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Biomass plant on hold

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GAINESVILLE, Fla - The controversial biomass power plant in Gainesville is on standby. This shut down is projected to save GRU customers about 1.5 million dollars and city leaders are commending the decision.

The Gainesville Renewable Energy Center, also known as GREC has a power purchase agreement to sell electricity to Gainesville Regional Utilities for 30 years. But due to a clause in their contract, the plant's operation is currently on hold-- so what could this mean for Gainesville's ratepayers?

"We're stuck with some of the highest rates in the state," said Ed Braddy Gainesville mayor.

The biomass plant temporarily went offline due to a lightning strike, on Friday. "We actually have a clause in the contract that says we cannot request that grec take their power offline, but in the event that they take it off, we don't have to bring it back online," added Braddy.

GRU doesn't intend on switching the biomass plant back on until October. Edward Bielarski, GRU's new general manager said, "We're looking at anywhere between \$20-25,000 on a daily basis... As long as they're down and we still have the same production costs and ultimately the reduced expenses do flow through to the rate payer."

In spite of the plant's current stand-by status, GRU is still obligated to pay almost 70 million dollars a year in fixed costs. To put things into perspective, that's nearly \$195,000 per day.

In the mean time, Bielarski says he's waiting on a real response from the ownership of GREC, as he's asked to discuss renegotiating the contract. Braddy said, "The principles that GREC have issued many fine press releases saying they're always open to discussion but they never seem willing to actually sit down and discuss any type of renegotiation of the contract."

With the plant offline for now, GRU is currently generating the power it needs from its existing assets like the coal-burning power plant "Deerhaven 2." Bielarski says replacing biomass power with its own generation fleet can save the utility up to \$12 per megawatt-hour.



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Ray Washington a resident and attorney in Gainesville said, "This community wants to be a leader in renewable energy, it doesn't want to be a place where it has failed. So my overall hope is that the new general manager will proceed on four fronts: interpretation of the contract to our benefit, also implementation of it, renegotiation of it, and possibly enforcing in court a better deal."

We did reach out to GREC for comment, while they weren't willing to answer any questions they did send the following statement: "GREC is available and ready to deliver energy. We expect that GRU will abide by all the terms of the purchase power agreement."

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