

18                      (Witness sworn.)

19                      Thank you. Welcome. You're recognized.

20                      COMMISSIONER CHARLES BRONSON  
21           appeared as a witness and, swearing to tell the truth,  
22           testified as follows:

23                      DIRECT STATEMENT

24                      COMMISSIONER BRONSON: Thank you. Normally I  
25           would not come dressed in uniform, but we are honoring

1 our fallen law enforcement officers today, and that's --  
2 I am a 32-year law enforcement officer myself, so that's  
3 why I came this way.

4 Thank you for giving me the opportunity to  
5 talk about our renewable fuels and this Gainesville  
6 Renewable Energy Center project.

7 You know, agriculture is the second largest  
8 industry in the state, has an opportunity, we think, to  
9 bring about up to three billion gallons of renewable  
10 fuel in the fuel side, and through our efforts to do our  
11 woody biomass and other types of energy production,  
12 would be a boon to not only the State of Florida but the  
13 Gainesville region for this project.

14 It's going to be a long-term viability for  
15 agriculture. There's going to be hundreds of additional  
16 jobs that will come with this. It's going to help  
17 reduce our dependency on foreign oil, and it will create  
18 opportunities to have agricultural-based renewable  
19 energy, which we have done a very long and exhaustive  
20 report to show how much woody biomass we can actually  
21 produce.

22 In my opinion, it will also give people the  
23 opportunity to grow woody biomass that maybe they're not  
24 taking today for these types of projects, which is going  
25 to help the environment, is going to put more greeny --

1 green material out there for availability in the biomass  
2 field.

3 I know that while there are others who have  
4 looked at doing other sources of energy, I, I heard the  
5 previous speaker say maybe we shouldn't be putting all  
6 of our eggs in one basket, that maybe we should be  
7 looking at various ways to produce energy at different  
8 levels for the people of this state, and so it gives us  
9 that opportunity to expand into that new area.

10 As time goes on, I believe that the, one of  
11 the factors that some people seem to have as a detriment  
12 to these types of projects is how much outflow are we  
13 going to have, particle outflow? You know, it's like  
14 every other invention that's ever been made; there are  
15 going to be new ways to filter all types of products,  
16 whether it's in the water or in the air. We're working  
17 on those right now all over this state and all over the  
18 country.

19 But the fact is we can grow a percent of our  
20 fuel supply in the State of Florida through agricultural  
21 means. And I wanted to come here today -- this is my  
22 first time speaking before the Public Service Commission  
23 on any issue, but I wanted -- I think it's important  
24 enough for me to be here to say that Florida's  
25 agricultural community and the 700,000 people who work

1 in agriculture have the opportunity to help create a new  
2 set of fuel renewable sources for the State of Florida.

3 CHAIRMAN ARGENZIANO: Thank you so much. And,  
4 Commissioner, I appreciate that. And I think I can  
5 speak for my colleagues on this, we all honor those in  
6 law enforcement who have sacrificed much, and give great  
7 thanks. And our thoughts are with their families too  
8 today, and with the law enforcement community. Thank  
9 you so much.

10 MS. STAHMER: Madam Chair?

11 CHAIRMAN ARGENZIANO: Where am I? Yes,  
12 please.

13 MS. STAHMER: May I ask some questions?

14 CHAIRMAN ARGENZIANO: Commissioner Bronson.

15 Yes, certainly. Jump in there anytime you  
16 want to do that. Okay?

17 MS. STAHMER: This is Paula Stahmer speaking.

18 CROSS EXAMINATION

19 BY MS. STAHMER:

20 Q. Good morning, Commissioner.

21 A. Good morning.

22 Q. And I also agree with, with the Chairman about  
23 sharing the respect for our law enforcement officials  
24 and anyone who has made a sacrifice or even just put  
25 themselves at risk on behalf of their community, whether

1 near or far away.

2 I wanted to just ask you a few questions,  
3 please.

4 A. Sure.

5 Q. I appreciate the fact that you take a great  
6 interest in what is happening in Gainesville, but given  
7 that the utility in question is in Gainesville and  
8 serves an area that is somewhat removed from the larger  
9 state, could you tell me how it is you see this project,  
10 the GREC project, actually benefiting the larger  
11 community?

12 A. Well, as you are probably aware, there are  
13 many ways that new production energy plants can tie in  
14 under federal guidelines with any electric or any other  
15 power production area of the state in times of an  
16 emergency.

17 One of the things I have to work on as part of  
18 my duties up here as Commissioner of Agriculture is  
19 working with the emergency management process.

20 I know that those availabilities to hook into  
21 various existing lines -- there is an agreement with the  
22 energy businesses of this state to make sure that  
23 continuity is, is going to be available for emergency  
24 processes should a power plant go down. And I think  
25 those have been worked on from a terrorist standpoint as

1 well as natural disaster standpoints of how do we  
2 deliver energy to the people of this state in case of an  
3 emergency.

4 So being able to make a new plant of any type  
5 of renewable energy source available to go online may  
6 actually one day end up having a great impact on  
7 producing that energy with another electrical plant that  
8 may be down.

9 Q. Thank you. I can see how even a small utility  
10 might fit into the network of larger utilities for the  
11 entire state. But what about the jobs aspect of, of  
12 this project?

13 A. Well, certainly there's going to be a certain  
14 amount of jobs at the facility itself once the facility  
15 is completed. There are going to be jobs in creating  
16 the facility and its new technologies. And, of course,  
17 it gives the opportunity for more people to be working  
18 in the biomass field, whether it's in the timber  
19 industry or some related industry. The trucking  
20 industry is going to benefit from it as well.

21 I mean, it's like anything that has an  
22 agricultural starting point. The amount of people that  
23 are included in agriculture aren't all production  
24 agriculture people. As a matter of fact, agriculture  
25 today is worth about \$111 billion in total economic

1 impact to this state. This will increase and give  
2 viability not only to the agricultural production and  
3 industry and related industry side, but it's going to  
4 produce a function that should be a positive for the  
5 people of the state, which is clean, renewable fuel.

6 MS. STAHMER: Thank you.

7 CHAIRMAN ARGENZIANO: Any other questions?

8 MS. DEEVEY: Yes, I have a question --

9 CHAIRMAN ARGENZIANO: Yes, Ms. Deevey, for the  
10 Commissioner.

11 CROSS EXAMINATION

12 BY MS. DEEVEY:

13 Q. My name is Dian Deevey. I'm an Intervenor in  
14 this case and I share the feelings of my colleague,  
15 Ms. Stahmer, with respect to your, your profession and  
16 the people who have served for us.

17 Do you anticipate that if GRU's project for  
18 GREC is not approved, that there will be no other  
19 demands for wood, for woody biomass, and no other  
20 utility will produce, have need for the wood or yield  
21 the benefits to the agricultural community that you feel  
22 would be provided were GREC approved?

23 A. Well, one of the things that I've noticed, and  
24 especially up here in this area there's always been some  
25 quite concern about biomass facilities. We've had two

1 that have been proposed for this area, and enough people  
2 have come out and raised different points, not even  
3 having seen one of these actually operate, and it made  
4 it so hard that people, they just, the business  
5 community said, well, look, this is, maybe this isn't  
6 what we want to do in this area because there's just too  
7 many people who are against it.

8           However, it does not take away from the fact  
9 that anytime any industry has a chance to sell their  
10 product to more than one or two people, you open up that  
11 opportunity, especially for agriculture and the timber  
12 industry, to produce biomass that gives them a better  
13 business opportunity for their own businesses, number  
14 one.

15           And, number two, gives them an opportunity to  
16 have value-added business added to what they're already  
17 doing, which means an increased economy. And certainly  
18 we need the economy to jump right now, if nothing else.

19           But there again, I'm pushing this idea because  
20 I know that we in Florida can produce biomass at a large  
21 quantity to provide a percentage of the electrical  
22 capacity of this state, which would enhance those  
23 already in operation as population grows, as emergencies  
24 arise, that we're actually able to produce something  
25 different than we're doing now and make it viable for

1 the people of this state.

2 Q. Thank you, Commissioner. I take it you are  
3 saying that there will be many utilities using wood, not  
4 just GRU, or is that, am I incorrect in that?

5 A. Well, I think -- Madam Chair, I think the  
6 opportunity certainly is there. And as the new  
7 technologies show that they're able to control any  
8 particulate problems and those types of things, which I  
9 believe they will, it will show the viability. And  
10 especially in smaller communities where there may be a  
11 real -- I'm sure the University of Florida uses quite a  
12 substantial amount of electricity, and so there are  
13 going to be ways for them to hopefully in the future  
14 reduce some of those costs by having more than one  
15 availability for electrical production to run the  
16 university system.

17 MS. DEEVEY: Thank you, sir.

18 CHAIRMAN ARGENZIANO: Thank you. Thank you  
19 again, Commissioner.

20 COMMISSIONER BRONSON: Thank you.

21 CHAIRMAN ARGENZIANO: Okay. We'll move  
22 forward and, Commissioner Craig Lowe. Commissioner, I  
23 believe you were sworn in also earlier?

24 COMMISSIONER LOWE: Yes, I was, Madam Chair.

25 CHAIRMAN ARGENZIANO: Okay. Great. Welcome.



1 looking beyond these basic needs in making choices that  
2 also enhance the quality of life in our community.

3 The biomass plant will provide numerous  
4 environmental benefits. Biomass is a carbon-neutral  
5 fuel, so it will allow Gainesville to be well positioned  
6 to face possible carbon regulations and to achieve the  
7 city's carbon reduction goals.

8 The majority of wood waste that will be used  
9 at the plant is currently burned openly in the fields  
10 with no air quality controls. The rest is dumped in  
11 landfills or left to decompose in the field, releasing  
12 both carbon dioxide and methane, a greenhouse gas more  
13 than 20 times more potent than carbon dioxide. The  
14 biomass plant will use state of the art technology to  
15 produce energy while reducing emissions, as compared to  
16 the current methods of disposal.

17 The contract for the biomass plant has forest  
18 stewardship practices in the contract to protect our  
19 forests and to give a higher level of protection to  
20 endangered species that are listed than commercial  
21 forests currently provide.

22 The biomass plant will also provide many  
23 economic benefits. It is expected to create more than  
24 700 new jobs in the region, and will add more than  
25 5.5 million per year to the local tax base in tangible

1 property taxes.

2 And it's important to note that the money we  
3 spend on biomass fuel will stay in the local and  
4 regional economy instead of being shipped out of state  
5 or overseas. According to the economic study by Dr.  
6 Julie Harrington from Florida State University, the  
7 estimated annual income from ongoing operations will be  
8 more than \$31 million per year.

9 This project makes good sense for our  
10 customers and for our community, and I respectfully  
11 request that you support it for the betterment and for  
12 the, for the good of our citizens and ratepayers. Thank  
13 you so much.

14 COMMISSIONER KLEMENT: Thank you, Mr. --  
15 Commissioner Lowe. I'm sitting in for the Chairman  
16 temporarily until she comes back.

17 Any questions for Commissioner Lowe from  
18 staff?

19 Thank you. You're excused.

20 And the next witness is Commissioner Lauren  
21 Poe. Commissioner, have you been sworn?

22 COMMISSIONER POE: Yes, sir.

23 COMMISSIONER KLEMENT: Thank you. Go ahead.

24 COMMISSIONER LAUREN POE  
25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 COMMISSIONER POE: Thank you. And thank you  
4 to all the members of the Commission for your service to  
5 our state, and thank you for having us here today to  
6 make our case for this important project for Gainesville  
7 and Alachua County.

8 I think my fellow Commissioners have made a  
9 good case as to why we need this plant right now, both  
10 on a fuel diversity side and also on a baseload  
11 generation side. I want to talk to you a little bit  
12 more specifically about why we think this is a good  
13 long-term sustainable and renewable energy fuel source.

14 And I have voted consistently, I'm nearing my  
15 two-year anniversary on the Gainesville City Commission  
16 and have voted consistently in favor of approving this  
17 contract for a variety of reasons, one being that this  
18 is a good long-term sustainable fuel source.

19 Now there have been questions about this, and  
20 so I want to try to allay some of the fears of the  
21 Commissioners about whether or not this can be  
22 sustained.

23 First of all, our sort of go-to primary fuel  
24 source for this will be forest residue that has been  
25 left over from existing forestry practices. This is

1 currently, as Commissioner Lowe stated, either being  
2 open field burned, which is very harmful to the  
3 surrounding communities, or it's left to rot. This will  
4 create a new market for something that is currently not  
5 being used. We will also be using leftover wood waste  
6 from wood manufacturing plants and timber plants that,  
7 again, does not currently have a market and is going to  
8 waste.

9 And so the point here is that we're not going  
10 to be going and cutting down whole trees and throwing  
11 them into a burner. Our primary fuel sources are going  
12 to be anything but, and we're really going to be using  
13 something that is not currently being used by, by any  
14 market vectors.

15 We also, and this is a bit of a, has a bit of  
16 a personal effect for me. Yesterday -- or, no,  
17 yesterday -- Friday a very serious weather cell went  
18 through my particular part of Gainesville. I don't know  
19 why my neighborhood was singled out, but it caused  
20 massive devastation in my neighborhood. It was worse  
21 than the two hurricanes that came through in 2004. Just  
22 about every house on my block had a downed tree. And so  
23 after the diligent work by the people that work in the  
24 tree industry, there were massive piles of trees on just  
25 about everybody's front porch.

1           And, you know, I was lucky, I had a -- well,  
2           not lucky -- but I had a beautiful 70-foot tulip poplar  
3           that went down, narrowly missing my house. But a  
4           carpenter came by and took the logs from that tulip  
5           poplar, but there's still, you know, a couple of tons of  
6           branches and other waste sitting out there waiting to be  
7           landfilled and going to no good use. And this is true  
8           for hundreds of houses in my particular neighborhood.

9           And so this biomass plant provides an  
10          opportunity fuel for the invariable hurricanes and  
11          serious weather patterns that we get, that again are  
12          simply being landfilled right now, filling up landfills  
13          and, and, you know, emitting carbon into our atmosphere  
14          without any productive benefit from that.

15          We have also done eight, or used eight  
16          comprehensive studies to show the sustainability of  
17          this, including some of the world's leading forestry  
18          experts. We have adopted stricter forestry use  
19          standards than any other plant in the country, and we  
20          took painstaking effort to make sure this was the case  
21          as we developed this contract and negotiated with  
22          American Renewables.

23          And so to conclude, you know, Gainesville  
24          prides itself on being a tree city USA. I would not  
25          have ever voted to move forward with this if I thought

1 that that would be jeopardized, if I thought that any of  
2 our forests would be harmed in any way. In fact, what  
3 we've seen in past cases is that forest health has  
4 actually been improved in areas that employ these type  
5 of forestry practices, and we end up with a better  
6 overall local environment.

7 So, with that said, I'd like to thank you  
8 again for letting us come before you and thank you for  
9 your service to Florida, and I hope that we can persuade  
10 you that this is a needed project for the residents of  
11 Gainesville and Alachua County.

12 COMMISSIONER KLEMENT: Thank you, Commissioner  
13 Poe.

14 Any questions from the Commission? From  
15 staff? Any from the Intervenors?

16 Thank you, Commissioner Poe.

17 COMMISSIONER POE: Thank you, sir.

18 COMMISSIONER KLEMENT: Next witness is Bill  
19 Conrad from the City of Newberry.

20 Mr. Conrad, were you sworn in earlier?

21 COMMISSIONER CONRAD: Yes, sir, I was.

22 COMMISSIONER KLEMENT: All right. Thank you.  
23 Go ahead.

24 COMMISSIONER BILL CONRAD  
25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 COMMISSIONER CONRAD: Commissioners, I'm  
4 Commissioner Bill Conrad, City of Newberry.

5 The City of Newberry is situated ten miles  
6 west of Gainesville. It's a city of about 67 square  
7 miles, actually bigger than Gainesville size wise, but  
8 we only have about 3,500 people. The City of Newberry  
9 is 80 percent agricultural, and it consists of 62 small  
10 farms of under a thousand acres.

11 At any given time we have ten to 30,000 acres  
12 in planted pines that a lot of our farmers grow. We  
13 recently annexed in some Loncala property, which is a  
14 large forestry industry, but most of our agriculture is  
15 small farmers.

16 We also have in Newberry a wood processing  
17 company called Southern Fuel Wood. Southern Fuel Wood  
18 makes most of the firewood used in barbecue restaurants  
19 throughout the state of Florida and the Southeast and  
20 sends it out by pallets to barbecue chefs. And they  
21 also chip up wood and make it into horse stall bedding  
22 and mulch that's -- we sell a lot of the horse stall  
23 bedding in the Ocala area to the big horse farms there.

24 Ironically, the same type of fuel that the  
25 biomass plant would use is chipped up wood. All the

1 tree trimmings they've talked about using have to be  
2 chipped up and trucked in, and that's what we do in  
3 Newberry. So we're excited about a biomass plant. Our  
4 farmers welcome the opportunity to sell to the biomass  
5 plant.

6 And I echo the words of Commissioner Bronson,  
7 when he says that creating energy from agricultural  
8 products is good business for the State of Florida.

9 We heard some talk earlier about an excess of  
10 capacity, electrical generating capacity with the  
11 biomass plant, but what we didn't mention is we don't  
12 have an excess of renewable energy capacity. I've heard  
13 everyone from President Obama to Governor Crist to the  
14 congressional environmental protection agencies and  
15 congressional energy committees are all pushing for a  
16 percentage of your electrical portfolio to be renewable  
17 energy. And the most common goal that I've heard of is  
18 20 percent renewable by 2020. Well, that's in ten  
19 years.

