

BEFORE THE GOVERNOR AND CABINET
OF THE STATE OF FLORIDA

In The Matter Of:)
The City of Gainesville and)
Gainesville-Alachua County)
Regional Electric, Water and) DOAH Case No. 75-467N
Sewer Utilities Board, Deerhaven)
Unit No. 2 Site Certification,)
DER Case No. PA 74-04.)

The following persons were present and participated in
the disposition of this matter:

Honorable Reubin O'D. Askew
Governor

Honorable Bruce A. Smathers
Secretary of State

Honorable Robert L. Shevin
Attorney General

Honorable Bill Gunter
Treasurer and Insurance Commission

Honorable Gerald A. Lewis
Comptroller

Honorable Doyle Conner
Commissioner of Agriculture

Honorable Ralph D. Turlington
Commissioner of Education

PERMIT

RECEIVED
MAY 25 1978

ORDER ADOPTING HEARING OFFICER'S
RECOMMENDATION OF CERTIFICATION SUBJECT TO CONDITIONS
BY THE GOVERNOR AND CABINET:

The Governor and Cabinet, having heard presentations by the
parties, reviewed the Recommended Order dated April 28, 1978,
(attached and incorporated as Exhibit 1) as well as the special
and general conditions referred to therein and attached thereto as

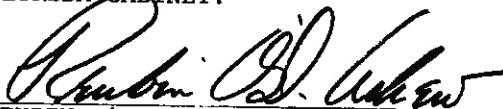
Exhibit A, and being otherwise fully advised herein, it is,

ORDERED:

1. The Recommended Order is approved and adopted.
2. The general and special conditions referenced therein and attached thereto are approved and adopted, and the certification of Deerhaven Unit No. 2 is made specifically subject to those general and special conditions.

DONE AND ENTERED this 16th day of May, 1978, subsequent to a vote of the Governor and Cabinet at a duly constituted Cabinet meeting of May 16, 1978.

FOR THE GOVERNOR AND
FLORIDA CABINET:


REUBIN O'D. ASKEW
Governor

VOTE:

For:

Against:

Copies Furnished To All Parties.

BEFORE THE STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS

In the Matter of:	)	
	)	
City of Gainesville and	)	
Gainesville-Alachua County	)	
Regional Electric, Water and	)	CASE NO. 75-467N
Sewer Utilities Board,	)	
Deerhaven Unit No. 2	)	
Site Certification,	)	
Alachua County, Florida	)	
DER Case No. PA 74-04	)	

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND
RECOMMENDED ORDER

This proceeding was held pursuant to the Florida Electrical Power Plant Siting Act, Chapter 403, Part II, Florida Statutes, to consider the application for site certification of Deerhaven Unit No. 2 submitted by the City of Gainesville, Florida, and the Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board, hereinafter referred to as Unit No. 2.

Pursuant to proper notice, a certification hearing as required by Section 403.508(3), Florida Statutes, was held in Gainesville, Florida, on April 27, 1978, for the purpose of receiving testimony and evidence concerning whether the location and operation of the proposed facility will produce minimal adverse effects on human health, the environment, the ecology of the land and its wildlife and the ecology of state waters and their aquatic life.

The hearing included an examination of the following: the necessity for expanded electrical generation; the expected environmental impact from construction and operation of the facility; the operational safeguards of the facility; the availability of abundant electrical energy; and other public interests and issues relevant to certification of the proposed site.

The following parties entered appearances at and/or participated in the certification proceedings through Counsel or representatives:

EXHIBIT I

1. Department of Environmental Regulation;
2. Applicants (City of Gainesville, Florida and the Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board);
3. Florida Public Service Commission;
4. State of Florida, Department of Administration, Division of State Planning;
5. Florida Defenders of the Environment, Inc.; and
6. Florida Department of Natural Resources.

Having considered all testimony and evidence properly admitted, having heard argument of Counsel and representatives and being otherwise fully apprised herein, the following Findings of Fact, Conclusions of Law and Recommended Order are entered.

