

# Community Partnership for Energy Planning

## Leadership Team & Community Working Group – B (Citrus, Hernando, Levy)

## Meeting Summary

Plantation Inn – Crystal River, FL  
May 5, 2009

Time: 9:00 AM to 11:00 AM

Facilitated By: STAR Group, LLC  
[www.stargroupconsulting.com](http://www.stargroupconsulting.com)



## Attendees

<u>LT &amp; CWG Members Present:</u>	<u>Guests:</u>
Kevin Cunningham – REMax/Realty One	Gail Simpson – Progress Energy Florida
Harold Ross – Ross Hammock Ranch	Tonya Elliott – Progress Energy Florida
Richard Clay – Synergy Architecture	Cyndi McRee – Progress Energy Florida
Chuck Dixon – Citrus County Schools	George Puckett – Progress Energy Florida
Dwayne Dueker – Sugar Mill Woods Civic Association	
Carl Flanagan – Citrus County Chamber of Commerce	
Morris Harvey – North Citrus Civic Association, Citrus County Council	
Dixie Hollins – Hollinswood Ranch	
Gary Maidhof – Citrus County	
David Miles – Hernando County	
Nicholas Nicholson – Nicholson Engineering	
Dorothy Pernu – 7 Rivers Regional Medical Center	
Justin Rooks – Foster-Carter Industrial	
Ed Schiller – Sugar Mill Woods Civic Association	
Roy Smith – Town of Inglis	
Carla Groleau – Progress Energy Florida	
Larry Watson – Progress Energy Florida	

Bill Moye and Chris Kenny of STAR Group welcomed the Leadership Team and Community Working Group members and reviewed the ground rules and agenda for the meeting.

Gail Simpson provided members with an update on activities related to the Baseload Transmission Project. The group discussed the recently completed Site Certification Application (SCA) hearings. Gail noted that the hearings were sparsely attended with the most attendees coming to the hearing in Inglis in Levy County. Comments on the project ranged from environmental and safety concerns to the potentially beneficial economic impacts. Several participants from the Community Partnership for Energy



Planning and other community leaders spoke in support of the project at one or more of the hearings.

Gail noted that the Administrative Law Judge is expected to issue his recommendation to the Siting Board (which consists of Governor Crist and the cabinet) regarding the SCA by June 2009. The Siting Board likely will make its decision in August and that decision would become final approximately 30 -45 days later.

Gail discussed a recent PEF press release in which PEF announced that it was withdrawing its Limited Work Authorization application in response to a decision by the federal Nuclear Energy Regulatory Commission limiting the amount of work that PEF may conduct prior to receiving a Combined Operating License for the Levy plant. That license is not expected to be issued before 2011, resulting in approximate minimum 20-month schedule shift to the project timetable.

Members of the group asked several questions about the shift and its potential impacts on the project. In response, Gail advised the group that:

1. No decision has been made regarding construction of the proposed Levy training facility.
2. A decision on whether or when to begin taking out the existing 115kV lattice structures and rebuilding that line with structures that will support a combined 230kV and 115kV line will not occur for several months and possibly not until issues pertaining to the Combined Operating License for the Levy plant have been resolved.
3. PEF will continue with some of its planning efforts regarding the Levy plant and related transmission, but the extent of that work will not be determined until a new schedule has been created.
4. The NRC's decision limiting the amount of pre-certification work PEF is authorized to conduct was based on the NRC determination that the work filed in the Limited Work Authorization applications was significant and needed to be approved along with the Combined Operating License. This decision doesn't imply there are issues with PEF's application for the Levy plant and related transmission. The NRC is not treating PEF's application differently from any of the other

- applications now being evaluated. However, each application will be evaluated based on the applicants' specific project.
5. PEF will be revising its timetable for the Levy plant and the Baseload Transmission project. As more information becomes available, Gail will be sure to share this information with members of the LT and CWG. PEF expects to have a revised schedule by later this year.
  6. Gail is not certain whether the Levy plant or Progress Energy Carolinas' Harris plant would be constructed first. Progress Energy remains committed to both projects.