20 And we only, in the State of Florida we lag  
21 behind other states in renewables, and we only have  
22 about a half a percent renewables in the State of  
23 Florida. So to get to 20 percent by 2020, we've got a  
24 long way to go, and nobody has any excess capacity in  
25 renewable energy.

1           And if these limits are placed on us that we  
2           have to have a 20 percent renewable portfolio, people  
3           are going to be scrambling around to buy this kind of  
4           energy from GRU or anybody that has it. So I think it's  
5           very forward-thinking to have renewable energy.

6           In harvesting trees, we only use the trunk  
7           right now in the pulpwood industry, so all the  
8           trimmings, the limbs and remains are an excess product  
9           anyway. It's a by-product that goes to waste, as others  
10          have mentioned, that gets burned through open burning or  
11          shipped off to landfill.

12          One of our farmers in Newberry won the lottery  
13          a couple of years ago. In fact, he won it twice. And  
14          somebody asked him what he was going to do with all the  
15          money he got. And he said, "I reckon I'll keep farming  
16          until it's all gone." And that's the plight of the  
17          farmer, the small farmer in Central Florida. It  
18          costs -- you have to have outside money to run a farm.  
19          So our farmers are excited about the opportunity to sell  
20          an agricultural product, especially one that they throw  
21          away right now, and be able to make money from it.

22          And the biomass will bring about 400 jobs to  
23          Newberry, in the Newberry area, not only for farmers,  
24          but truck drivers, agricultural industry workers, plant  
25          operators, wood processing plant operators. It will

1 very much help us come out of the recession in Newberry.

2 One thing President Obama said that I agree  
3 with wholeheartedly is he said in his last State of the  
4 Union address, "Economic recovery is not going to begin  
5 on Wall Street, it's going to begin on Main Street."  
6 Well, this is it. This is Main Street, Smalltown, USA,  
7 a small town doing something to pull itself out of the  
8 recession, doing something to create jobs, doing  
9 something to spend its money right here in Alachua  
10 County instead of sending it overseas or up to Kentucky  
11 or Virginia where the coal comes from, but to be able to  
12 put that money right in our own economy and pull  
13 ourselves out of this recession.

14 I see you're flashing the red light at me, so  
15 I'll wind up. I'll just ask you, please, Commissioners,  
16 don't stand in the way of this project. We appreciate  
17 what you're doing. Thank you.

18 COMMISSIONER KLEMENT: Thank you, Commissioner  
19 Conrad. Any questions? Could you hold for questions,  
20 please?

21 Commissioners, questions from the bench?

22 I have one. The City of Newberry is separate  
23 from the City of Gainesville. Have you -- and your  
24 citizens didn't really have a voice in this. Have you  
25 heard from them? What is their attitude toward it?

1                   COMMISSIONER CONRAD: We're very supportive of  
2 the City of Gainesville and we partner with the City of  
3 Gainesville. We're both members of FMPA. We don't buy  
4 electricity from the City of Gainesville, but we  
5 certainly partner with them in our efforts to produce  
6 good clean energy in Alachua County. We breathe the  
7 same air that they breathe. And our Commission also was  
8 unanimous in support of this project. And we, of  
9 course, don't buy energy from GRU, but we do benefit  
10 from the economic development that the biomass plant  
11 will have.

12                   COMMISSIONER KLEMENT: Okay. Thank you.  
13 Any questions?

14                   MS. STAHMER: Commissioner?

15                   COMMISSIONER KLEMENT: Yes. I'm sorry. Go  
16 ahead.

17                   MS. STAHMER: Thank you.

18                   CROSS EXAMINATION

19 BY MS. STAHMER:

20                   Q. Intervenor Paula Stahmer. Good morning.

21                   A. Good morning.

22                   Q. I do have one question for you. I can  
23 appreciate why people would be enthusiastic about the  
24 creation of new jobs, especially since, according to  
25 Petitioners' arguments, the GREC plant may bring some

1 well paying jobs. And, of course, that would be a  
2 welcome injection into any community's economy.

3 But you made the remark that you thought this  
4 would be a good thing because it would be helping Main  
5 Street as opposed to the banks. But are you aware that  
6 the contract price for building this plant is going to  
7 be \$500 million? At least that's what the price is at  
8 the moment. And that money is going to be going to  
9 American Renewables. Now, granted, some of it may be  
10 going to pay for jobs for people who build the plant,  
11 but it went from \$300 million in 2008 to \$500 million in  
12 2009. And so my question to you is do you feel --

13 MR. WRIGHT: Madam Chairman. Madam Chairman,  
14 Ms. Stahmer is stating facts. Sorry, Mr. Chairman.

15 COMMISSIONER KLEMENT: Yes. Go ahead. Mr.  
16 Wright --

17 MR. WRIGHT: I object to the extent that  
18 Ms. Stahmer is testifying as to facts not in evidence.

19 MS. STAHMER: I believe those facts are in  
20 evidence from Petitioners' exhibits. I don't have that  
21 cite handy, so I can stand corrected later. But I think  
22 Petitioners' own exhibits in the first part of the  
23 proceeding made that clear.

24 COMMISSIONER KLEMENT: Let's ask Mary Anne or  
25 Mr. Kiser.

1                   MR. KISER: I think Schef's right, that she's  
2                   somewhat adding testimony. And it should be appropriate  
3                   just to be a direct question as opposed to trying to put  
4                   information into the record, which she can do on her own  
5                   if she chooses to testify later.

6                   COMMISSIONER KLEMENT: Thank you. Can she ask  
7                   him other questions now?

8                   MR. KISER: Yes.

9                   COMMISSIONER KLEMENT: All right. Do you have  
10                  any questions for Mr. Conrad?

11                  MS. STAHMER: Thank you. I wasn't trying to  
12                  insert information into the record. Perhaps I should  
13                  have phrased the question differently.

14                  BY MS. STAHMER:

15                  Q. As you said, your community does not purchase  
16                  energy from GRU, so --

17                  A. Not directly. Through the pool we probably  
18                  do.

19                  Q. Excuse me?

20                  A. Not directly. Through the power pool we  
21                  probably do. All those electrons out there are kind of  
22                  shared commonly.

23                  Q. So your people -- so your community are not  
24                  direct ratepayers to the GRU utility?

25                  A. No, ma'am.

1 MS. STAHMER: Thank you.

2 COMMISSIONER KLEMENT: Any other questions?

3 Thank you, Mr. Conrad. You're excused.

4 The next witness I have is Bryan Olmert of  
5 Loncala, Inc., in High Springs.

6 Have you been sworn, Mr. Olmert?

7 MR. OLMERT: Yes, I have.

8 COMMISSIONER KLEMENT: Thank you.

9 BRYAN OLMERT

10 appeared as a witness and, swearing to tell the truth,  
11 testified as follows:

12 DIRECT STATEMENT

13 MR. OLMERT: Commissioners, I appreciate the  
14 opportunity to come and speak to you.

15 I am President of Loncala, Incorporated,  
16 located in High Springs. We've been in business there  
17 since 1920, and we're in the timber business. We have  
18 about 35,000 acres in North Florida, and we're looking  
19 forward to the opportunity to work with American  
20 Renewables as a provider of biomass from our forestry  
21 operations, and hopefully possibly even some new  
22 ventures in growing some biomass in the future. We've  
23 been encouraged in our conversations with them. We have  
24 not gone to a long-term contract yet, but we're hoping  
25 to in the future.

1           I also would like to mention to you that I've  
2           been asked by the Forest Landowners Association to read  
3           a letter from them as a long-standing member of that  
4           organization. The letter is by Scott Jones, Chief  
5           Executive Officer.

6           It says, "Dear Commissioners, I write to you  
7           on behalf of the Forest Landowners Association and its  
8           members in support of the Gainesville Regional Energy  
9           Center. The Florida Landowners Association is the  
10          largest association in the United States dedicated to  
11          representing the interests of private forest landowners.  
12          Our more than 5,000 members own and operate more than  
13          40 million acres of private forest lands across the  
14          United States. In Florida alone we have over 350  
15          members who own and operate more than 2.4 million acres.

16          "Private forest landowners are responsible for  
17          about 92 percent of the wood used to make homes,  
18          furniture, paper, and other wood products in the U.S.  
19          Private forests furnish diverse habitat for fish and  
20          wildlife, keep America's water and air clean, provide  
21          recreation for hunters and outdoors people, as well as  
22          many other benefits.

23          "Unfortunately, because of the growing  
24          population, burgeoning local competition and government  
25          overregulations, the viability of the private forest

1 landowner is under intense pressure. Private forest  
2 landowners can find themselves having to make the  
3 difficult decision on whether or not they can afford to  
4 continue managing their lands as sustainable forests.  
5 Private forest landowners need the new markets and new  
6 demand for low value wood products that biomass power  
7 will encourage.

8 "The operation of a biomass facility and GREC  
9 is particularly -- in particular will improve forest  
10 health, provide much needed economic benefit and  
11 security to the forest industry, and will help keep  
12 forests in forests.

13 "I urge you to join us in supporting the  
14 Gainesville Regional Energy Center by approving the need  
15 for the power application."

16 And I can assure you that it will give us, as  
17 Loncala, and other companies and other landowners like  
18 us the opportunity to sell a product that now we're  
19 either burning or paying somebody to move to a facility  
20 so far away that it costs us money to get that biomass  
21 moved for power production.

22 Thank you.

23 COMMISSIONER KLEMENT: Thank you, Mr. Olmert.

24 Any questions for him?

25 MR. OLMERT: I have copies of the letter.

1                   COMMISSIONER KLEMENT: Do you want to  
2 introduce it into evidence?

3                   MR. OLMERT: Yes.

4                   COMMISSIONER KLEMENT: Staff will -- and the  
5 intervenors?

6                   MS. DEEVEY: Yes. I have a question for the  
7 witness.

8                                   CROSS EXAMINATION

9 BY MS. DEEVEY:

10                  Q. My name is Dian Deevey. I'm an Intervenor in  
11 this case.

12                                  You anticipate, I gather -- or do you  
13 anticipate that the members of your association will get  
14 better prices for their wood if utilities like GREC  
15 begin to use increasing amounts of wood as a fuel?

16                  A. Yes, ma'am, I do anticipate a better price.  
17 You know, hopefully we'll get a price. Right now we're  
18 destroying most of it by burning or cleaning up our  
19 properties for replanting. I think this also may cause  
20 some afforestation, some new forests being planted on  
21 areas that now are not in timber production if this  
22 comes about.

23                                  Q. I refer not only to the waste products such  
24 as -- well, thinnings are not a waste product but  
25 they're not something for which you get money, and

1 logging residues, but also perhaps to pulpwood or other  
2 merchantable timber which may be used in the future for  
3 burning to provide energy?

4 A. Yes, ma'am. I think there is a possibility of  
5 using maybe some undesirable product out there that  
6 could be used for this that is not accepted at  
7 facilities now.

8 MS. DEEVEY: Thank you.

9 COMMISSIONER KLEMENT: Thank you.

10 Mr. Saylor, do we need to number this exhibit?

11 MR. SAYLER: Yes, sir. I would recommend --  
12 we should number it Number 75, Letter from Forest  
13 Landowner Association.

14 (Exhibit 75 marked for identification.)

15 COMMISSIONER KLEMENT: Thank you. Read that  
16 into the record.

17 The next witness is -- beg your pardon? The  
18 next witness is Jeff Doran or Doran from the Florida  
19 Forestry Association.

20 Mr. Doran, have you been sworn in?

21 MR. DORAN: Yes, sir.

22 COMMISSIONER KLEMENT: Is it Doran or Doran?

23 MR. DORAN: I've been called a lot worse, so.

24 COMMISSIONER KLEMENT: Kind of like me. The  
25 Chairman still hasn't figured out which syllable my name

1 begins, should have the accent on. Go ahead.

2 JEFF DORAN

3 appeared as a witness and, swearing to tell the truth,  
4 testified as follows:

5 DIRECT STATEMENT

6 MR. DORAN: It depends on if I'm in North  
7 Florida or South Florida. Thank you.

8 Madam Chairman and members of the Commission,  
9 thank you for this opportunity.

10 The Florida Forestry Association promotes the  
11 responsible use of Florida's forest resources. We're  
12 the only statewide organization that represents the  
13 interest of landowners, timber harvesters,  
14 manufacturers, and people that are professional  
15 foresters in Florida. Our organization was founded in  
16 1923 and we're one of the state's oldest conservation  
17 organizations. We appreciate this opportunity to  
18 recognize the value of utilizing wood resources to help  
19 Florida produce its own clean renewable energy.

20 Just for a matter of information, the Florida  
21 forest products industry is the leading producer and  
22 user of carbon neutral renewable biomass energy in the  
23 state today. One of Florida's largest agricultural  
24 businesses, the energy produces more energy from biomass  
25 than all the energy produced from solar, wind, and

1 geothermal sources combined. Our historic commitment to  
2 renewable energy and sustainable forest management  
3 demonstrates that a balance between the two is both  
4 possible and necessary.

5           Recently a legislative study was provided on  
6 woody biomass, and this study firmly established that  
7 wood is a reliable solution for Florida's renewable  
8 energy future. That study is The Woody Biomass for  
9 Electricity in Florida Bioeconomic Impacts Under a  
10 Proposed Portfolio Standard Mandate. It was provided to  
11 the Legislature on March 1st, 2010, and it recognizes  
12 that there is no single route to meet the growing demand  
13 for alternative sources of energy, but that woody  
14 biomass is a necessary component of any truly renewable  
15 energy program.

16           One of the primary purposes of the report was  
17 to determine what level of biomass for power generation  
18 is sustainable for Florida. According to the report,  
19 7 percent RPS, 2 percent of which comes from woody  
20 biomass, is sustainable as long as urban wood waste and  
21 logging residues are utilized with merchantable timber  
22 and there is a vigorous reforestation program. Based on  
23 the effects of the 7 percent RPS, 2 percent of it which  
24 is coming from wood, merchantable timber that's in the  
25 forest today would not decline below the baseline that

1 was established for the periods 2010 and 2040 as long as  
2 we do use urban wood waste and logging residues.

3 Gainesville city officials and the community  
4 have long recognized and understood that energy is going  
5 to play a tremendous role in the future growth and  
6 importance of good stewardship of natural resources.  
7 They also realize that biomass potential as a renewable  
8 energy system is locally produced, locally processed,  
9 and locally consumed. Nothing incentivizes a forest  
10 landowner more to plant new forests than the development  
11 of additional value-added product streams.

12 The GREC has signed a 30-year agreement for  
13 the supply of baseload power. That's 30 years of steady  
14 forest products demand that a landowner and others  
15 vested in the community can count on. That stability  
16 will encourage long-term investment in reforestation,  
17 provide additional security for many forest-dependent  
18 businesses, and most of all it provides the opportunity  
19 for professional timber harvesters to collect and  
20 transport logging leftovers that otherwise would have no  
21 economic value.

22 Gainesville loves green. To keep the working  
23 forests healthy and productive, they must keep them  
24 profitable and economically viable. GREC's purchase of  
25 approximately \$30 million of wood from the region every

1 year is more than just money. It contributes greatly to  
2 the likelihood that forest landowners will stay on the  
3 land and reduce the pressure to convert our working  
4 forests to other land uses. Both the existing forest  
5 users and the emerging industry will benefit greatly as  
6 trees will continue to dominate the area's landscape.

7 The forest products industry as we know it  
8 today has helped build our state's economy and culture  
9 by providing a sustainable supply of wood, jobs for  
10 rural communities, and enhanced quality of life for many  
11 people. We are vitally important to the State of  
12 Florida and will continue to be. We'll continue to  
13 provide jobs and over \$16 billion to the economy  
14 annually, in addition to all the support we provide for  
15 infrastructure for local schools, roads, and community  
16 services.

17 Others have mentioned that there's a lot of  
18 ecological values to many communities and healthy  
19 forests generate a lot of public benefits. One of the  
20 things that I haven't heard mentioned is of all the uses  
21 for land, forests provide the most benefit to water, to  
22 our water supply. Wetlands are among the most treasured  
23 resources in our region.

24 I see the red light is on. I would just like  
25 to say that energy done right offers a friendly solution

1 to some of the most pressing environmental energy and  
2 economic challenges that we face. Florida's working  
3 forests can and should be part of this answer.

4 I commend you for looking at rural areas of  
5 the state and listening to folks that do make a living  
6 from the land. I represent a lot of members of our  
7 association that for generations have been growing  
8 trees. They're very excited about this opportunity that  
9 it brings to actually take something that's really not  
10 utilized now and turn it into something that perhaps can  
11 keep the next generation on the land.

12 Thank you very much.

13 COMMISSIONER KLEMENT: Thank you, Mr. Doran.

14 Any questions for, from the Commissioners,  
15 staff or Intervenors or parties?

16 Thank you. You're excused.

17 MR. DORAN: Thank you.

18 COMMISSIONER KLEMENT: Next witness is Monica  
19 Cooper from Gainesville. Monica? Oh, there you are.  
20 Thank you.

21 MR. DORAN: Sir, I failed to ask if I could  
22 enter this into the record.

23 COMMISSIONER KLEMENT: Oh, yes. Will you give  
24 that to staff, please, and Mr. Sayler will label it.

25 MR. SAYLER: That would be Number 76.

1 (Exhibit 76 marked for identification.)