FINDINGS OF FACT

1. The proposed site for Unit No. 2 consists of approximately 1,116 acres on the northeast side of four-lane U. S. Highway 441, six miles northwest of Gainesville in Alachua County near the community of Inaug. The site is nearly level, and vegetation consists primarily of pine flatwood, much of which is planted pines interspersed with occasional cypress bays. The site is currently used by the City of Gainesville for the operation of three existing generating units including an 81 megawatt steam unit (Unit No. 1), dual fired by natural gas or No. 6 fuel oil, and two 20 megawatt combustion turbines used for peaking purposes dual fired by natural gas or No. 6 fuel oil.

2. Unit No. 2 consists of the addition of a coal-fired, 235,000 kW, steam electric generating unit and related facilities to the 1,116 acre Deerhaven Station. The project will include a modern steam generator, an electrostatic precipitator and reheat turbine generator, a 350 foot stack, one additional deep water supply well, a multi-cell, mechanical draft wet cooling tower, ash handling, fuel storage and handling facilities, a brine concentrator for effluent treatment, a side-stream treatment facility for softening of cooling tower blowdown for reuse,

complete auxiliary equipment, instrumentation, controls, step-up transformers, 138 kV overhead connection to the on-site transmission substation, associated equipment and initial fuel supply inventory.

3. The City of Gainesville owns and operates its electric system in cooperation with the Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board. The latter agency was set up by Interlocal Agreement and consists of the five elected Gainesville City Commissioners and the five elected Alachua County Commissioners. This Board assists in making policies relating to the City's utilities systems. Most of the urban and urbanizing areas of Alachua County are presently served by the City's electric system.

4. The construction of Unit No. 2 and related facilities will involve removal of vegetation on approximately 361 acres of the proposed site. However, because this site is already in use as a generating facility and because there is little significant vegetation, wildlife or historical artifacts at the immediate site, the environmental impact of constructing Unit No. 2 is not expected to be significant.

5. As originally proposed, Unit No. 2 would discharge its cooling tower effluent in the same manner as the existing facility, into a tributary of Turkey Creek. As this proceeding progressed, the Department of Natural Resources and the Florida Defenders of the Environment, Inc. strongly opposed this surface stream discharge method since Turkey Creek flows into San Felasco Hammock, through Sanchez Prairie, and into Split Rock Sink (all on State Environmentally Endangered Land). With these objections and after much study, the City changed its method of effluent disposal to "zero discharge" so that no cooling tower effluent will be discharged into Turkey Creek or elsewhere. The Department of Natural Resources and the Florida Defenders of the Environment, Inc. now indicate that so long as the zero discharge method is used for Unit No. 2 and no effluent is discharged into Turkey Creek, they do not object to the certification of Unit No. 2. The City also has stated its agreement to use the zero discharge method for Unit No. 1 when Unit No. 2 comes on line meaning the existing discharge from Unit No. 1 into Turkey Creek will also be eliminated.

6. The existing 81 megawatt power plant (Unit No. 1) is now using, and the proposed 235 megawatt addition is proposing to use, groundwater from the Floridan Aquifer for makeup to the cooling towers. The estimated groundwater withdrawal for Units No. 1 and No. 2 at sixty percent load factor is 3.84 million gallons per day (5.51 million gallons per day at full load). This groundwater will be drawn from four 1,500 gallons per minute capacity wells (fourteen inches in diameter and 500 feet deep) located about 300 feet apart near the plant. Consumptive use is minimized by the implementation of a side stream treatment facility which softens cooling tower blowdown for reuse. The "zero discharge" system consists of taking all process wastes and treating them in a brine concentrator for dissolved solids removal by forced evaporation with reuse of the condensate and disposal of the remaining sludge or dry residue in a secured cell. With the use of these various water treatment and recycling systems, no wastewater will be discharged from this site.