Gail then discussed PEF's recent announcement regarding electric rates. She reviewed the different rate components and when the various components are reviewed by the PSC for change. She explained that the recent rate filing made by PEF is to pay for investments in infrastructure including the repowering of the Bartow plant and transmission upgrades to PE's system. She pointed out that rates are impacted by several factors, the most volatile of which are fuel costs. PEF ratepayers have seen fuel charges fluctuate on their bills, with an increase in the fuel charge in January followed by a decrease in April. This is because PEF simply passes its actual fuel costs on to consumers. Since a large percentage of PEF's fuel comes from natural gas, the volatility in prices for those fuels has been reflected on customers' bills in recent years. Gail also noted that one reason PEF wants to build the Levy plant is to reduce that kind of fuel price volatility, which can have a significant impact on customers who live on a fixed income.

In contrast to fuel costs, base rates are used to support PEF's infrastructure improvements and operating costs. PEF's base rates have not increased in more than 1% in the last 25 years. Public service hearings will be held by the Public Service Commission from July through September 2009. The Public Service Commission will make its ruling on the proposed base rate increase in September, with an effective date of January 1, 2010 for the new rates (if approved).

PEF has also filed to increase its early cost recovery for the Levy plant by 2%. The proposed increase reflects under-recovery on the Levy plant in 2009. The company also announced that because of the project shift that resulted from the NERC decision concerning the Limited Work

Authorization, PEF has proposed spreading out the early cost recovery for the Levy plant by an additional 5 years. If passed, this will reduce the monthly amount collected for the Levy plant. It was noted that the early cost recovery, while impacting customer bills in now and up to operation of the plant, will save PEF ratepayers over \$13 billion on the Levy plant. It was also noted, this is not easy for people to accept, particularly in difficult economic times.

The group offered several suggestions to PEF on ways in which PEF could communicate rate information more effectively. Most members agreed that business owners generally understood the rate issues but that residential ratepayers may be having a more difficult time understanding how rates are calculated, why they fluctuate, and how the recent rate and Levy cost recovery issues interrelate. Members asked PEF to consider presenting rate information in a "menu" format for easy comprehension, detailing elements such as cost recovery for the Crystal River scrubbers, the proposed Levy plant, the new base rate, etc. Gail invited members to provide feedback to PEF on how this information is presented on PEF's web site.

Cyndi McRee and George Puckett from PEF made a presentation on some of the residential and commercial energy efficiency programs that PEF has available. These range from free energy audits to financial incentive programs for residential and business customers who make cost-saving changes to their properties. Cyndi and George reported that since 1981, customers have saved nearly \$911 million through PEF's energy-efficiency programs -- or more than 12.11 billion kilowatt-hours -- enough to power the city of Orlando for more than two years. These programs have helped eliminate almost 7.6 million tons of CO<sub>2</sub> (equal to removing more than 2 million cars off the road every year). More information on energy efficiency tips can be found at [www.savethewatts.com](http://www.savethewatts.com).

The group discussed ways in which PEF might publicize its energy efficiency programs and identified the following strategies:

1. Include a graph on bills to show
  - a. Fuel vs. other charges
  - b. Show actual energy usage over the past year
  - c. Split out costs by category (e.g., Crystal River scrubbers, fuel, base rate, Levy cost recovery, etc.)

2. Make presentations to
  - a. Chambers of commerce
  - b. Economic development organizations
  - c. Rotary Clubs and other civic organizations
  - d. Homeowners' associations
3. Use the bill to direct people to a place on PEF's website where they can calculate their energy usage and their possible energy savings using some of PEF's energy efficiency initiatives.

The group discussed some of the achievements to date as well as issues that continue to warrant the group's attention. The accomplishments identified were:

- a. The community provided significant input that allowed PEF to narrow its possible transmission line corridors down to a single corridor.
- b. Fact sheets about the Levy plant and the transmission line options have been very informative and helpful. PEF should continue to use these, particularly with homeowners' associations.

Members identified the following as issues on which they felt they could continue to make a contribution as well as additional communications opportunities for PEF to explore:

- a. Where, when and how transmission lines will be sited.
- b. Rate issues are clouding other information – we need better and focused information.
- c. Simplify communications not only what is happening but why it is happening.
- d. Education and public relations equals more work required.
- e. Educate public about energy audits and their cost savings at schools.
- f. There is more time for education due to twenty month delay of project.
- g. What is the effect of transportation becoming dominated by electrically powered vehicles?
- h. Focus on high school and college students.
- i. What is being done with the Levy Plant capital collected to offset the construction costs?