2 COMMISSIONER KLEMENT: Okay. Go ahead,  
3 Ms. Cooper. Could you state who you represent?

4 MONICA COOPER

5 appeared as a witness and, swearing to tell the truth,  
6 testified as follows:

7 DIRECT STATEMENT

8 MS. COOPER: Hello. I'm Monica Cooper. Thank  
9 you for allowing me to speak today. I am a ratepayer  
10 from Gainesville. I represent myself, and I've been a  
11 ratepayer in Gainesville for 30 years, having lived  
12 there for 45 years.

13 Contrary to the idea of widespread support for  
14 this biomass plant, there is actually widespread doubt  
15 and concern in Gainesville about this plant.

16 I was very involved in the recent election and  
17 was able to talk to quite a number of people who are  
18 very concerned. There is doubt that we have a need to  
19 build a new power plant. GRU has stated that we have no  
20 need until 2023, and that is with current conservation  
21 measures which they have enacted. We can do better with  
22 conservation measures and put that date further back.

23 There is a doubt that we should build such a  
24 large plant. A 100-megawatt power plant is way bigger  
25 than many people envisioned. There's a doubt about

1 sustainability with future competition for the one  
2 million tons of wood fuel that will be needed to fuel  
3 this plant. There are other power plants proposed, and  
4 we are not the only community who are discussing this.

5 There is doubt about price increases in cost  
6 of wood fuel with the demand that will be incurred with  
7 other municipalities taking interest in biomass.  
8 There's doubt about the 1,200 trucks that will be needed  
9 per week to bring this fuel from a 75-mile radius to the  
10 plant. That will affect our roads, safety, and affect  
11 pollution, air pollution.

12 There is doubt about putting us in the  
13 position in Gainesville of having to sell 50 percent of  
14 this high-priced fuel to other communities.

15 Right now -- I've just been reading about the  
16 climate legislation. It's in a very tentative position.  
17 A lot of this is hinging on upcoming possibilities for  
18 carbon tax. Right now, with the catastrophe in the  
19 Gulf, a lot of people who were thinking of supporting  
20 the climate legislation which was hinging on the  
21 drilling have said that maybe they're not going to be  
22 supporting that. They don't, they don't want to support  
23 the drilling, and that was part of that.

24 The particulars of the contract were not made  
25 public to everyone. Initially the cost was stated at

1 300 million. It was then signed at 500 million. The  
2 contract went from a 20-year duration to 30 years.  
3 There's going to be a lot of new technology coming down  
4 the pike, and this is putting us in a commitment for a  
5 30-year period.

6 There was no public discussion after May 2008  
7 about the lack -- about an exit clause that was  
8 originally discussed. That was not in the final  
9 contract. We have overcapacity. We don't need to sell  
10 power to other communities.

11 There is also the idea that we need to be  
12 concerned about our water supply. This will be drawing  
13 quite a bit of water from the aquifer while we have both  
14 plants in power. I have a background in water quality,  
15 and I'm very concerned about the amount of water needed  
16 for this.

17 We don't need to commit to this oversized  
18 plant now. This will put the ratepayers at risk, and I  
19 ask that you vote no to this power plant.

20 COMMISSIONER KLEMENT: Thank you, Ms. Cooper.

21 MS. COOPER: Thank you very much.

22 COMMISSIONER KLEMENT: Thank you.

23 Questions from the Commission?

24 MR. WRIGHT: Commissioner Klement?

25 COMMISSIONER KLEMENT: Yes, Mr. Wright.



1 plant in your candidacy?

2 A. Yes, I did. Yes.

3 Q. Did any other candidates publicly oppose the  
4 biomass --

5 A. Yes, some did.

6 Q. Were any elected?

7 A. One was close. I think he lost by 42 votes  
8 out of over 1,200. But it was brought forth and there  
9 was lots of discussion in the public about this during  
10 the campaign.

11 Q. Was that, was that Mr. Wells?

12 A. That's not who I'm referring to. No.

13 Q. Who was it who lost by 42 votes?

14 A. Don Marsh lost to Craig Lowe by 42 votes.  
15 Yes.

16 Q. Did he oppose the biomass plant specifically?

17 A. He opposed the biomass plant. Yes, he did.

18 Q. Okay. Did you attend the May 7, 2009,  
19 Gainesville City Commission meeting at which the City  
20 Commission voted to approve the contract?

21 A. No, I did not.

22 Q. Do you know how many people spoke in relation  
23 to the contract?

24 A. I don't know the number. No.

25 Q. Do you know whether anyone spoke against it?

1 A. I'm not sure. I wasn't there.

2 Q. You mentioned a figure of 1,200 trucks a week.  
3 What's the basis for that number?

4 A. The basis was 180 trucks per day that were  
5 needed. This is --

6 Q. Where did you -- I'm sorry.

7 A. I've read this in a number of places. The  
8 American Renewables' site had talked about the million  
9 tons needed, so this was coming from various sources.

10 Q. If there were other evidence in the record  
11 that it's 130 trucks a day, would you have any basis to  
12 dispute that?

13 A. If it was 130?

14 Q. 130 trucks a day. 780 per week, not 1,200.

15 A. If that's, if that, if that's factual, I'll,  
16 you know, believe that, if that's the number that's  
17 closer.

18 MR. WRIGHT: Thank you. Thank you. That's  
19 all the questions I have.

20 Thank you, Commissioner.

21 COMMISSIONER KLEMENT: Thank you, Mr. Wright.  
22 Intervenors?

23 MS. DEEVEY: I have one question.

24 CROSS EXAMINATION

25 BY MS. DEEVEY:

1           Q.    Do you know what time of day the meeting on  
2           which -- May 7 meeting at which the biomass contract was  
3           ratified, it had already been signed, do you know what  
4           time of day that meeting occurred?

5           A.    I actually don't know the exact time of day.

6                   MS. DEEVEY:  It was in the afternoon.  Thank  
7           you.

8                   COMMISSIONER KLEMENT:  Thank you.

9                   Any other questions?

10                   Do you have anything to admit into evidence,  
11           Ms. Cooper?

12                   MS. COOPER:  No, I don't.

13                   COMMISSIONER KLEMENT:  All right.  You're  
14           excused.

15                   MS. COOPER:  Thank you.

16                   COMMISSIONER KLEMENT:  Next witness is Curtis  
17           Cooper.

18                   MR. WRIGHT:  Mr. -- Chairman Klement, I move  
19           to strike Ms. Deevey's remark about the City Commission  
20           meeting.  That was testimony.  It was not appropriate.

21                   COMMISSIONER KLEMENT:  So recorded.  Thank  
22           you.

23                   Mr. Cooper, have you been sworn?

24                   MR. COOPER:  Yes, I have.

25                   COMMISSIONER KLEMENT:  Go ahead.

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CURTIS COOPER

appeared as a witness and, swearing to tell the truth,  
testified as follows:

DIRECT STATEMENT

MR. COOPER: Madam Commissioner and  
Commissioners, I appreciate the opportunity today.

My name is Curtis Cooper. I'm a ratepayer in  
the City of Gainesville. I don't have anything to gain  
here. I'm not representing the forestry division or any  
other power plant. My objective is just looking at the  
need for the power plant, and I have some great concerns  
with that.

As we know, GRU has indicated, with the  
conservation measures, solar initiatives, slowing of the  
economy, building less, less expansion of such, that  
there will not be a need for this power plant until  
2023. That's a big concern of mine.

Also the availability of material. I'm  
worried about the supply. North Florida, South Georgia,  
I understand, have contracts with European companies  
already, with two plants more scheduled to be built in  
the area. I got that off of American Renewables. I'm  
worried about the pressure on the logging community,  
forestry industry.

The proponents would like you to believe that

1 good forestry methods are going to be in place with  
2 this. But after looking over parts of the contract,  
3 they state that there's only going to be two times a  
4 year inspections in the field and two scheduled  
5 inspections for the plant. I think that that leaves a  
6 lot of time open for, you know, the forestry industry to  
7 move to wherever the money is.

8 You know, if they have shifting issues with  
9 need, I think that there's a possibility that they might  
10 be drawing from, you know, the products and using, using  
11 more wood, trees and other things like that instead of  
12 just the by-products of the process.

13 I don't see that there's any guarantee, excuse  
14 me, guarantee on pricing. I understand that we would be  
15 required to sell a large percentage of the power to  
16 other areas to ensure that we have low rates in our, in  
17 our town. I'm concerned about that. The plan to sell  
18 cheaper energy or the plan to sell power to other  
19 surrounding communities when there's already cheaper  
20 power available, I'm concerned with that.

21 The carbon credit legislation that people have  
22 spoken about really hasn't made it, hasn't progressed in  
23 legislation yet, and I feel that it's probably unlikely  
24 to in these particular financial times.

25 Really, in closing, the need simply isn't

1       there for the power plant. There's no assurances on  
2       fuel source availability. Forestry practices with  
3       limited checks and balances could lead to overuse of the  
4       resource. Pressure on the City to sell large  
5       percentages of power in order to keep our city, our  
6       costs down is risky at best. We're going to be locked  
7       into a contract with this, this company for 30 years,  
8       which could possibly leave us unable to adjust to the  
9       changing innovation in power and losing control of  
10      pricing.

11               All of these things are, are a concern of mine  
12      as a ratepayer, and I would respectfully, respectfully  
13      ask y'all to consider not, not approving this.

14               COMMISSIONER KLEMENT: Thank you, Mr. Cooper.  
15               Questions from the Commission? Parties?

16               MR. COOPER: Thank you very much.

17               COMMISSIONER KLEMENT: Intervenors? Staff?  
18               Thank you. You're excused.

19               Next witness is Tom Bussing.

20               Mr. Bussing, were you sworn in earlier?

21               MR. BUSSING: Yes, I was.

22               COMMISSIONER KLEMENT: Thank you. Go ahead.

23                               TOM BUSSING

24      appeared as a witness and, swearing to tell the truth,  
25      testified as follows:

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DIRECT STATEMENT

MR. BUSSING: I have some materials to share with the Commissioners. Shall I approach the dais?

COMMISSIONER KLEMENT: Our staff person will take them.

And that will be what number, Erik?

MR. SAYLER: 77.

COMMISSIONER KLEMENT: Number 77.

(Exhibit 77 marked for identification.)

MR. BUSSING: Thank you for hosting us once again. It's always nice to come up to Tallahassee and visit with the Public Service Commissioners. You do a great job for the citizens and ratepayers of the State of Florida.

I want to preface my remarks by explaining some of the materials that are -- I guess they haven't made it to the dais yet. I've passed out some materials you'll see with some color notes. I'm going to try to keep my remarks quite short. I see you've really run over, and thank you for being available for this.

The bulk of the handout is about Gainesville's solar feed-in tariff. And I think this is important information. I don't know if I'll have time to go into it, but I wanted to explain why it is being presented to you, and I will be glad to answer any questions if there

1 are questions.

2 The point of it is that green Gainesville is  
3 not always so green as, as people would like to believe  
4 or perceive. And, unfortunately, Gainesville Regional  
5 Utilities doesn't always get it right the first time out  
6 of the box.

7 And it's been recently revealed that this  
8 solar feed-in tariff program that everybody is great  
9 supporters of has been massively mismanaged, and  
10 90 percent of the whole allocation, all the way 'til  
11 2016, has been given away to just three big  
12 nonperforming speculative concerns. And only 10 percent  
13 of the allocation for 2009/2010, only 10 percent of it  
14 has been installed.

15 There are things, there are projects, for  
16 instance, to restore our airport terminal that was built  
17 as a solar facility, and I have a picture included there  
18 to show what it used to look like in 1974, and the  
19 airport authority cannot get cooperation from the City  
20 of Gainesville and get into the feed-in tariff program  
21 to restore this roof.

22 The school system has investors who want to  
23 cover all the roofs in our school system, but there is  
24 no more allocation allowed. It was all given away in a  
25 six-month mad dash last year.

1                   Now, I've been -- I appreciated your courtesy  
2                   to the elected officials, but to me it still looks like  
3                   I'm at the City Commission meeting, because they, none  
4                   them have, have left the hearing. And I've been  
5                   speaking to them about this and asking for a hearing,  
6                   asking -- I get three minutes at City Hall, and I have  
7                   not gotten a response from a single member of our City  
8                   Commission.

9                   I think this pertains to what we can expect  
10                  with the private partnership, the private public  
11                  partnership that I don't believe our utility has moved  
12                  up the learning curve enough to adequately manage.

13                  I've given you a written copy of my outline  
14                  that I was going to speak, and a lot of it is what  
15                  Ms. Cooper said. I think I could stand down and say,  
16                  well, she covered most of, of my points. The fact is we  
17                  don't need this. The fact is that the attorney wants to  
18                  ask about the meeting in 2009 and who was there and who  
19                  objected.

20                  The decision was made in 2008 to allow the  
21                  utility general manager to negotiate and sign a  
22                  contract, which he did. In 2009 it was already signed,  
23                  and largely people in Gainesville have been beaten down  
24                  and worn out. Well, what, what can you expect with the  
25                  type of decision-making that's been put down on us?

1                   In the negotiation, the contract did balloon  
2                   from 300 million to 500 million. The term of the  
3                   contract was stretched from 20 years to 30 years. This  
4                   is all coming out of the ratepayers' pocket. And all we  
5                   get is stonewalling at City Hall.

6                   So I'm glad that Ms. Stahmer and Ms. Deevey  
7                   have stepped up for the ratepayers, and I wish them  
8                   success in their presentation of the case to you. Thank  
9                   you.

10                  COMMISSIONER KLEMENT: Thank you, Mr. Bussing.  
11                  Are you coming as a consumer, customer?

12                  MR. BUSSING: I'm a ratepayer. Yes.

13                  COMMISSIONER KLEMENT: Did you, did you  
14                  testify at the hearing in Gainesville in December? I  
15                  was there. I think I recall --

16                  MR. BUSSING: Yes, I testified there and I  
17                  also testified here in Tallahassee in -- when was that?  
18                  I don't have the date written in front of me. It's been  
19                  a very busy winter.

20                  COMMISSIONER KLEMENT: Yes, it has.

21                  MR. BUSSING: Both you making trips to  
22                  Gainesville and some of us making trips here to  
23                  Tallahassee. Yes.

24                  COMMISSIONER KLEMENT: All right. Any  
25                  questions here? Commissioner Argenziano.

1                   CHAIRMAN ARGENZIANO: Thank you.

2                   Just to go back, your materials of reference,  
3 and you had made a reference to the monies that were  
4 quickly disbursed. Can you elaborate on that? What  
5 monies were there for whatever project? I guess it was  
6 a solar project?

7                   MR. BUSSING: Yes. There's actually very  
8 little money changed hands yet. And the way the program  
9 works, the feed-in tariffs is an agreement. Somebody  
10 can produce a solar system, and for 20 years it's like a  
11 contract similar to a PPA. GRU gives a very generous  
12 high price for your kilowatts that are produced from  
13 your solar array. So it's a commitment that they will  
14 buy the power and whoever would install it will  
15 therefore have a contract that guarantees paying back  
16 their investment, and a handsome profit.

17                   So they allocated 32 megawatts over eight  
18 different calendar year periods. So essentially this  
19 created what you call a convertible debenture. A  
20 convertible debenture is a piece of paper that doesn't  
21 have any really inherent value. It may be, say, a  
22 student has a coupon that allows them to buy a ticket to  
23 the final four game. And if I collect these from all my  
24 fellow students and then I go and pick up the tickets  
25 and sell the tickets, you can turn thousands of dollars

1 out of nothing except this valuable piece of paper.

2 And that's what has happened. 90 percent of  
3 it has been snapped up by people who are nonperformers,  
4 maybe they can't get the financing, but essentially if  
5 you go down to GRU now and say I want to put a solar  
6 system in on my business, you're out of luck. When the  
7 school board says we have an investor who will put it on  
8 our school buildings, can we enter the feed-in tariff  
9 program? No. It's all been given away. And it is not  
10 being installed because it's held by speculators who are  
11 just looking to turn it into money.

12 CHAIRMAN ARGENZIANO: And -- Mr. Chair?

13 COMMISSIONER KLEMENT: Go ahead.

14 CHAIRMAN ARGENZIANO: And I apologize. If  
15 the -- and I apologize to the people who came up as well  
16 as the Commissioners, because I was under the impression  
17 that the Commissioners had to get back to work.  
18 Normally I let the people come up first. And if  
19 Commissioners stayed, I, with all due respect, I would  
20 have done it other way. But I thought they were -- and  
21 not knowing, I just wish I would have known that.

22 COMMISSIONER KLEMENT: Well, we do not control  
23 what the Commissioners do with their time when they're  
24 here.

25 CHAIRMAN ARGENZIANO: Right.

1                   COMMISSIONER KLEMENT: Right.

2                   CHAIRMAN ARGENZIANO: Right. I just -- if one  
3 of them would have said, okay, we're staying, I would  
4 have just allowed the people to speak first.

5                   COMMISSIONER KLEMENT: Obviously they have an  
6 interest in knowing what's going to be said, of course.

7                   CHAIRMAN ARGENZIANO: Yeah. And that's fine.  
8 I just wish somebody would have told me that. It was  
9 presented to me they had to get back to work, and I  
10 thought that was a good thing for them to do. But they  
11 need to be here too. That's great. I just wish I would  
12 have known. Because then -- and they understand that,  
13 they should understand it as elected officials, that you  
14 let the people sometimes go first. But thank you.