7. The proposed facility includes various ditches, ponds, storage areas, landfill cells, etc. for the collection and treatment of storm water runoff, blowdown, bottom ash, fly ash and other wastes. A potential concern exists in that rainfall in such areas may result in "leaching" from the areas into the shallow or deep aquifers. The City currently has underway an extensive on-site study of this potential leachate concern, and the City's engineers and consultants will be identifying any areas of the site which need protection and recommending the extent and type of protection required to comply with applicable state and federal regulations. This study and these recommendations will be submitted to the Department of Environmental Regulation and the Suwannee River Water Management District for review and approval prior to

construction of the leachate protection facilities. This leachate program will assure compliance with state water quality standards.

8. Unit No. 2 was originally designed to be primarily fired by oil. However, under the cloud of investigation by the Federal Energy Administration (FEA) to force the plant to convert to coal, in March, 1977, the City revised the design of Unit No. 2 for coal firing. (FEA subsequently ordered on June 21, 1977 that the plant be built with coal burning capability.) The City has signed a Letter of Intent to enter into a long-term coal contract for low sulfur coal supplied from West Virginia. Because the City proposes to burn low sulfur coal, no flue gas desulfurization equipment is planned to be installed, though space and design of Unit No. 2 will be such that sulfur dioxide removal equipment can be installed with minimum retrofitting problems should the City not be able to obtain low sulfur coal in the future. The coal handling and storage facilities to be constructed as part of Unit No. 2 include a small portion of spur railroad track and loop, a facility to quickly unload an entire train of coal and facilities to eventually move the coal from the unloading areas to the boiler.

9. Unit No. 2 will employ a high efficiency (99.5%) electrostatic precipitator to remove fly ash from the stack gas. With the precipitator, the use of low sulfur coal and a 350 foot high stack, will enable the City to comply with applicable federal and state particulate, sulfur dioxide, nitrogen oxides emission and ambient air standards.

10. The Department of Environmental Regulation has concluded that the operation of Unit No. 2 will cause only a slight increase in the levels of ambient concentrations of particulates, sulfur dioxides and nitrogen oxides and will not cause significant degradation of the existing ambient air quality levels, and that Unit No. 2 will use the latest reasonably available control technology for the control of pollutant emissions. The use of this equipment should result in all emissions being in compliance with federal and state emission standards. The emission control techniques for coal handling facilities proposed for Unit No. 2 are capable of meeting applicable state and federal standards.

11. The proposed site is surrounded by chain link and barbed-wire fencing, and there is a vehicle trail for patrolling the fence periodically. An entrance gate and control station is manned remotely. The portion occupied by the generating equipment and auxiliary facilities is surrounded by another chain link security fence. The overall design and layout of the facility is such as to minimize hazards to human health and safety, wildlife and aquatic life. In addition, warning signs and security control measures are utilized in routine plant operation. The City will comply with all applicable federal, state and local health and safety standards to protect the plant staff, visitors and local residents from hazardous conditions. No significant noise or sight impacts of the construction and operation of Unit No. 2 are anticipated.

12. Using econometric modeling techniques, the City of Gainesville is projecting a 5.9% average annual growth rate in energy consumption from 1977 through 1986. Assuming a twenty percent reserve margin and this forecasted demand, additional generating capacity would be needed in the 1980-1981 time frame. Unit No. 2 is proposed to come on line in January, 1981 as a base load unit.

13. The City has a capacity sale contract with Florida Power Corporation for available excess capacity in the first five to six years of Unit No. 2's operation. Florida Power has a firm requirement to purchase 75 megawatts during the first three years of Unit No. 2's operation and options to purchase another 75 megawatts plus any other excess for the rest of this period through mid-1986. If the City has excess energy not bought by Florida Power, the City plans to market it to other Florida utilities.

14. The Florida Public Service Commission report indicates that the Commission independently modeled the City's projected demand growth using the Commission's own econometric techniques. From this analysis, and from its evaluation of the modeling and other data provided or available to it, the Commission recommended certification of Unit No. 2. The Public Service Commission considered the specific need for power generation expansion in the Applicants' area to be served as well as the general need in the