- j. Diversify methods of communications:
  - o Fact sheets
  - o More public meetings
  - o Develop a new timeline by task
  - o Use the speakers bureau
  - o E-mail information to CWG members for their distribution
- k. The U.S. needs to change the use of oil away from foreign oil production – this is very important.

Due to time constraints, the group did not participate in a Plus/Delta exercise at this meeting. The next meeting date, time and place will be communicated to the group via email.

## Community Working Group Roster (Citrus, Levy, Hernando Counties)

Category	County	First	Last	Organization	City
(B) Civic and Community Organizations and Citizens/Local Elected Officials	Citrus	Curt	Ebitz	Citrus 20/20, Save Our Waters Committee	Homosassa
(B) Civic and Community Organizations and Citizens/Local Elected Officials	Citrus	John	Marmish	United Way of Citrus County	Lecanto
(B) Civic and Community Organizations and Citizens/Local Elected Officials	Citrus	Scott	Carson	City of Inverness	Inverness
(B) Civic and Community Organizations and Citizens/Local Elected Officials	Citrus	Morris	Harvey	North Citrus Civic Association	Citrus Springs
(B) Civic and Community Organizations and Citizens/Local Elected Officials	Citrus	Duane	Dueker	Sugar Mill Woods Civic Association	Homosassa
(B) Civic and Community Organizations and Citizens/Local Elected Officials	Citrus	Richard	Clay	Synergy Architects	Crystal River
(B) Environmental/Public Landowners	Citrus	Pat	Casselberry	Audubon Society Withlacoochee River Basin Board	Inverness
(B) Environmental/Public Landowners	Hernando	Janey	Baldwin	Florida Division of Forestry	Brooksville
(B) Environmental/Public Landowners	Citrus	Wilbur	Priest	Citrus County School District	Homosassa
(B) Government Staff/Planning Staff	Citrus	Chuck	Dixon		Lecanto
(B) Government Staff/Planning Staff	Hernando	Bill	Geiger	City of Brooksville	Brooksville
(B) Government Staff/Planning Staff	Citrus	Kurt	Woerner	City of Crystal River Withlacoochee River Regional Planning Council	Crystal River
(B) Government Staff/Planning Staff	Levy	Eugene	Trimpert		Inglis
(B) Government Staff/Planning Staff	Citrus	Gary	Maidhof	Citrus County Southwest Florida Water Management District	Inverness
(B) Government Staff/Planning Staff	Citrus	Jimmy	Brooks		Lecanto
(B) Government Staff/Planning Staff	Levy	Bruce	Greenlee	Levy County Road Dept.	Bronson
(B) Government Staff/Planning Staff	Hernando	David	Miles	Hernando County Citrus Memorial Hospital Health System	Brooksville
(B) Major Power Consumers	Citrus	Katie	Lucas		Inverness
(B) Major Power Consumers	Citrus	Vernon	Lawter	Central Florida Community College 7 Rivers Regional Medical Center	Lecanto
(B) Major Power Consumers	Citrus	Dorothy	Pernu		Crystal River
(B) Private Landowners	Citrus	Dixie	Hollins	Hollinswood Ranch	Crystal River
(B) Private Landowners	Hernando	Justin	Rooks	TBF Partners, Ltd.	Brooksville
(B) Public Service/First Responders	Levy	Evan	Smith	Levy County	Bronson
(B) Public Service/First Responders	Levy	Roy	Smith	Town of Inglis	Inglis
(B) Tourism and Economic Development	Hernando	Mike	McHugh		Brooksville
(B) Tourism and Economic Development	Hernando	Nicholas	Nicholson	Nicholson Engineering Citrus County Chamber of Commerce	Brooksville
(B) Tourism and Economic Development	Citrus	Carl	Flanagan	Best Western Crystal River Resort	Hernando
(B) Tourism and Economic Development	Citrus	Daryl	Seaton		Crystal River
(B) Utility	Citrus	Carla	Groleau	Progress Energy Florida	Crystal River
(B) Utility		Larry	Watson	Progress Energy Florida	Lake Mary