15                   COMMISSIONER KLEMENT: Your motive was  
16 correct, I think.

17                   Commissioner Edgar, did you have a comment,  
18 question? I thought you did.

19                   All right. Any -- Mr. Wright, I see you do.  
20 Go ahead.

21                   MR. WRIGHT: Thank you, Commissioner. Very  
22 briefly.

23                   CROSS EXAMINATION

24                   BY MR. WRIGHT:

25                   Q. Good morning, Mr. Bussing.

1           A.    Good morning.

2           Q.    Were you -- are you aware that the power  
3 purchase agreement between GRU and GREC LLC was  
4 specifically contingent on approval by the Gainesville  
5 City Commission?

6           A.    I have very little direct knowledge of that  
7 power, purchased power agreement, since about 25 percent  
8 of the document was completely blacked out in a massive  
9 redaction, which I believe the Public Service  
10 Commissioners managed to reduce the amount of redaction.  
11 But I have found the document to be pretty much useless  
12 to anybody who wants to know what's going on.

13          Q.    The answer to my question is you don't know;  
14 is that correct?

15          A.    I answered your question.

16          Q.    I asked you did you know -- do you know that  
17 the PPA was specifically contingent upon the approval of  
18 the Gainesville City Commission? You gave me a  
19 narrative about the PPA. Do you know?

20          A.    Well, perhaps you should tell me, could you  
21 tell me that such information would be in either the  
22 redacted or unblacked-out contract language?

23                    COMMISSIONER KLEMENT: Mr. Wright, is your, is  
24 your point that it is a fact that --

25                    MR. BUSSING: I think it, my point is that

1       it's a really absurd question to pose to a member of the  
2       public who has been insulted by our City Commission  
3       voting for a contract that only they can see and that is  
4       25 percent redacted, blacked out 25 percent of a 32-page  
5       document. I don't believe it's a reasonable question,  
6       counsel.

7                 MR. KISER: Mr. Chairman, I believe it's a  
8       question that could be answered yes or no.

9                 COMMISSIONER KLEMENT: Excuse me. Go ahead.

10                MR. KISER: And I think that's the type of  
11       answer that the witness should --

12                MR. BUSSING: I was not aware that such  
13       language is in the PPA.

14       BY MR. WRIGHT:

15                Q. Did you speak against the power purchase  
16       agreement at the May 7, 2009, City Commission meeting at  
17       which the Gainesville City Commission approved the  
18       contract?

19                A. Well, let me try to recall. Now I do recall  
20       in, I think it was May -- no, it was April when the  
21       matter was brought as a selected, the selected  
22       Nacogdoches, which I believe became American Renewables.  
23       At that meeting I know I spoke, because ten to one, all  
24       the citizens at that meeting ten to one asked our City  
25       Commissioners to not approve the PPA. And so that must

1 have been one year before the meeting that you're  
2 speaking of.

3 And that would be the meeting in which I was  
4 unable to attend, but I did watch it on the video on the  
5 City website and heard the descriptions of how the  
6 contract had to be grossly inflated in value because  
7 prices of steel were going up, and then subsequently it  
8 turns out that that was bogus and not true, and that  
9 that was the justification given for why the contract  
10 was inflated so greatly.

11 And so I did attend that meeting, but only  
12 over the Internet, and I was unable to register, once  
13 again, my objection. But I have consistently objected  
14 to this project since when I was in office on the City  
15 Commission as mayor of the City. I stood up for the  
16 no-build option. There is no need, going back to 2002.  
17 So excuse me while I try to recollect the specific  
18 meeting. I think that one I saw only by streaming  
19 video.

20 MR. WRIGHT: Thank you.

21 That's all I had, Commissioner.

22 COMMISSIONER KLEMENT: Thank you.

23 Commissioner Skop.

24 COMMISSIONER SKOP: Thank you, Mr. Chair. Do  
25 you know how many more speakers we have, just for the

1 planning process? It may be a time to -- the court  
2 reporter has been two hours.

3 COMMISSIONER KLEMENT: Two, three, four, five.  
4 I have, I have 11 more here.

5 COMMISSIONER SKOP: And then just one quick  
6 comment. I think that my contacts may be bad, but it  
7 looks like Mr. Moline. Is that Barry Moline that I see?  
8 Mr. Moline, are you to be giving public comment as to  
9 this project?

10 MR. MOLINE: Yes.

11 COMMISSIONER SKOP: I look forward to that.  
12 Thank you.

13 Do we also know if Public Counsel has taken a  
14 position or will appear?

15 MR. SAYLER: No. We're not aware of the  
16 Public Counsel taking any position on this matter.

17 COMMISSIONER SKOP: Thank you.

18 COMMISSIONER KLEMENT: Madam Chair --  
19 Commissioners, do we need to take a short recess for --

20 COMMISSIONER EDGAR: Please.

21 COMMISSIONER KLEMENT: -- necessities?

22 All right. We'll recess for ten minutes.

23 (Recess taken.)

24 CHAIRMAN ARGENZIANO: I want to take care of a  
25 housekeeping matter first. I'll wait for all

1 Commissioners' attention. I think we're dealing with --  
2 by the way, I think what we're going to do is change out  
3 our court reporter at about 12:30. She's been working  
4 all through and probably needs to, to change out about  
5 12:30. And what I thought we would do is take -- we're  
6 just going to do a 30-minute lunch break. So if all of  
7 you who want, have people that can go out and get lunch  
8 for you, go get it and get it ready because I think 30  
9 minutes is all we're going to do today, and then come  
10 back in and try to move promptly along.

11 Okay. Commissioner Klement -- Klement. I  
12 never say it right. I've got it stuck in my head one  
13 way. What I'd like to do is a housekeeping -- just bear  
14 with us for a minute. It's come to my attention that  
15 there are rules at the PSC, I don't know when they were  
16 created or amended, that Chairmen, when they pass the  
17 gavel, have to give it to the most senior member. And  
18 I, when I first became a member, the Chairman here, I  
19 said that I would spread that along evenly to everyone.  
20 Because as a legislator that's what I did because I  
21 didn't own the process and thought it was good for  
22 everybody. So what I'm asking for is a motion to waive  
23 the rules so that we can give the chair -- I can give  
24 the chair to whoever I'd like to.

25 COMMISSIONER SKOP: So moved.

1                   COMMISSIONER EDGAR: Thank you. All those in  
2 favor, say aye.

3                   (Unanimous vote.)

4                   All those opposed. Thank you. Sometimes  
5 things are really petty but you've got to deal with  
6 them. Thank you.

7                   Now let's move on. We're going to move to  
8 Dr. Tom Termotto from Tallahassee. And, Doctor, have  
9 you been sworn in? Is he here? Did I say it right?

10                  UNIDENTIFIED SPEAKER: You said it correct,  
11 but I don't think he's here.

12                  CHAIRMAN ARGENZIANO: Termotto. Okay. He's  
13 not here. So we don't know if he's coming back or maybe  
14 he's just out of the room. We'll come back to his name.

15                  How about Joy Towles Ezell?

16                  UNIDENTIFIED SPEAKER: I haven't seen her  
17 either.

18                  CHAIRMAN ARGENZIANO: Okay. Moving along.  
19 Karen Orr.

20                  MS. ORR: I'm Karen Orr.

21                  CHAIRMAN ARGENZIANO: All right. Karen, come  
22 on up.

23                  MS. ORR: (Inaudible. Not on microphone.)

24                  CHAIRMAN ARGENZIANO: Okay. They've already  
25 been addressed. Thank you very much. Thank you for

1 coming.

2 Kathy Viehe -- is it Viehe?

3 MS. VIEHE: Viehe.

4 CHAIRMAN ARGENZIANO: Viehe. Welcome. Have  
5 you been sworn in, Ms. Viehe?

6 MS. VIEHE: Yes.

7 CHAIRMAN ARGENZIANO: Okay. Thank you.

8 KATHY VIEHE

9 appeared as a witness and, swearing to tell the truth,  
10 testified as follows:

11 DIRECT STATEMENT

12 MS. VIEHE: Madam Chairman and Commissioners,  
13 thank you for the time you're spending today. I have a  
14 letter that I'd like to read.

15 First of all, my name is Kathy Viehe and I am  
16 a GRU customer. I'm also a citizen of Gainesville, but  
17 I'm also an employee of the utility. I have a letter  
18 that I'd like to read and put into the official record  
19 from Dr. Kathy Cantwell, and her name was mentioned  
20 several times by Rod Smith and also by Senator Oelrich.

21 "Madam Chair and Commissioners, I'm grateful  
22 that you will allow my record to be read into the  
23 record.

24 I support the proposed biomass plant in  
25 Gainesville. I'm a retired physician who practiced

1       pediatrics and family medicine in Gainesville for 20  
2       years. I was a member of the Alachua County Air Quality  
3       Commission that met from 1998 to 2000. This was a blue  
4       ribbon committee of nine scientists and myself appointed  
5       by the County Commission to study air quality in Alachua  
6       County to produce a report. We met on an almost weekly  
7       level for two years and produced an extensive report  
8       presented to the Board in January of 2000. I also  
9       served on the Gainesville Energy Advisory Committee. I  
10      am telling you all this so that you know that as a  
11      physician I know a little bit more about air pollution  
12      and energy sources and needs than most physicians,  
13      though I am by no means an expert.

14                 "Probably the most important air pollutant  
15      causing death and illness in our country is particulate  
16      matter, especially small particulate matter (PM 10 and  
17      PM 2.5, meaning particulate matter less than 10 microns  
18      or less than 2.5 microns). By far PM 2.5 is the worst  
19      as it is linked to heart disease, respiratory disease  
20      and early death. In Alachua County the main sources of  
21      particulate matter less than 10 microns are  
22      non-industrialized sources such as dirt roads and  
23      vehicular traffic. At the time of our Air Quality  
24      Report in 2000, we knew a major source for fine  
25      particulates less than 2.5 microns was wood burning from

1 fireplaces, open air wood burning and forest fires. We  
2 were unable to calculate the amount of particulates from  
3 open wood burning at that time because no one had done  
4 an inventory.

5 "We now know that approximately  
6 1.6 million tons per year of forest residues (about  
7 60 percent of the total) is burned in the open within  
8 the 75-mile radius of Gainesville. About 600,000 tons  
9 of this, it is estimated, would be sent to the biomass  
10 plant, and it is reasonable to assume that 60 percent of  
11 this amount would also have been openly burned. When  
12 burned in the open, the same amount of wood would  
13 generate approximately 2.7 million pounds of particulate  
14 matter, 90 percent of which is PM 2.5. As a comparison,  
15 that is over ten times the particulates emitted by the  
16 GRU Deerhaven coal-powered electricity plant in 2009.

17 "When the same forest residue is burned in a  
18 biomass plant with control technology, the particulates  
19 are diminished to 81,000 pounds, a reduction of  
20 97 percent of the particulate matter, most of which is  
21 PM 2.5.

22 "Urban tree trimming waste, mill waste and  
23 trees from thinning operations would compose the  
24 remainder of the approximately 1 million tons of biomass  
25 material needed for this plant. At present, most of

1 this wood waste is dumped into the landfill. The amount  
2 of methane gas they produce by composting in a landfill,  
3 if just 50 percent were dumped, would equal more than  
4 53 million tons of methane gas. Even if the landfill  
5 gas is flared to diminish this, 5.3 million tons of  
6 methane approximately would be released.

7 "If all of the wasted wood was burned in a  
8 biomass plant, only 62,500 pounds of methane gas would  
9 be emitted. Methane gas is a powerful greenhouse gas as  
10 much as 23 times more potent than CO2. Just on the air  
11 quality benefits alone the biomass plant should be  
12 authorized.

13 "There are some who argue burning biomass is  
14 not carbon neutral as it is emitting CO2 into the  
15 atmosphere at an accelerated rate and removing mature  
16 trees. Whether you agree with this argument or not, the  
17 biomass that Gainesville is proposing to use is truly  
18 greenhouse gas neutral as they are not using  
19 merchantable wood. They are just proposing using the  
20 residue waste wood left from other operations. The only  
21 live trees are the ones removed from thinning  
22 operations. It will actually encourage good forest  
23 stewardship because they are required to only take wood  
24 from those who are following the state best management  
25 practices. They will actually pay more for your wood if

1       you are accredited by the much more rigorous Forest  
2       Stewardship Council.

3               "The Gainesville biomass plant will create new  
4       jobs and diversify our fuel sources to one that is  
5       sustainable and non-fossil fuel related. This plant was  
6       out -- this plant was thought out over a several-year  
7       process with multiple inputs from all different groups.  
8       The City has strived to be as ecologically sensitive as  
9       possible as well as economically prudent." And I'm  
10      wrapping up.

11              "I'm concerned that if this plant is not  
12      approved, that another location will be accepted, more  
13      likely in a rural area. I'm doubtful that a smaller  
14      community would have the resources and professional  
15      citizen input and oversight that this plant has. I  
16      appreciate the opportunity to add my comments to these  
17      proceedings. Yours truly, Kathy Cantwell, M.D."

18              COMMISSIONER STEVENS: Thank you.

19              Commissioners, any questions? Intervenors?

20              MS. DEEVEY: Yes.

21              COMMISSIONER STEVENS: Yes, ma'am.

22                                      CROSS EXAMINATION

23              BY MS. DEEVEY:

24                      Q. Yes. I have a question, but perhaps the  
25      witness cannot answer it because it concerns one of the

1 claims in the letter that she read.

2 But is it correct that Ms. Cantwell said that  
3 there would be -- that you calculated the amount, the  
4 estimated particulate matter derived from burning waste  
5 wood of various kinds in an area 75 square miles?

6 A. I'm sorry. Can you repeat the question?

7 Q. Yes. Is the calculation -- you contrasted two  
8 quantities of particulate matter, one derived currently  
9 from burning of logging residues and other waste  
10 materials in forests or near forests in a large area.  
11 Was that not the 75-mile radius area, an area of a  
12 75-mile radius?

13 A. We know that approximately 1.6 million tons  
14 per year of forest residues, about 60 percent of the  
15 total, is burned in the open within the 75-mile radius  
16 of Gainesville.

17 Q. Okay. About how many square miles is that?

18 A. I don't know.

19 Q. Okay. Well, it is rather large, so basically  
20 as an inference, she didn't make the inference of the  
21 concentration at any particular point of these, the  
22 burning -- the smoke from the burning, compare the  
23 concentration there with the concentration surrounding  
24 the GREC plant in Gainesville. I gather that she did  
25 not do that.

1                   COMMISSIONER STEVENS: Is that a question?

2                   MS. DEEVEY: I think that she would say that  
3 the concentration of a particulate matter in the air is  
4 what influences the lungs, so it's important to the  
5 concentration.

6                   COMMISSIONER STEVENS: I think -- is there a  
7 question for the witness?

8                   MS. DEEVEY: Yes. I was asking her if she  
9 knew what volume of air or even area of land the larger  
10 amount of smoke and particulate matter would be  
11 distributed in as compared to the very small location  
12 from which an amount equivalent to 3 percent of that  
13 would be released by the GREC plant, and I gather she's  
14 not aware of that.

15                   COMMISSIONER STEVENS: Well, that, that's  
16 asked and answered. Are you asking the witness a  
17 question?

18                   MS. DEEVEY: I think what I'm trying to say is  
19 that the letter from Ms. Cantwell is interesting, but  
20 since she's not here as a witness to be questioned, the  
21 validity of the points she's trying to make can be  
22 questioned.

23                   COMMISSIONER STEVENS: Okay. Mr. Wright.

24                   MR. WRIGHT: That's argument. She asked a  
25 question. If Ms. Viehe can answer the question, I

1 think, you know, she can answer the question. If not,  
2 then not. But I appreciate your concern. Thank you.

3 COMMISSIONER STEVENS: Okay. Any further  
4 questions? Thank you.

5 MS. VIEHE: Thank you, Commissioner. And I'd  
6 like to enter these into the record, please.

7 COMMISSIONER STEVENS: Okay. Yes, ma'am. Is  
8 that Number 77?

9 MR. SAYLER: Number 78. Number 77 was Tom  
10 Bussing's composite handout.

11 (Exhibit 78 marked for identification.)

12 COMMISSIONER STEVENS: Okay. Thank you.

13 Mr. Bob Fulford. Mr. Fulford, have been sworn  
14 in?

15 MR. FULFORD: Yes, sir.

16 COMMISSIONER STEVENS: Thank you. You're  
17 recognized, Mr. Fulford. Thanks for being here.

18 BOB FULFORD

19 appeared as a witness and, swearing to tell the truth,  
20 testified as follows:

21 DIRECT STATEMENT

22 MR. FULFORD: Thank you for having me.

23 Recently I was interviewed by -- well, let me  
24 first of all tell you, I'm what you call an ordinary  
25 citizen. I don't live in Gainesville. I have some

1       kinfolks down there. It's a real nice place, but I'm  
2       not a ratepayer. But I have for the last several years  
3       been involved in this whole business, as a citizen, of  
4       biomass plants. Recently we had one proposed here in  
5       Tallahassee that we were -- those of us that agreed with  
6       my side of the argument, it moved away. We recently had  
7       one proposed for a little town nearby called Gretna and  
8       they went away. And we've had one go to Port St. Joe  
9       and they've gone away. We're working on trying to get  
10      the one in Jasper to go away and the one in Valdosta to  
11      go away. And as more and more people look at this whole  
12      notion, more and more people see that it's, that it's  
13      not a, it's not a good thing on a whole bunch of  
14      different things.

15                When you opened the meeting this morning,  
16      Senator, you said something, and I agreed with you,  
17      about the kicking off of the Commission of two of the  
18      Commissioners, and you attributed that to either  
19      blindness or politics. And sometimes when I listen to  
20      all of this, I wonder is this blindness or politics?  
21      But I do know that in just about everything we do,  
22      there's a whole bunch of blindness and a whole bunch of  
23      politics. And the blindness is the part that worries me  
24      the most.