state as a whole also considered the statewide reliability implication of building or not building Unit No. 2. The Public Service Commission's recommendation for certification was based on the following: the City's long-term peak system demand is expected to increase 4.8% to 6.3% annually; the Unit No. 2 alternative appears less costly than joint ownership of a generating unit remote to the City's system; low voltage condition on the Archer bus during transient conditions while importing power would require a transmission tie to a point other than the Archer switching station if joint ownership of a remote unit were planned; operation of Unit No. 2 will improve the voltage level at the Archer bus during transient conditions to the benefit of both the peninsular grid and the City's system; and addition of Unit No. 2 will further diversify the fuel mix for the City and for the peninsula as a whole. The Public Service Commission pointed out that the four to six year lead time in constructing fossil-fired generating units makes it difficult to react to sudden changes in usage patterns and that any alternatives considered must be economical and practically available in time to meet projected demands. The Public Service Commission also noted that the reserve generating margin is insufficient if the largest unit is out of service. Without Unit No. 2, a slight growth in future demand will result in the City operating in a mode where a single contingency could precipitate a blackout if Unit No. 1 is out of service. The Public Service Commission also pointed out that the City is obligated to provide spinning reserve to the peninsular Florida grid, which effectively increases system demand. The Public Service Commission study indicated that Unit No. 2 appears to be the lowest long-term cost alternative presently available to the City to satisfy the expected growth in power demands and energy consumption.

15. The Division of State Planning of the Department of Administration has reviewed the 1977 Ten Year Site Plan of the City of Gainesville and the Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board. The initial report by the Division on the instant application classified such plan as unsuitable based on a number of Division concerns surrounding the long-term need for power by the City and the possible risks

by and impacts on the system's ratepayers if the City's demand projections did not come to fruition because of economics, state or federal energy policies and the like. However, the Division found a short-term need for power did exist in the City's electric system. This initial report raised a number of concerns of the Division which the Division indicated it would attempt to resolve with the City prior to the final hearing. At the pre-hearing conference on April 12, 1978, Counsel for the Division indicated representatives of the Division had met with City representatives and that the Division's concerns expressed in its initial report as they related to Unit No. 2 specifically were resolved. The Division indicated its final position on certification to be favorable. While the Division still is concerned about the many uncertainties in power generation expansion planning because of the numerous unknown variables it sees in today's increasingly economy-conscious and "energy conservation-oriented" society, the Division stated its position that the local elected officials are such to make these decisions for their own locality. On April 13, 1978, the Division's Counsel filed a formal pleading indicating all disputes between the Division and the City were resolved by the Division's final recommendation for certification. At the conclusion of the hearing, Counsel for the Division stated that the Division stated that the Division now considered the Ten Year Site Plan to be suitable.

16. DER Composite Exhibit No. 3 includes a statement of general conditions of certification and special conditions of certification which the Department of Environmental Regulation has proposed be made applicable to this facility, if certified. The Applicants, City of Gainesville and Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board, have stipulated and agreed that the general and special conditions of certification, as proposed, should be imposed if certification is granted. A copy of these conditions is attached hereto and incorporated herein as Exhibit "A".

17. No parties to this proceeding have indicated objections to the certification being granted to Unit No. 2 if the general and special conditions of certification as modified by stipulation of all parties are imposed.

18. At the conclusion of the presentation by the parties to this proceeding, opportunity was given to the general public to comment upon the application for site certification. A citizen testified in opposition to the plan based on his analysis of the economics involved.

CONCLUSIONS OF LAW

19. This proceeding was held pursuant to the Florida Electrical Power Plant Siting Law, Chapter 403, Florida Statutes, and Chapter 17-17, Florida Administrative Code, to consider the subject application for site certification.

20. Notice, in accordance with Chapter 403 and Chapter 120, Florida Statutes, and Chapter 17-17, Florida Administrative Code, has been given to all persons and parties entitled thereto, as well as to the general public.

21. The purpose of this proceeding was to take testimony and evidence concerning whether the location and operation of the proposed facility will produce minimal adverse effects on human health, the environment, the ecology of the land and its wildlife and the ecology of state waters and their aquatic life and to fully balance the increasing demands for electric power, plant location and operation with the broad interests of the public, as provided in Chapter 403, Florida Statutes.

22. The record of this hearing consists of all pleadings and papers filed herein, the transcript of the final hearing, all orders entered by the Hearing Officer and all other evidence and exhibits admitted to the record.