25                In fact, I've spoken to several people this

1 morning that have been here. And out of all the people  
2 that have talked up here today, I did not see a single  
3 one that was -- that didn't believe in what he was  
4 saying. And that scares me. If all of those people  
5 believe what they're saying, it's frightening.

6 I started to say a while ago, I was identified  
7 recently as a retired teacher, and that's what I am.  
8 And good teachers believe in something called the  
9 teachable moment, and this is a teachable moment. I  
10 don't know that I'll change any minds here this morning,  
11 but I want to throw out two or three things.

12 Somebody said a long time ago "If you count a  
13 dog's tail as a leg, how many legs does he have?" The  
14 little boy said, "He's got four legs. No matter what  
15 you call that tail, it ain't a leg."

16 The definitions that I see in the material I  
17 picked up here today, you put that definition in and  
18 then that becomes truth. And I'm not real sure it is.  
19 For instance, you, you've defined sustainable,  
20 renewable, clean, economical, and I don't think any of  
21 those definitions apply to this process.

22 Now the Commissioner Bronson, Commissioner  
23 Bronson said earlier that when we defeated the plant  
24 here in Tallahassee, that it was a bunch of people that  
25 had never seen one of these plants come out and just by

1 making a lot of noise stopped it. I submit nobody has  
2 ever seen one of these plants. I have no evidence any  
3 place of a clean fluidized bed biomass electric  
4 generating plant that works. Now we've got a bunch like  
5 the one down in Perry that just burns wood, heats steam,  
6 pollutes the air and makes electricity. But I don't  
7 know of any of these things as described that have  
8 worked.

9 Two or three other things before that red  
10 light goes off. Over the years I'm sure we've all heard  
11 the expression you can't see the forest for the trees.  
12 And that's one of the things that really disturbs me.  
13 And let me tell you my bias. If you tell me you're from  
14 the Chamber of Commerce, I don't want to hear it. If  
15 you tell me you're a forester, I don't want to hear it.  
16 Foresters and chambers of commerce take our stuff and  
17 make benefit out of it. We need forests. We don't need  
18 forests that have been burned up.

19 My time is up. Thank you very much. I had a  
20 lot more to say, but that's all I have to say right now,  
21 unless somebody has any questions.

22 COMMISSIONER STEVENS: Are there any questions  
23 for the witness? Yes, ma'am.

24 CHAIRMAN ARGENZIANO: Just, Mr. Chair, he may  
25 want to submit his, I don't know if he does or not,

1 submit the rest of your speech that -- or questions or  
2 comments that you didn't get to say, if you want to  
3 submit that or not. I didn't know.

4 MR. FULFORD: Thank you. They're just,  
5 they're just little dumb things like, for instance, the  
6 -- you didn't mean for me to go ahead and say them.

7 CHAIRMAN ARGENZIANO: No. No.

8 MR. FULFORD: You meant me to go ahead. Okay.  
9 Well, as I walk away, think about --

10 COMMISSIONER STEVENS: Hold on. Are there any  
11 further questions of the witness? Intervenors?  
12 Mr. Wright?

13 MR. WRIGHT: No, sir.

14 COMMISSIONER STEVENS: Thank you, Mr. Fulford.  
15 Mr. Godet, if I pronounced that correctly.

16 MR. GODET: Godet.

17 COMMISSIONER STEVENS: Yes, sir. Mr. Godet,  
18 have you been sworn in?

19 MR. GODET: I have.

20 COMMISSIONER STEVENS: Thank you. You're  
21 recognized.

22 MR. GODET: Thank you.

23 COMMISSIONER STEVENS: Thanks for being here.

24 ERIC GODET

25 appeared as a witness and, swearing to tell the truth,

1 testified as follows:

2 DIRECT STATEMENT

3 MR. GODET: Thank you, Commissioners, for  
4 taking the time -- thank you, Commissioners for taking  
5 the time today to listen to our opinions on this matter.  
6 This is a very personal and passionate and community  
7 matter to us in Gainesville. As the Chair at the local  
8 Chamber of Commerce in Gainesville, I just want to read  
9 a few notes that we have here.

10 The Chamber supports the Gainesville Regional  
11 Utilities, GRU, partnership with American Renewables to  
12 construct the Gainesville Renewable Energy Center, a  
13 100-megawatt electric generation facility fueled by  
14 biomass.

15 The Gainesville Renewable Energy Center will  
16 improve GRU's reliability by diversifying its energy  
17 sources, providing long-term cost stability to customers  
18 and generating economic development in our region.

19 A little history. For several years now GRU  
20 has been studying options for the future electric  
21 generation. In 2003, the utility asked the Gainesville  
22 City Commission to authorize 220 megawatts of additional  
23 generation through the construction of a cold (phonetic)  
24 and biomass fuel facility. The cost of this proposed  
25 facility was estimated at 550 million at the time. GRU

1 projections showed that this baseload expansion would be  
2 needed by 2013 as demand in the community continued to  
3 grow.

4           Since then substantial conservation efforts  
5 and the economic downturn has led to a delay in the need  
6 for baseload generation until 2023. In 2003, the  
7 Chamber supported GRU staff's recommendation for the  
8 220 megawatts of additional generation. However, the  
9 City Commission opted for a path of increased  
10 conservation, programs and exploration of renewable  
11 energy sources for future needs. The Commission enacted  
12 the nation's first solar feed-in tariff and has approved  
13 the GREC plan.

14           A little more background. Biomass is a carbon  
15 neutral fuel source. It is one of the largest domestic  
16 sources of renewable energy and electricity in the  
17 United States. Trees and other woody plants constitute  
18 organic biomass. These materials are made available on  
19 a recurring or a renewable basis. For a year, GRU  
20 negotiated with American Renewables to establish a  
21 biomass electric generating facility in Gainesville.  
22 Through their negotiations, GRU agreed to purchase all  
23 of the power capacity and environmental attributes  
24 produced by Gainesville Renewable Energy Center for 30  
25 years. Projected to generate 100 megawatts of energy,

1 GREC will be able to power 70,000 homes.

2 As part of this agreement with American  
3 Renewables, GRU has required strict sustainability  
4 standards. These standards require all forest-derived  
5 fuel to come from forests where best management  
6 practices are in place, require harvested stands to be  
7 reforested, and offer a premium for wood harvested from  
8 forests receiving independent certification of  
9 sustainability.

10 After meeting with GRU and American Renewables  
11 and reviewing pertinent information, the Chamber has  
12 concluded that GREC is the best environmental and  
13 economic interest of our region. Biomass energy sources  
14 are cleaner than traditional carbon-based fossil fuels.  
15 In addition, we believe biomass offers the most stable  
16 cost option available other than coal. At this time,  
17 coal plants are being rejected throughout the State of  
18 Florida by the PSC and have not been supported in the  
19 City of Gainesville. According to GRU and American  
20 Renewables, the 34-month construction of GREC is  
21 expected to generate more than 300 construction jobs.  
22 Once it's online, GREC will generate 45 jobs at the  
23 plant, and an additional 450 jobs throughout the region  
24 since 75 to 80 percent of the fuel sources will come  
25 from a 75-mile radius, meaning the dollars will stay in

1 the Florida region.

2           Since the light is on, I'm going to sum up  
3 pretty quickly. You know, the need for GREC was never  
4 based on capacity. During its latest review by the  
5 Standard & Poor's bond rating, GRU was urged to  
6 diversify its energy sources in order to keep its high  
7 bond rating. In addition, biomass plant will provide  
8 customers with a more reliable source of energy, and GRU  
9 has a plan in place to sell excess energy to other  
10 utility companies as our energy needs grow. GREC will  
11 allow GRU to be prepared to handle this increased demand  
12 locally. For our region, a biomass plant will provide a  
13 reliable, economical and environmentally sustainable  
14 power source.

15           And also according to Commissioner of  
16 Agriculture Charles Bronson in a letter to the editor in  
17 the Tallahassee Democrat on February 24th, 2010,  
18 "Florida's potential to capitalize on biomass energy is  
19 great. Florida can lead the nation in biopower  
20 technology and the jobs it can create. The  
21 16.57 billion forestry industry is Florida's number one  
22 agricultural community, and the GREC will put  
23 Gainesville at the forefront of the renewable energy  
24 industry, building upon the momentum of the Innovation  
25 Gainesville Initiative."

1           We have a great need for renewable energy  
2           capacity, not just in the Gainesville area, but in our  
3           state as a whole. I just want to share that we  
4           currently in Gainesville purchase 50 megawatts of energy  
5           every year. And we're currently doing this with a  
6           30-year old base facility that runs 24/7, and we have an  
7           option to move forward with a brand new facility with a  
8           renewable source.

9           I just want to thank you for all your time,  
10          and I'd love to answer any questions.

11          COMMISSIONER STEVENS: Thank you, Mr. Godet.

12          Commissioners, any questions?

13          COMMISSIONER EDGAR: Just to clarify.

14          COMMISSIONER STEVENS: Yes, Commissioner  
15          Edgar.

16          COMMISSIONER EDGAR: Could you, because I  
17          don't have it in front of me, could you spell your last  
18          name for me?

19          MR. GODET: That's G-O-D-E-T.

20          COMMISSIONER EDGAR: Okay. And you're  
21          speaking as the Chairman of the Gainesville Chamber of  
22          Commerce?

23          MR. GODET: Yes. The Gainesville Area Chamber  
24          of Commerce. That's correct.

25          COMMISSIONER EDGAR: Thank you.

1 COMMISSIONER STEVENS: Commissioner Skop.

2 COMMISSIONER SKOP: Thank you, Mr. Chair.

3 Just three quick questions trying to  
4 understand, I guess, the letter or the prepared remarks  
5 that you gave. But I think you mentioned that  
6 previously that the Gainesville Chamber supported the  
7 220-megawatt coal-fired proposed generation that the  
8 City did not move forward with; is that correct?

9 MR. GODET: That is correct.

10 COMMISSIONER SKOP: Okay. And then also I  
11 think you stated that, that under this proposal the City  
12 is going to purchase all of the 100 megawatts of  
13 biomass, and that the City is obligated to that. But  
14 didn't you also say in your comments that there is no  
15 need until 2023 for additional generation?

16 MR. GODET: That is correct. That is the  
17 current. And that is due to increased conservation  
18 efforts and also a decreased demand. We all live in a  
19 recession right now that we're dealing with and we've  
20 seen that decrease. That can change at any moment.

21 But there's also something in the business  
22 community, we recognize that with the fossil fuel  
23 process of energy that we're using those prices  
24 continually increase. So the increase at a minimum  
25 level that's going to happen to moving to sustainability

1 is minimum for us because that's been happening already,  
2 especially when we can get to something where we can  
3 standardize the process and we have renewable sources of  
4 energy. That also helps the current businesses that are  
5 in place that can reduce the costs that are escalating  
6 every year, and also attract other innovative type  
7 businesses to our local community and the State of  
8 Florida.

9 COMMISSIONER SKOP: Thank you.

10 COMMISSIONER STEVENS: Any other questions for  
11 the witness from the Commission? Intervenors?  
12 Mr. Wright?

13 MR. WRIGHT: No, sir. Thank you.

14 COMMISSIONER STEVENS: Thank you, Mr. Godet.

15 MR. GODET: And I also want to mention that  
16 there is a renewable need, even though there isn't the  
17 other need. I think we really need to look at that in  
18 our state. Thank you so much.

19 COMMISSIONER STEVENS: Thank you.

20 Mr. Andrew Walmsley. Mr. Walmsley, have you  
21 been sworn in?

22 MR. WALMSLEY: Yes, sir.

23 COMMISSIONER STEVENS: Thank you for being  
24 here.

25 ANDREW WALMSLEY

1 appeared as a witness and, swearing to tell the truth,  
2 testified as follows:

3 DIRECT STATEMENT

4 MR. WALMSLEY: Good afternoon, Commissioners.  
5 I appreciate this opportunity to come before you. My  
6 name is Andrew Walmsley. I am a ratepayer of  
7 Gainesville, and I also work for the Florida Farm Bureau  
8 Federation. Please accept the -- I have a letter to  
9 submit and some comments from the Florida Farm Bureau  
10 Federation and its members in support of the Gainesville  
11 Renewable Energy Center.

12 We represent approximately 140,000 member  
13 families across the state with county Farm Bureaus in  
14 every county represented, and with agriculture's  
15 economic importance second to only tourism.

16 We are the voice of Florida agriculture, and  
17 our whole purpose is to promote the interest of our  
18 farmers and ranchers and improve the quality of rural  
19 life. We support renewable energy and believe that  
20 biomass in particular provides many benefits to our  
21 state's farming and ranching communities. For the  
22 forest industry of Florida to remain vibrant and  
23 continue to be the economic driver that it is today, we  
24 need the new markets and new demand for low value wood  
25 products that biomass power will encourage. Many a

1 thousand families depend on the forest and forest  
2 products industries. Biomass power is needed to keep  
3 our forests and forest industry healthy in the face of  
4 the many challenges we are currently facing.

5 Just recently -- Commissioner Bronson was  
6 here -- we support many of the initiatives that  
7 Commissioner Bronson puts forward, along with the  
8 Florida Cabinet recently introduced the working forest  
9 initiative, with the point being that working forests  
10 work.

11 In addition, the Gainesville Renewable Energy  
12 Center will provide renewable energy that is derived  
13 from locally produced resources, reducing our dependence  
14 on foreign energy not only in the form of oil, but in  
15 the forms of natural gas and coal from friendly allies  
16 most of the time, except for maybe on college football  
17 Saturdays in the Gulf Coast and coal country.

18 There have been several comments concerning  
19 the regulation of greenhouse gases. Although the  
20 climate bill seems to be stalled, the United States  
21 Environmental Protection Agency is currently moving  
22 forward with regulation of greenhouse gases from point  
23 sources which cause great concern.

24 Finally, as has been stated earlier, it's been  
25 an interesting 60 days here in Tallahassee. Once again

1 we do not have meaningful renewable energy policy in  
2 this state. We've been involved in this process from  
3 net metering, conjunctive billing with this, with this  
4 Commission, along with RPS standards that y'all have put  
5 forward that have yet to be ratified. And what we have  
6 here today is a willing buyer and a willing seller, and  
7 this willing buyer is composed of a Commission that's  
8 elected from citizens. And this process has been  
9 thought out over several years; elections have come and  
10 gone. And so they have found a need for this project,  
11 and we urge you to do the same too. Thank you.

12 COMMISSIONER STEVENS: Thank you, Mr.  
13 Walmsley. Are there any questions of Mr. Walmsley from  
14 the Commission? Any from the Intervenors? Mr. Wright?

15 MR. WRIGHT: No questions. Thank you,  
16 Commissioner.

17 COMMISSIONER STEVENS: Yes, sir. Thanks,  
18 Mr. Walmsley. Thanks for being here.

19 Mr. Rob Brinkman.

20 MR. WRIGHT: Commissioner?

21 COMMISSIONER STEVENS: Yes, sir.

22 MR. WRIGHT: Just if I could, Ms. Walsh kindly  
23 distributed the letter. Was that going to be marked as  
24 an exhibit?

25 COMMISSIONER STEVENS: Thank you, Mr. Wright.

1 I believe Exhibit 79?

2 MR. SAYLER: Exhibit 79. Yes.

3 COMMISSIONER STEVENS: Thanks. Thanks, Mr.  
4 Wright.

5 MR. WRIGHT: Thank you, Commissioner.

6 (Exhibit 79 marked for identification.)

7 COMMISSIONER STEVENS: Mr. Brinkman, have you  
8 been sworn in?

9 MR. BRINKMAN: Yes, I have, sir.

10 COMMISSIONER STEVENS: Thanks for being here  
11 today.

12 ROB BRINKMAN

13 appeared as a witness and, swearing to tell the truth,  
14 testified as follows:

15 DIRECT STATEMENT

16 MR. BRINKMAN: Thank you very much for  
17 allowing me to come here and present my viewpoints. I  
18 really appreciate the opportunity.

19 I am here this morning to offer a counter  
20 perspective from that of the Intervenors in this matter  
21 before you and to explain why I believe it is crucial  
22 that the PSC allow GREC to move forward. Last Friday I  
23 e-mailed lengthier prepared comments along with a letter  
24 from the EPA to Senator Rockefeller that our requests be  
25 entered into the record. I have brought printed copies

1 with me.

2 I have provided a detailed history of my  
3 experience, not only with this specific project, but  
4 also the efforts of myself and others to prevent the  
5 construction of the second coal-fired power plant by  
6 GRU.

7 Suffice it to say that I have attended every  
8 public hearing on the matter by the City Commission.  
9 More of my life than I would have preferred has been  
10 taken up by this issue. But please take this as an  
11 indication of my passion for the need to transform our  
12 economy to one based on clean, safe, renewable energy.

13 I fear that our species will continue delaying  
14 while glaciers melt, mountains are decapitated for coal,  
15 and oil spills foul our oceans. We must remember that  
16 our delay impacts many other species than our own.  
17 While a need for additional capacity may wait a decade  
18 or more, the need to reduce carbon emissions was frankly  
19 yesterday. Gainesville already buys, as Mr. Godet  
20 noted, 50 megawatts of baseload energy from Progress  
21 Energy on a PPA, an indication that more baseload  
22 capacity is already needed. We may have enough total  
23 capacity, but we in fact need more baseload capacity  
24 now.

25 And while we have sufficient fossil fuel

1 generation capacity, sufficient quantities of fossil  
2 fuel, particularly natural gas, are not always assured.  
3 Our community would retain in our regional economy tens  
4 of millions of dollars spent on fuel if GREC goes  
5 forward.

6 I now find myself in the uncomfortable  
7 position of respectfully disagreeing with people I  
8 worked closely with, literally hand in hand, to stop a  
9 second coal plant. My allies, which included the  
10 Intervenors in this matter, previously urged that our  
11 utility look at the programs of leading utilities across  
12 the country. Now GRU is one of those leading utilities  
13 in the nation in both renewable energy and conservation.

14 I have become convinced that biomass is  
15 potentially not just carbon neutral, but, in fact,  
16 carbon negative, something that not even a solar panel  
17 can achieve. The EPA letter that I am submitting  
18 clearly shows that federal carbon regulations are  
19 inexorable, and again, as Mr. Godet noted, will be  
20 instituted next year on stationary power sources. The  
21 potential costs of waiting a decade far exceed the cost  
22 of even the least favorable economic assumptions for  
23 GREC.

24 When I visited the 50-megawatt biomass power  
25 plant in Burlington, Vermont, and I actually have seen a

1 working biomass power plant, I learned that it was  
2 providing substantial economic benefits and that similar  
3 concerns raised about the plant by local citizens in  
4 Burlington beforehand had not materialized.

5 While opponents have raised concerns about  
6 fuel supply, power cost and future rates, none have  
7 supplied empirical evidence to substantiate these  
8 concerns in my view. Indeed, no one has met my  
9 challenge to demonstrate empirically that any other  
10 method such as an emphasis on solar and conservation can  
11 reduce carbon emissions as much as GREC at as low a  
12 cost. We need as many cost-effective means as possible  
13 to reduce carbon emissions as soon as possible. On this  
14 basis alone, I respectfully urge each of you,  
15 Commissioners, to vote to allow Gainesville to lead  
16 Florida to a sustainable energy future.

17 And in the few moments I have left I can't  
18 emphasize enough the sense of urgency I feel, and I am  
19 particularly concerned that the five Commissioners who  
20 have participated in this process throughout the record  
21 all this time may not actually have a chance to vote on  
22 this. I can empathize with what they have been going  
23 through as a previous unsuccessful candidate for public  
24 office myself. It's not fun to hold yourself out there  
25 and have people criticize you. But I think they have

1 earned the right to participate, and I would  
2 respectfully urge this Commission to set an earlier date  
3 for your Agenda Conference on this matter so that all  
4 five of you may vote on this matter. Thank you very  
5 much.

6 COMMISSIONER STEVENS: Thank you, Mr.  
7 Brinkman.

8 MR. BRINKMAN: And I'd be happy to answer  
9 questions.

10 COMMISSIONER STEVENS: Are there any questions  
11 from the Commission? Any questions from the  
12 Intervenors?

13 MS. DEEVEY: Yes. I have a question for  
14 Mr. Brinkman.

15 COMMISSIONER STEVENS: Yes, ma'am.

16 CROSS EXAMINATION

17 BY MS. DEEVEY:

18 Q. Mr. Brinkman, you visited an operating -- a  
19 power plant, biomass-based power plant in Vermont, you  
20 said?

21 A. That's correct.

22 Q. Was the power plant operating, burning wood at  
23 the time you were there?

24 A. No. Actually it was not, Dian, because the  
25 biomass power plant in Burlington is controlled by the,

1 I believe it's called the Independent System Operator  
2 for that region of the country. And it was a cool,  
3 rainy day and they had a reduced need for electricity,  
4 so that plant was not dispatched. It's not a  
5 question -- it's not a choice by the Burlington Electric  
6 Department, which owns the plant along with another  
7 co-owner. It was a choice by an Independent System  
8 Operator not to dispatch the plant that day.

9 Q. Thank you. Do you know how much energy was  
10 produced by that plant, say, in any recent year?

11 A. I don't have --

12 Q. Or how much wood was used by it?

13 A. I don't have either figure at my fingertips.  
14 I have previously looked at the Burlington Electric  
15 Department website, and I -- one figure that sticks in  
16 my mind is I believe that utility is now getting like  
17 46 percent of their energy from renewable sources.

18 Q. I'm sorry. 46 -- you said that Burlington  
19 obtains 46 percent of its energy from renewable sources?

20 A. That was my recollection from looking at the  
21 website probably in the last year or two.

22 Q. Okay. So how much of that is hydropower? Do  
23 you know?

24 A. No, I don't. I believe actually some of it is  
25 wind and some of it is biomass. A great portion of it

1 is biomass by my recollection. But, you know, I'm  
2 really operating on my recollection, and I'd just urge  
3 people to go to the website and see for themselves.

4 Q. Okay. Okay. What is the capacity of the  
5 biomass power plant in Burlington, Vermont?

6 A. 50 megawatts.

7 Q. 50?

8 A. Yes.

9 Q. Thank you.

10 COMMISSIONER STEVENS: Thank you, Ms. Deevey.  
11 Mr. Wright?

12 MR. WRIGHT: No questions. Thank you,  
13 Commissioner.

14 COMMISSIONER STEVENS: Thank you.  
15 Thank you, Mr. Brinkman. Thanks for being  
16 here.

17 MR. BRINKMAN: Thank you. I appreciate it.

18 MR. WRIGHT: Commissioner?

19 COMMISSIONER STEVENS: Yes, sir.

20 MR. WRIGHT: Did Mr. Brinkman want his  
21 testimony and the EPA letter entered?

22 COMMISSIONER STEVENS: Yes. I believe it's  
23 Number 80, Exhibit Number 80.

24 MR. SAYLER: Number 80, handout with EPA  
25 letter.

1 MR. BRINKMAN: Thank you very much.

2 COMMISSIONER STEVENS: Thank you.

3 MR. WRIGHT: Thank you.

4 (Exhibit 80 marked for identification.)

5 COMMISSIONER STEVENS: Ms. Angela Pate.

6 Ms. Pate, have you been sworn in?

7 MS. PATE: Yes, sir, I have.

8 COMMISSIONER STEVENS: Thank you for being

9 here.

10 ANGELA PATE

11 appeared as a witness and, swearing to tell the truth,

12 testified as follows:

13 DIRECT STATEMENT

14 MS. PATE: My pleasure. Thank you for  
15 directing me here in my car earlier.

16 Good afternoon, and thank you very much for  
17 giving me the opportunity to come and speak. My name is  
18 Angela Pate, and I'm the Executive Director of Florida  
19 Works, which is the regional workforce board for Alachua  
20 and Bradford Counties. I am not, obviously, a subject  
21 matter expert in this field, but I am here today to  
22 speak to you about how it will affect our population in  
23 matters of employment, economic development and  
24 opportunity, which I believe is also an important part  
25 of what you're looking at today hopefully.

1                   We currently have 10,000 people plus  
2 unemployed in our region, which is Alachua and Bradford  
3 Counties, up from under 3,000 several years ago. As you  
4 know, all over the State of Florida unemployment has  
5 skyrocketed in the middle of the recession.

6                   I want to speak to this issue in terms of what  
7 it would do for our community. The people that are  
8 unemployed now are not the same people that were  
9 unemployed several years ago. We're now dealing with  
10 layoffs from the University of Florida, engineering  
11 firms, professionals with the real estate bubble. We  
12 have hundreds of people out of work in our area, and we  
13 go staff the layoff events at the University of Florida,  
14 for example, and deal with people that have never been  
15 unemployed in their life and they don't know what to do  
16 because they've never been on the job market for the  
17 past 20 or 30 years, and they're crying and they're  
18 distraught and it is an issue. We are seeing those  
19 people come into the job market. They are taking the  
20 jobs that other people used to have. They are leaving  
21 the area. They are going to wherever there is  
22 opportunity.

23                   This is making it even more difficult, excuse  
24 me, for those with lower educations and lower economic  
25 means to survive. And it of course affects the children

1 even stronger. We've seen a spike in summer issues with  
2 our youth, and we've been addressing it by directing our  
3 community to look to the future and what the emerging  
4 industries will be and where we want our community to go  
5 in partnership with our chamber of commerce, our local  
6 businesses, our educators, our government, our utilities  
7 as a concentrated, collaborative and targeted effort.  
8 Consequently, this biomass plant has become a keystone  
9 of our efforts.

10 We have recently created training for our  
11 community in energy auditing, conservation, general  
12 awareness about how to reduce costs for fuels, how to  
13 make people in poverty and with low income more  
14 self-sufficient by lowering their electric bills. We  
15 are working together to create a public awareness  
16 campaign for weatherization. And with our educators we  
17 have created curriculum that -- for example, the first  
18 energy audit toward Technician I certification in the  
19 nation was recently created by one of our community  
20 colleges.

21 With the University of Florida in our area and  
22 FIES (phonetic) and FESC and all of the resources at our  
23 disposal, we are tying together all, all of the spectrum  
24 of, of our community in terms of education and the  
25 socioeconomic spectrum to be engaged in this process and

1 in effect are reforming the DNA of our community to be  
2 what we want it to be in the future.

3 To that effect we've worked on grants and  
4 proposals and economic development plans. One of them  
5 recently had 62 community partners that included banks  
6 that were putting up money to help create loans for  
7 people to do energy weatherization and upgrading for  
8 their homes. It is the most important area of our  
9 community right now after our planning efforts recently  
10 being determined to be health sciences and green  
11 technologies. It's our community's vision. It is the  
12 keystone of what we're teaching our children.

13 It is hope and aspiration for people who are  
14 desperate right now, specifically in rural communities.  
15 For example, Bradford County, 18 percent of the people  
16 in the community are in -- 19 percent are in poverty.  
17 18 percent are disabled. People can't afford to live  
18 out in these rural communities and have to go to where  
19 there is opportunity.

20 The opportunity of having a commodity that  
21 they could create or farm or be engaged in that would be  
22 an additional revenue source is huge in these smaller  
23 communities. This is not just an isolated Gainesville  
24 need. This is a regional need. It can't be looked at,  
25 in my opinion, from just the City of Gainesville city

1 limits. All of our outlying communities are engaged in  
2 this.

3 In Marion County, for example, the  
4 unemployment rate is at 15 percent. And I realize I'm  
5 out of time. Those people are coming up into our area  
6 and taking jobs. To look at this as an issue over just  
7 what the need is for our constituents and our city is  
8 shortsighted, and I urge you to think of the bigger  
9 picture and the people in our community and how  
10 committed they are to this and, and approve this  
11 request. Thank you.

12 COMMISSIONER STEVENS: Thank you, Ms. Pate.  
13 Are there any questions? Yes. Yes,  
14 Commissioner Argenziano.

15 CHAIRMAN ARGENZIANO: Just a comment or, I  
16 guess, a heads-up to people just to let you know.  
17 Because sometimes -- and while these are extremely  
18 important issues that were just brought up and are  
19 brought up by so many people, you need to know that the  
20 Public Service Commission by statute has to take into  
21 account certain things and really cannot take into  
22 account other things.

23 And the statute reads, it says, "In making its  
24 determination, the Commission shall take into account  
25 the need for electric system reliability, integrity,"

1 and it goes on and on and on in the statute. While it  
2 does not give us the power to say we're going to look at  
3 this on an environmental issue or we're going to look on  
4 this as a, you know, jobs or economic development, which  
5 is necessary right now -- I just want people, I guess,  
6 Mr. Chair, to understand that -- because a lot of people  
7 don't understand what we're charged to do, what the  
8 statute says we can and cannot, what the Legislature has  
9 told us we need to look at when we're looking at need  
10 determinations.

11 So I don't want anybody to leave the room not  
12 understanding that although that issue, job issue is  
13 very concerning I think to everybody who sits up here  
14 and the environmental issues could be also, I'm not just  
15 saying this plant, but any time an environmental issue  
16 is brought up, something that we'd want to look at,  
17 there are statutory limitations on what we can look at  
18 and what we can't look at. Just so you leave knowing  
19 that. Thank you, Mr. Chair.

20 COMMISSIONER STEVENS: Thank you. Thank you,  
21 Madam Chair.

22 Any questions? Commissioner Skop.

23 COMMISSIONER SKOP: Thank you, Mr. Chair.

24 Just one question in passing with respect to  
25 the comments that were made. Recognizing the project is

1 additional capacity over that which GRU currently has  
2 and does not need anything new until 2023, and I  
3 apologize for the lack of transparency because we've  
4 heard comment from other customers that would like more  
5 details, but in your mind are the citizens in  
6 Gainesville aware, acutely aware of the potential rate  
7 impact as a result of -- unless everything goes picture  
8 perfect on this, rates could increase by up to \$13 a  
9 month for a GRU customer?

10 MS. PATE: Yes, sir. And I think it is very  
11 well known. A lot of the discussions that I have, even  
12 with people of very low income when we discuss this, is  
13 that the opportunities outweigh that \$13, specifically  
14 related to the concept of wanting to have a farmer's  
15 market and willing to pay more money for the local food  
16 produced there because it goes into our community rather  
17 than paying cheaper food that comes from somewhere else.

18 COMMISSIONER SKOP: I understand. And to the  
19 point you just made about low income, didn't the NAACP  
20 however though speak out against, in opposition to this  
21 project?

22 MS. PATE: I have no idea what the NAACP has  
23 done.

24 COMMISSIONER SKOP: Okay. Because you  
25 mentioned low income. And, again, that seems to be an

1 issue, although the Commission does not regulate the  
2 rates of GRU customers. I mean, at least not --

3 MS. PATE: I can tell you that the low income  
4 community, especially those, for example, in the  
5 Department of Juvenile Justice that are going through  
6 our green energy training, are watching this very  
7 closely. And the Department of Juvenile Justice is  
8 telling me that those kids that have gone through our  
9 program have never gotten in trouble since they went  
10 through that program because they're so excited about  
11 these new futures, and several of them have really  
12 turned their life around because of what they've been  
13 exposed to.

14 COMMISSIONER SKOP: All right. Thank you.

15 MS. PATE: Uh-huh.

16 COMMISSIONER STEVENS: Thank you,  
17 Commissioner.

18 Any further questions from the Commission?  
19 Intervenors? Mr. Wright?

20 MR. WRIGHT: No, sir.

21 COMMISSIONER STEVENS: Thank you. Thank you,  
22 Ms. Pate.

23 Ms. Susan Glickman. Ms. Glickman, have you  
24 been sworn in?

25 MS. GLICKMAN: Yes, sir.

1                   COMMISSIONER STEVENS: Thank you for being  
2 here.

3                   SUSAN GLICKMAN  
4 appeared as a witness and, swearing to tell the truth,  
5 testified as follows:

6                   DIRECT STATEMENT

7                   MS. GLICKMAN: Good afternoon, Commissioners.  
8 And I thank you all for being here, and Commissioner  
9 Stevens, Commissioner Klement for your service.

10                   I'm Susan Glickman. I'm representing the  
11 Southern Alliance for Clean Energy, and I'm here to read  
12 a letter into the record which has been filed  
13 electronically in your docket, and I have copies of it  
14 right here for you all.

15                   And as I get started, I just want to sort of  
16 introduce my comments because the imperative here for  
17 the Southern Alliance for Clean Energy in large part is  
18 to move away from coal-fired generation, and also to do  
19 so at a competitive or lower price, which is also very  
20 important to us. Because, to quote a phrase from Dr.  
21 Ron Saff who spoke earlier this morning, because it  
22 produces massive amounts of pollution.

23                   We also have concerns about the idea of  
24 landfilling yard waste and the methane it produces that  
25 Dr. Kathy Cantwell raised, and the burning of wood waste

1 and this open field burning. So it seems to me that  
2 there are a number of reasons to move, not the least of  
3 which is Florida's economy. And I would remind people  
4 that the state exports \$1 billion each year for coal,  
5 and 80 cents out of every energy dollar goes out of the  
6 state. So there are many reasons to, to approve this  
7 plant and we rise in support.

8 "Southern Alliance for Clean Energy strongly  
9 supports the proposed Gainesville Renewable Energy  
10 Center in Alachua County. GREC will provide a  
11 cost-effective carbon neutral alternative to fossil  
12 fuel-based energy resources. It will help diversify  
13 Florida's energy resources and support economic  
14 development in Florida.

15 "Biomass electricity is a crucial tool, along  
16 with energy efficiency, solar, wind and other renewable  
17 resources, for reliably meeting our energy needs while  
18 addressing climate change. The proposed GRU biopower  
19 project has demonstrated a clear understanding of these  
20 challenges and is leading the region in providing  
21 solutions.

22 "Florida has abundant supplies of renewable  
23 biomass for energy generation. The entire southeast  
24 region is rich with forest residues, agricultural waste  
25 and animal manure with high value as a renewable

1 energy."

2           And I neglected to introduce Southern Alliance  
3 for Clean Energy because we are a regional group, so we  
4 do look at the southeast as a region. In fact, we are  
5 the only regional group that's focused on clean energy,  
6 and we've been active since 1985. So we do have that  
7 regional perspective as well.

8           "Sadly, most electric utilities continue to  
9 perpetuate the myth that renewables are unreliable and  
10 expensive. Even some supporters of renewable energy are  
11 skeptical of biopower. For these reasons, the following  
12 reasons, the Gainesville Regional (sic.) Energy Center  
13 is needed as a model for sustainable, reliable,  
14 affordable renewable energy.

15           "Specifically, GREC is unique from other  
16 proposed biopower plants in Florida for several reasons,  
17 making it an important precedent for smart bioenergy  
18 development.