23. After this proceeding was initiated in 1974, the Florida State Legislature, enacted the Florida Environmental Reorganization Act of 1975, Chapter 75-22, Laws of Florida, 1975, which took effect on July 1, 1975. This act affected the nature and authority of the following parties to this proceeding by transferring the Department of Pollution Control to the Department of Environmental Regulation, except for certain powers, duties and functions vested in the Governor and Cabinet. The Act provides that the Governor and Cabinet shall perform the duties previously vested in the Pollution Control Board of the Department of Pollution Control, pursuant to the Florida Electrical Power Plant Siting Act, Sections 403.59, 403.511, 403.512 and 403.513, Florida Statutes. For those

purposes, the Governor shall perform the duties of the chairman of the Pollution Control Board as defined in Section 403.511, Florida Statutes. Therefore, these Findings of Fact, Conclusions of Law and the Recommended Order are directed to the Governor and Cabinet for final decision.

Section 24 of Chapter 75-22, Laws of Florida, 1975, provides that:

"No legal or administrative proceeding pending as of the effective date of this act shall be abated or delayed because of any transfer made in this act, and any department to which are transferred the powers, duties, and functions of an agency relating to a pending proceeding shall be substituted as a party in interest in such proceeding."

This administrative proceeding was pending as of the effective date of Chapter 75-22, and substitution of parties was made as provided in Section 24 of the act.

24. Section 403.55, Florida Statutes, provides that the Division of State Planning of the Department of Administration, shall make a study of each Ten Year Site Plan required to be submitted by each electric utility and that the Division shall classify each such plan as "suitable" or "unsuitable". The Division of State Planning has made such a study. Such a report and recommendation has been submitted and introduced into evidence in the proceeding. The Division interposed no objection to certification of proposed Unit No. 2.

25. Section 403.507, Florida Statutes, requires that, upon application for site certification, the Florida Public Service Commission shall prepare a report and recommendation as to the present and future needs for electrical generating capacity in the area to be served by the proposed site and shall submit its findings to the Department of Environmental Regulation. Such a report and recommendation has been submitted and introduced into evidence in this proceeding and recommends a need for the generating capacity of proposed Unit No. 2.

26. The City of Gainesville and Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board have made a valid application for site certification pursuant to the Florida Electrical Power Plant Siting Law, Chapter 403, Florida Statutes.

27. The location and operation of Unit No. 2, as proposed, pursuant to the general and special conditions as attached in Exhibit "A", will produce minimal adverse effects on human health, the environment, the ecology of the land and its wildlife and the ecology of state waters and their aquatic life.

28. The operational safeguards for the proposed unit are technically sufficient for the welfare and protection of the citizens of Florida.

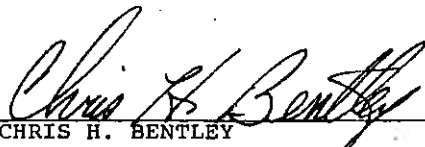
29. The unit, as proposed, is consonant with the premise of abundant, low-cost electrical energy.

30. The Florida Pollution Control Board, in accordance with then applicable law, found the proposed site of Unit No. 2 consistent and in compliance with existing land use plans and zoning ordinances by its Order on July 24, 1974. Evidence at the final hearing herein on April 27, 1978 indicated no subsequent changes have been made in the applicable land use plans and zoning ordinances as they relate to the proposed site.

RECOMMENDED ORDER

Having reviewed the record of this proceeding, and based upon the Findings of Fact and Conclusions of Law set forth herein, it is hereby RECOMMENDED that certification, pursuant to Chapter 403, Part II, Florida Statutes, be granted the City of Gainesville and the Gainesville-Alachua County Regional Electric, Water and Sewer Utilities Board for the construction and operation of Unit No. 2. It is further recommended that this certification be made subject to the general and special conditions of certification as set forth in Exhibit "A" as attached.

DATED this 28 day of April, 1978 in
Tallahassee, Florida.


CHRIS H. BENTLEY
Hearing Officer

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