19           "GREC promotes sustainable resource  
20 provisions. GRU's project has implemented unprecedented  
21 requirements to insure that their supplies of woody  
22 biomass are sustainable and are as environmentally  
23 friendly as possible. For example, GRU has authorized  
24 GREC to make incentive payments for woody biomass  
25 harvested either with forest stewardship planning or

1 under Forest Stewardship Council's highly respected FSC  
2 certification. This approach will encourage private  
3 woodland owners to set the right example by going beyond  
4 the usual forestry best management practices."

5 I'm going to skip a paragraph because I don't  
6 want to run out of time. We have -- I want you to know  
7 that Southern Alliance for Clean Energy has carefully  
8 evaluated the studies of biomass resource supplies in  
9 Florida and in the Gainesville region.

10 We believe that GREC's combination of  
11 technology using fluidized bed combustion and filtering  
12 technology ensures that it will have lower emissions of  
13 sulfur dioxide, nitrous oxides and particulate matter  
14 than the coal plants that it will ultimately displace.  
15 And, furthermore, GRU has explicitly prohibited the new  
16 biopower plant from consuming tires or treated wood.

17 And we do want to note GRU's leadership is  
18 much bigger and bolder than just this single biopower  
19 plant. For a year now the regional municipal utility  
20 has led the nation in offering pricing for solar  
21 photovoltaic electricity, the solar feed-in tariff that  
22 was discussed earlier today. And GRU is also among the  
23 leaders, nation's leaders in energy efficiency. Its  
24 efficiency programs have had a significant achievement,  
25 more than tripling their impact since their inception in

1 2006.

2 Southern Alliance for Clean Energy supports  
3 the Gainesville Regional -- Renewable Energy Center.  
4 It's a necessary example, and that's one of the reasons  
5 why it's an important project for the entire State of  
6 Florida. As Andrew Walmsley said, we have no meaningful  
7 renewable policy in the State of Florida, and I would  
8 agree with that statement entirely. This is important  
9 as an example of clean energy for our future, our  
10 environment, our economy, and we encourage the  
11 Commission to approve this project.

12 COMMISSIONER STEVENS: Thank you,  
13 Ms. Glickman.

14 Are there any questions for the witness?  
15 Intervenors? Mr. Wright?

16 MR. WRIGHT: I had no questions. I did want  
17 to inquire whether she wanted the letter entered.

18 COMMISSIONER STEVENS: Are we at Number 81?

19 MR. SAYLER: 81, SACE letter.

20 (Exhibit 81 marked for identification.)

21 COMMISSIONER STEVENS: Okay. Thank you.

22 MS. GLICKMAN: Thank you very much.

23 COMMISSIONER STEVENS: Thank you for being  
24 here, Ms. Glickman.

25 Mr. Barry Moline. Mr. Moline, have you been

1 sworn in?

2 MR. MOLINE: Yes, sir.

3 COMMISSIONER STEVENS: Thank you. Thanks for  
4 being here.

5 BARRY MOLINE

6 appeared as a witness and, swearing to tell the truth,  
7 testified as follows:

8 DIRECT STATEMENT

9 MR. MOLINE: Good afternoon, Chairman Stevens,  
10 Madam Chairman, and Commissioners. I'm Barry Moline,  
11 Executive Director of the Florida Municipal Electric  
12 Association.

13 FMEA represents 34 municipal electric  
14 utilities across Florida from Blountstown in the  
15 Panhandle, including JEA in Jacksonville, OUC in  
16 Orlando, the City of Lakeland, and all the way down to  
17 Key West, and our members support the City of  
18 Gainesville in the development of this project.

19 Now as you know, without being told by state  
20 or federal governing bodies, FMEA's members have been  
21 actively engaged in promoting renewable energy, and many  
22 of them are leaders in these investments.

23 One question is why? Why have these public  
24 power utilities taken the initiative to invest in  
25 renewable generation when they have not been told to do

1 so or, better said, not been legislated or regulated to  
2 do so? And the reason is simple, and it highlights, I  
3 think, the most significant difference between public  
4 power utilities and investor-owned utilities. We are  
5 owned by our customers, our communities elect our local  
6 leaders, and as a result we listen carefully to our  
7 customers. And I know this is nothing new to you all.  
8 But I think that in this proceeding the public power  
9 ownership philosophy has great weight.

10 Now looking at this from the opposite  
11 perspective, if Gainesville had held 37 public hearings  
12 and determined that customers were ambivalent about this  
13 renewable energy project, there simply would not be a  
14 unanimous vote by local elected officials to support the  
15 project. Yes, there are some local individuals and  
16 groups who object to the project and their voice  
17 certainly is welcome. But let me be clear, they are a  
18 minority.

19 I was planning to spend my limited time this  
20 afternoon detailing the policy actions worldwide and  
21 nationwide toward greater investment in renewable  
22 energy, and I was going to try to convince you that  
23 there's a tidal wave of clean and green policies that is  
24 sweeping the planet. However, I think you're aware of  
25 those actions and I think y'all have your own opinions

1       about whether or not any of those potential policies or  
2       existing policies will move forward.

3               Now about action in Congress, however, I'll  
4       say this. I believe, and I believe this strongly, that  
5       the only component of an energy bill where there's  
6       widespread agreement is passing a renewable energy  
7       standard. Now proposals differ, but they are in the  
8       ball park of 15 percent of a utility's generation be  
9       renewable energy by the year 2025. I know that differs  
10      from what we've talked about somewhat in Florida, but  
11      that's, that's a gelling around the proposal in  
12      Washington. And I believe that that will pass within  
13      two years.

14             The last point I'd like to make is about  
15      disclosure. And we just saw a renewable energy debate  
16      in the Legislature, the Florida Legislature, that I  
17      think at best could be described as moving the renewable  
18      energy ball a little bit down the field, and at worst a  
19      financial and policy disaster.

20             Now there's one characteristic of that  
21      renewable energy debate, however, that is different --  
22      that is, I think, actually 180 degrees different from  
23      this proceeding today. And it's clear with the proposed  
24      legislation that did not pass the impacts were not  
25      disclosed, such as who would benefit, how much they

1 would benefit, who would control the renewable energy  
2 investments, and the role of regulators like this body  
3 here, the Florida Public Service Commission.

4 And on the contrary, information about the  
5 Gainesville Renewable Energy Center has been vetted.  
6 It's been discussed in dozens of public meetings, it has  
7 been reported regularly by the local newspaper, the  
8 Gainesville Sun, it's been voted on, and it has been  
9 approved by local elected officials accountable to their  
10 community. The impacts have been analyzed and discussed  
11 in great detail. And unlike other recent debates we've  
12 seen, in this case the cards are on the table.

13 Mr. Chairman, Madam Chairman, Commissioners,  
14 you have wide latitude in prioritizing the benefits and  
15 the drawbacks of this project, and I urge you to  
16 consider strongly the local support, the resource  
17 diversification, the long-term price stability, the  
18 positive job and economic impacts, and the national and  
19 international renewable energy leadership taken by the  
20 Gainesville community, and finally the support and  
21 accountability by local elected officials. Thank you.  
22 That concludes my testimony.

23 COMMISSIONER STEVENS: Thank you, Mr. Moline.

24 Are there any questions? Commissioner Skop.

25 COMMISSIONER SKOP: Thank you, Mr. Chairman.

1                   Good morning, Mr. Moline.

2                   MR. MOLINE: Good morning -- or afternoon.

3                   COMMISSIONER SKOP: I have a great respect of  
4 -- I have a great deal of respect for your opinions, so  
5 I appreciate that you took the opportunity this morning  
6 to appear before the Commission and give your  
7 perspective.

8                   Would you agree that GRU currently has the  
9 highest reserve margin of any utility in the State of  
10 Florida?

11                  MR. MOLINE: I'm not an expert on that right  
12 now, so I can't answer that question.

13                  COMMISSIONER SKOP: Okay. All right. Would  
14 you agree that this would be a lot easier decision for  
15 the Commission if it were not for the excess capacity  
16 that GRU currently has? If this were needed capacity in  
17 the near term, would this be an easier decision for the  
18 Commission to make?

19                  MR. MOLINE: Are you asking if I would like to  
20 be a Commissioner?

21                  COMMISSIONER SKOP: I'm asking your  
22 perspective.

23                  COMMISSIONER STEVENS: There's some vacancies.

24                  (Laughter.)

25                  COMMISSIONER SKOP: Yes. That's a good one.

1                   MR. MOLINE: Commissioner, I really can't  
2 answer that question. But what I, what I think I can --  
3 because I don't know what, what goes through the minds  
4 of each one of you in terms of your, the emphasis you  
5 place on the various criteria.

6                   But like I said in my testimony, I really  
7 think that there's a lot of weight that should be given  
8 to the local elected officials that are accountable to  
9 that community that are the rate regulators of the  
10 Gainesville Regional Utilities.

11                   COMMISSIONER SKOP: Okay. But we also -- you  
12 would also recognize we have a statutory charge to  
13 ensure certain criteria are met before we approve --

14                   MR. MOLINE: A variety of criteria. Yes, sir.

15                   COMMISSIONER SKOP: All right. Thank you.

16                   COMMISSIONER STEVENS: Any other questions  
17 from the Commission?

18                   Commissioner Edgar.

19                   COMMISSIONER EDGAR: Thank you, Mr. Chairman.

20                   Mr. Moline, two questions. The first is are  
21 you -- and you may have stated this when you began. So  
22 if you did, I apologize. Are you speaking personally or  
23 on behalf of the organization that you often represent?

24                   MR. MOLINE: On behalf of FMEA. We did poll  
25 members and, and they, they support the plan.

1                   COMMISSIONER EDGAR: Thank you. And my second  
2 question is at the hearing that we had on this that we  
3 have now obviously extended into this proceeding, there  
4 was some discussion at hearing and I believe more  
5 discussion at the Agenda Conference about the role of  
6 the Commission in the need determination under our  
7 statutory authority vis-a-vis a municipal versus an IOU.  
8 Would you take this opportunity to share your thoughts  
9 on that point?

10                   MR. MOLINE: Well, clearly, the Public Service  
11 Commission does have the authority over all utilities,  
12 municipal electric utilities and electric cooperatives  
13 in terms of the rate structure to make sure that we're  
14 charging all classes of customers a fair rate or  
15 charging them the cost of service.

16                   The -- however, local -- the -- for the  
17 municipal utilities and the electric cooperatives, they  
18 have local elected boards, elected or appointed boards  
19 that set those rates, set the value of those rates, and  
20 those individuals are accountable to those communities.  
21 They are elected by -- they stand before the voters  
22 frequently, they, they sit in commission meetings and  
23 take testimony on a regular basis from the general  
24 public. And you've heard some of those people who have  
25 spoken to the Gainesville City Commission today. So

1 those are the rate regulators of those communities.

2 COMMISSIONER EDGAR: So just to follow along  
3 perhaps that, that train of thought, for recognizing  
4 points that have been made about the statutory authority  
5 we have to look at the different factors for a need  
6 determination, do you think that by virtue of a  
7 municipal having that closer body over rate regulation  
8 that, as you said, is often elected, it certainly is in  
9 that instance, that that impacts maybe the balancing of  
10 those factors differently or not? And I'm not trying to  
11 lead you one way or the other. I'm just -- by virtue of  
12 the association that you're representing, perhaps your  
13 thoughts on that might be helpful.

14 MR. MOLINE: Well, let me opine this because,  
15 because of what I've seen in the last few months.  
16 Clearly this Public Service Commission has been  
17 concerned about the rate impacts on consumers. We have,  
18 we have seen your votes and your actions. And I think  
19 that municipal electric utilities, I'm aware, across the  
20 state have heard from many consumers about controlling  
21 costs and looking at investments in the future.

22 When we've -- we've heard a few comments this  
23 morning about the potential rate impacts of this  
24 facility, and I think you'll hear testimony a little  
25 later today. But when you look at rate impacts, you

1 also need to look at what are the rate impacts compared  
2 to other investments that a utility is considering.  
3 Because utilities have to constantly maintain their  
4 power plants, invest in new power plants, and, and  
5 essentially match the growth of their community.

6 So the, the Gainesville City Commission, the  
7 rate regulators of that commission, they take those  
8 responsibilities very seriously, as you do, and I  
9 believe that they have looked at what the rate impacts  
10 are of this investment compared to other investments.  
11 And as I, as I mentioned, I believe you'll hear  
12 testimony on that this afternoon.

13 And the point being that, that I think both  
14 bodies, the Gainesville City Commission and you all,  
15 take those criteria very, very seriously, listen very  
16 closely to their consumers, and try to make the best  
17 decision with the information they have.

18 COMMISSIONER EDGAR: Thank you. Thank you.

19 COMMISSIONER STEVENS: Commissioner Klement.

20 COMMISSIONER KLEMENT: Thank you, Mr. Moline.

21 Do you, do you know or do you have, do you have  
22 knowledge of what -- how this, the cost of this biomass  
23 fuel compares on the, on the scale of costs for  
24 renewables? Is it the lowest, in the middle, or is it  
25 higher?

1           MR. MOLINE: Well, I, I -- again, I'm not an  
2 expert on that issue where I could say specifically what  
3 the costs would be. I would prefer to, to either have  
4 an expert respond to you or, or at least give, you know,  
5 some indication that I've looked at that information  
6 recently so that I could, you know, tell you where that  
7 fit on the continuum.

8           But I will say this as a, as a private  
9 citizen, I installed a photovoltaic system on my house a  
10 few months ago, a 5-kilowatt system. And I'm sorry to  
11 indulge the group here. I didn't get the state rebate,  
12 which I unfortunately couldn't even lobby for as, you  
13 know, for FMEA because it wasn't necessarily what our  
14 position was for, for PV. But I would have liked if the  
15 Legislature had passed that, but they didn't.

16           The point being I'm now paying about 30 cents  
17 a kilowatt hour from my electricity from my photovoltaic  
18 system. And I believe that the, that this facility is  
19 significantly less in price than that. But there are  
20 experts that will, that will speak to that.

21           So as a private citizen I can only say that my  
22 own personal investment far exceeds, I believe, this  
23 investment.

24           COMMISSIONER KLEMENT: We'll wait to hear more  
25 testimony then. Thank you. That's all.

1 MR. MOLINE: Thank you, Commissioner.

2 COMMISSIONER KLEMENT: Any further questions  
3 from the Commission? Intervenors?

4 MS. DEEVEY: Yes, I have a question.

5 CROSS EXAMINATION

6 BY MS. DEEVEY:

7 Q. My name is Dian Deevey. You testified that  
8 there was a great deal of transparency with regard to  
9 the decision to approve this plant, that there had been  
10 very considerable discussion of the plant and of the  
11 costs and all these things in the community before it  
12 was approved. What is your source of information, of  
13 that information?

14 A. The -- well, first of all, one aspect of that  
15 transparency was the number of public hearings, a  
16 significant number of public hearings.

17 The second -- and you're probably referring to  
18 a reference that I heard this morning about redacted  
19 contracts and so on, I presume.

20 The point is that, that, I was saying about  
21 transparency is that there has been ample discussion in  
22 the community about this, this proposed project.

23 Q. Are you referring to conservation, to  
24 discussion about earlier versions of a biomass plant or  
25 about the one that is now under consideration by the

1 Public Service Commission?

2 A. I'm considering all discussions of the biomass  
3 plant.

4 Q. Yes. Where do you live? Do you live in  
5 Gainesville?

6 A. I live in Tallahassee, ma'am.

7 Q. Tallahassee, not Gainesville. Thank you.

8 COMMISSIONER STEVENS: Thank you, Ms. Deevey.

9 Mr. Wright?

10 MR. WRIGHT: No questions. Thank you,  
11 Commissioner.

12 MS. STAHMER: Commissioner?

13 COMMISSIONER STEVENS: Yes. I'm sorry. I'm  
14 sorry. Yes, ma'am.

15 MS. STAHMER: That's quite all right.  
16 Intervenor Stahmer.

17 COMMISSIONER STEVENS: Ms. Stahmer.

18 MS. STAHMER: Thank you.

19 CROSS EXAMINATION

20 BY MS. STAHMER:

21 Q. You live in Tallahassee. Did you participate  
22 in what you refer to as all these public meetings and  
23 discussions in Gainesville about the proposed GREC  
24 project?

25 A. I did not participate in any hearings, ma'am.

1           Q.    So I'm repeating a question then that  
2           Ms. Deevey asked you.  What is your basis for asserting  
3           that there was all of this public discourse or  
4           discussion about the project presently before the Public  
5           Service Commission?

6           A.    Thank you for allowing me to clarify.  I read  
7           in several publications, including the Gainesville Sun,  
8           that there were, there were over three dozen meetings  
9           about the biomass plant.

10          Q.    Over three dozen meetings specifically about  
11          the GREC project?

12          A.    Actually, I should clarify.  Dozens of  
13          meetings about, specifically about the GREC -- about  
14          renewable energy investments and a biomass investment.

15          Q.    And --

16          A.    So, so your question is specifically about the  
17          GREC project?  And I can't say that there were 37  
18          meetings about that specific project, if that's what  
19          you're asking.  So -- but my, my response to you is in  
20          general that there were 37 public meetings about, about  
21          a biomass plant.

22          Q.    Are you basing that statement, particularly  
23          about the 37 meetings, on information received from GRU  
24          or from the city government of Gainesville?

25          A.    Yes.

1 Q. Thank you.

2 COMMISSIONER STEVENS: Thank you, Ms. Stahmer.

3 Mr. Wright.

4 MR. WRIGHT: Thank you, Commissioner. Just  
5 one follow-up question on Ms. Stahmer's questioning.

6 COMMISSIONER STEVENS: Yes, sir.

7 CROSS EXAMINATION

8 BY MR. WRIGHT:

9 Q. Good morning -- good afternoon, Mr. Moline.

10 In your role as Executive Director of the Florida  
11 Municipal Electric Association, do you keep track, keep  
12 regular track of significant power plant developments by  
13 your members?

14 A. Yes.

15 Q. Thank you.

16 COMMISSIONER STEVENS: Thank you, Mr. Moline.

17 MR. MOLINE: Thank you, Mr. Chairman. Thank  
18 you, Madam Chairman.

19 COMMISSIONER STEVENS: Yes. Madam Chairman.

20 CHAIRMAN ARGENZIANO: Perhaps it would be a  
21 good time to take our 30-minute break, if Commissioners  
22 think so.

23 COMMISSIONER STEVENS: Absolutely.

24 CHAIRMAN ARGENZIANO: Okay.

25 COMMISSIONER STEVENS: Well, we have, we do

1 have one more person on this list. Do you want to knock  
2 that one out?

3 CHAIRMAN ARGENZIANO: It's up to you.

4 COMMISSIONER STEVENS: Is this the end of the  
5 list?

6 CHAIRMAN ARGENZIANO: I'm with it. Let's go  
7 for it. Sure. If everybody else is.

8 COMMISSIONER STEVENS: Is that okay?

9 CHAIRMAN ARGENZIANO: Yeah. I'd say good  
10 call.

11 COMMISSIONER STEVENS: Mr. Bernie Windham.  
12 Mr. Windham, have you been sworn in?

13 MR. WINDHAM: Yes, sir.

14 COMMISSIONER STEVENS: Thank you. Thanks for  
15 being here.

16 BERNIE WINDHAM  
17 appeared as a witness and, swearing to tell the truth,  
18 testified as follows:

19 DIRECT STATEMENT

20 MR. WINDHAM: Some people know me since I've  
21 been working at the Commission for about 25 years until  
22 I retired last year. A lot of people don't know  
23 anything about my other activities in addition to  
24 working at the Commission. I also worked at the  
25 Department of Community Affairs where I was a program

1 developer and legislative analyst and things like that  
2 there. And I was, I worked at the Legislature for two  
3 years as primary staff person, technical staff person in  
4 development of the FEECA, FEECA program at the  
5 Legislature under a grant program from the federal  
6 government.

7 After working as a reliability engineer in the  
8 defense industry for two years, I went back to graduate  
9 school and got a couple of master's degrees -- well, I  
10 got master's degrees in statistics, applied mathematics  
11 and demography. And I also did additional studies in  
12 architecture and energy efficient design and solar  
13 energy at the university and also from the Florida Solar  
14 Energy Center. And I worked as a heating and air  
15 conditioning contractor, had a license and everything.

16 I have been a researcher for a long time,  
17 which is why I did some of the things I did, and I've  
18 actually served on four federal scientific advisory  
19 committees and several state and local scientific  
20 advisory committees dealing with energy and such,  
21 including the EPA Global Warming Committee, Advisory  
22 Committee and Alternative Energy at the Florida Energy  
23 Office.

24 I've written a lot of articles and published  
25 and written some books, and I did some medical research.

1 And some of my books have been coauthored by MDs and  
2 some of my stuff has been used in medical schools and  
3 translated into other languages. I still get some  
4 royalties from a book written in French, for example,  
5 which is on the Amazon -- it's actually Lulu they call  
6 it.

7           Anyway, I hadn't planned on testifying here  
8 today and no one had asked me to specifically look at  
9 the GRU biomass facility, but this weekend someone asked  
10 me, who is familiar with my website -- I'm a researcher  
11 and I've been compiling information for a long period of  
12 time on, on different kinds of plants and options and  
13 alternative energy and all kinds of things and in  
14 particular on health effects -- but they asked me if I  
15 would come and, and put some of the information from my  
16 website in the record regarding health effects of  
17 biomass plants and also comparisons of how biomass  
18 facilities compare to coal plants. And I do have a lot  
19 of information on my website about that kind of thing.

20           And I would note that the studies I've seen  
21 indicate that the emissions from biomass plants are  
22 similar in level to those of coal plants for things like  
23 CO<sub>2</sub>, carbon monoxide, nitrogen oxides and particulates.  
24 And there are also other kinds of pollution that have,  
25 have health effects like poly-aromatic hydrocarbons and

1 such.

2 In the short-term -- anyway, the levels with  
3 coal plants are very similar, but coal plants in general  
4 are somewhat more energy efficient than most biomass  
5 plants. So the -- for some of these, some biomass  
6 plants actually have more emissions per kWh than coal  
7 plants.

8 But in the short-term biomass facilities are  
9 large emitters of carbon dioxide and carbon monoxide,  
10 and they're not likely, in my opinion and based on  
11 studies I've seen, to be net zero emitters over any  
12 period of time less than 50 years, if ever. But it  
13 depends, it does depend on the specific plant and  
14 assumptions.

15 And I don't have time to talk about apparently  
16 some other things that I had planned on talking about.  
17 But I also have in my exhibits, which I only have one  
18 copy of since I had a car -- my car was actually hit by  
19 a tree. I had a tree fall on my car due to a little  
20 wind we had this weekend, and my car --

21 COMMISSIONER STEVENS: Does that bias you  
22 towards the --

23 MR. WINDHAM: I'm sorry?

24 COMMISSIONER STEVENS: Does that bias you  
25 towards --

1 (Laughter.)

2 MR. WINDHAM: No.

3 COMMISSIONER STEVENS: I was just checking.

4 MR. WINDHAM: I might also mention, I might  
5 also mention that I'm a landowner and I manage a 95-acre  
6 farm, a good bit of which is trees, I have timber, and  
7 I've sold some in the last two years.

8 But, anyway, but, but I would refer you to --  
9 I have a lot of URLs and documentation in my exhibit,  
10 and, and that has a lot of details on -- and about  
11 studies. Dr. Saff, Dr. Saff was asked about some  
12 studies. I actually have some of the studies probably  
13 that people were asking him about that are in the URL,  
14 if you, if you follow my -- my website has references to  
15 some of the studies that deal with the question of  
16 particulates, PM 2.5 and PM 10 and NOx and such, and  
17 asthma and other kinds of health conditions.

18 But, anyway, I do have an exhibit that has,  
19 you know, like I said, some of the references and  
20 everything, but I don't have time to go into detail  
21 about all the different specifics.

22 COMMISSIONER STEVENS: Thank you, Mr. Windham.

23 Are there questions from the Commission for  
24 Mr. Windham? From the Intervenors? Yes, ma'am.

25 MS. DEEVEY: Yes.

1 COMMISSIONER STEVENS: Ms. Deevey.

2 CROSS EXAMINATION

3 BY MS. DEEVEY:

4 Q. I'm Dian Deevey. I have a question. In your  
5 investigation of the pollution and gas use emissions  
6 from biomass-based plant, did you have occasion to  
7 consider the nitrous oxide, the N20 emissions?

8 A. I have -- I do have on my website and in the,  
9 in the URLs and references that are, that are in my  
10 exhibit, cited in my exhibit, I do have studies that are  
11 related to SO2 and OX particulates being 2.5, PM 10 and  
12 so forth. And so I have -- I reference studies and  
13 summarize what they say about all those different kinds  
14 of things.

15 Q. Well, no, I'm not concerned with NOx, which  
16 are nitric oxide and nitrogen dioxide. I'm concerned  
17 with N20, nitrous oxide, laughing gas.

18 And you -- thank you. You've answered my  
19 question.

20 COMMISSIONER STEVENS: Mr. Wright.

21 MR. WRIGHT: I have no questions,  
22 Commissioner. Thank you.

23 COMMISSIONER STEVENS: Thank you. And this  
24 will be --

25 MR. WRIGHT: Commissioner, I do have a,

1           potentially a couple of problems with the exhibits. I  
2           haven't seen it. It hasn't been furnished.

3                    COMMISSIONER STEVENS: Yes, sir. Yes, sir.  
4           Okay.

5                    MR. WRIGHT: And I specifically -- so on that  
6           basis I would object to the admission of the exhibit.  
7           And I specifically object to any links from the exhibit  
8           because obviously it's completely impractical for us to,  
9           to go review those at this time.

10                   COMMISSIONER STEVENS: Okay.

11                   COMMISSIONER EDGAR: Mr. Chairman?

12                   COMMISSIONER STEVENS: Yes.

13                   COMMISSIONER EDGAR: It is my understanding  
14           that we haven't admitted any exhibits. We have merely  
15           marked. Are you objecting to marking the exhibit or the  
16           proposed document exhibit?

17                   MR. WRIGHT: I was noting for the record my  
18           objection to its admission. Certainly you can mark  
19           whatever you want to mark.

20                   MS. HELTON: That's also my understanding. I  
21           don't think that we have actually admitted any of the  
22           public testimony exhibits into the record at this time.  
23           They've all just been, to my knowledge, marked for  
24           identification.

25                   COMMISSIONER STEVENS: Okay. So we can mark

1 this as -- is it 82?

2 MS. HELTON: That's my number also. My number  
3 agrees with your number.

4 (Exhibit 82 marked for identification.)

5 COMMISSIONER STEVENS: Okay. And we can  
6 document the objection.

7 MS. HELTON: Yes, sir. We would note the  
8 objection for the record. And perhaps if Mr. Windham  
9 only has one copy, someone from staff can make some  
10 copies for us during the -- oh, actually I think  
11 Ms. Walsh is, as usual, one step ahead of us and is  
12 making copies.

13 COMMISSIONER STEVENS: Perfect.

14 MS. HELTON: And maybe Mr. Wright could look  
15 at it over the lunch break and we could take up his  
16 objection then, if it still stands, and then also take  
17 up the admission of the public testimony exhibits after  
18 we get back from lunch.

19 COMMISSIONER STEVENS: Okay.

20 MR. WINDHAM: Actually she doesn't have a  
21 copy. I have my only copy.

22 COMMISSIONER STEVENS: He has another -- he  
23 has a copy of something else.

24 MR. WINDHAM: I gave her, I gave her some  
25 information about my past work and research background

1 and a, and a brief overview of what I was going to talk  
2 about.

3 COMMISSIONER STEVENS: So if we can, if we can  
4 just get that from Mr. Windham.

5 MR. WINDHAM: Because my car got fell on and I  
6 didn't have time to go into town.

7 MS. HELTON: We'll get -- Mr. Chairman and  
8 Commissioners, we will get a copy of that from  
9 Mr. Windham and get copies made during lunch, if  
10 necessary. And I think it would be appropriate to deal  
11 with it when we get back from lunch.

12 COMMISSIONER STEVENS: Thank you. Thank you,  
13 Mr. Wright. Is that -- are we good with that?

14 MR. WRIGHT: I'm good with that plan,  
15 Commissioner. Thank you.

16 COMMISSIONER STEVENS: Thanks, Mr. Wright.

17 Thanks, Mr. Windham, for being here.

18 And with that -- go ahead. Commissioner  
19 Edgar.

20 COMMISSIONER EDGAR: Thank you. Thank you,  
21 Mr. Chairman.

22 I'm presuming that when we come back from a  
23 short lunch break, we'll begin the technical portion of  
24 the hearing?

25 COMMISSIONER STEVENS: That's what I would

1 think.

2 COMMISSIONER EDGAR: Okay. Then before we do  
3 that, I would like to pose a couple of questions to  
4 Mr. Wright.

5 There are a few questions that came to my mind  
6 from some of the comments from a few of the speakers  
7 during the public testimony, and so I'd like to raise  
8 these prior to the break. And then ask if, either when  
9 we come back or as the witnesses come forward, if you  
10 could maybe help me identify which witness would perhaps  
11 be the best to ask for additional information or  
12 clarification on the points that were raised. And to  
13 the Intervenors, I'm posing this to Mr. Wright since  
14 it's his witnesses that have been proffered, but would  
15 clearly recognize and be grateful for any questions you  
16 may have along the same lines or others.

17 City Commissioner Henry raised a point about  
18 bond companies having said that more capacity was  
19 needed. And then I think Mr. Godet elaborated on that a  
20 little more, referring to an S&P bond rating. I'd like  
21 a little more information along those points, what that  
22 is, why. And I don't know if there's any bearing or not  
23 yet, but that's what I'm trying to ascertain.

24 Then Commissioner, and I'm going to butcher  
25 this name, I apologize, Mastrodicasa -- all right, thank

1       you -- I think made a statement about there being real  
2       risk if action is not taken now. And I'm not sure what  
3       risks were being referred to, but there may be a witness  
4       who is testifying along those lines.

5               Then Commissioner Lowe, I believe, said  
6       700 new jobs, and I'd like additional information as to  
7       whether -- about that number, if indeed I heard that  
8       correctly, and if those would be, or whatever the number  
9       is, temporary, long-term, construction versus operation,  
10      that type of thing.

11              Ms. Cooper raised a question or a point about  
12      the number of trucks, and I believe you questioned about  
13      that. So I wasn't sure -- and I'll of course look at  
14      the prefiled testimony again myself, but if there is a  
15      witness that can clarify that point.

16              Mr. Fulford raised a question along the lines  
17      of if there were any other similar projects with the  
18      technology, pollution protection, et cetera, that were  
19      in operation currently, and I don't know the answer to  
20      that. And that's it.

21              MR. WRIGHT: I can answer all of those right  
22      now, if you'd like.

23              COMMISSIONER EDGAR: I'll leave that to the  
24      Chairman, or, or if there's a particular witness.

25              COMMISSIONER STEVENS: Commissioner Skop.

1                   COMMISSIONER SKOP: Thank you. I have one  
2 additional.

3                   MR. WRIGHT: Oh, I meant -- by that I meant I  
4 can identify the witnesses, which I understood to be  
5 your question. I was not going to testify.

6                   COMMISSIONER EDGAR: Okay. All right. I  
7 didn't want you to ask you to testify, Mr. Wright.

8                   MR. WRIGHT: No. And I definitely did not  
9 want to do that. Thank you.

10                  COMMISSIONER STEVENS: Commissioner Skop.

11                  COMMISSIONER SKOP: Thank you. Mr. Chairman.

12                  To Commissioner Edgar's point, I have one  
13 additional point that I would like to get clarification  
14 on.

15                  Commissioner Edgar spoke to bond ratings. In  
16 fact, I would like to know if there's any testimony with  
17 respect to what would happen to the City of  
18 Gainesville's bond rating if GRU decided to self-build  
19 this proposed plant in light of its excess capacity as  
20 opposed to having a third party own and construct it and  
21 just merely purchase the power. Thank you.

22                  COMMISSIONER STEVENS: Commissioner Edgar.

23                  COMMISSIONER EDGAR: I would just say then if  
24 Mr. Wright is able and willing to very quickly, not to  
25 belabor, but give the names of the witnesses, then I can

1 look at that over the break a little bit too.

2 COMMISSIONER STEVENS: Sure. Mr. Wright.

3 Yes, sir.

4 MR. WRIGHT: Thank you, Commissioner,

5 Commissioner Edgar.

6 With respect to the bond companies and the  
7 testimony offered by Commissioner/Vice Mayor Henry and  
8 Mr. Godet, I believe Mr. Regan can address those  
9 questions.

10 With respect to the risk factors mentioned by  
11 Commissioner Mastrodicasa, Mr. Regan testifies  
12 extensively in his supplemental direct testimony on  
13 that.

14 The job numbers are actually contained within  
15 Mayor Hanrahan's prefiled supplemental direct testimony.

16 I believe, and I will verify this during the  
17 break, that Mr. Levine testified and possibly also  
18 Mr. Regan testified about the number of trucks at the  
19 December hearing, but I will verify that.

20 And I'm pretty sure also that Mr. Regan, I can  
21 verify this as well, that Mr. Regan testified about a  
22 number of other similar projects operating in the world  
23 at the December 16th hearing.

24 I will have to inquire about your --

25 Commissioner Skop's final question regarding the bond

1 rating impact if Gainesville were to self-build the  
2 project.

3 COMMISSIONER EDGAR: Okay. Thank you.

4 MR. WRIGHT: Thank you.

5 COMMISSIONER STEVENS: Thank you, Mr. Wright.

6 MR. WRIGHT: Thank you.

7 COMMISSIONER STEVENS: With that, 30 minutes?

8 30 minutes. We will recess.

9 (Recess taken.)

10 (Transcript continues in sequence with Volume  
11 2.)

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1 STATE OF FLORIDA )  
 : CERTIFICATE OF REPORTER  
 2 COUNTY OF LEON )

3

4 I, LINDA BOLES, RPR, CRR, Official Commission  
 Reporter, do hereby certify that the foregoing  
 5 proceeding was heard at the time and place herein  
 stated.

6

7 IT IS FURTHER CERTIFIED that I  
 stenographically reported the said proceedings; that the  
 same has been transcribed under my direct supervision;  
 8 and that this transcript constitutes a true  
 transcription of my notes of said proceedings.

9

10 I FURTHER CERTIFY that I am not a relative,  
 employee, attorney or counsel of any of the parties, nor  
 am I a relative or employee of any of the parties'  
 11 attorneys or counsel connected with the action, nor am I  
 financially interested in the action.

12

13 DATED THIS \_\_\_\_\_ day of \_\_\_\_\_,  
 2010.

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\_\_\_\_\_  
 LINDA BOLES, RPR, CRR  
 16 FPSC Official Commission Reporter  
 (850) 413-6734

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