

March 1, 2012

Ms. April Groover
Project Manager
Office of Energy
Florida Department of Agriculture and Consumer Services
600 S. Calhoun Street, Suite 251
Tallahassee, FL 32399-1300

Re: Request for no cost time extension to EECBG Grant Agreement No. ARE024

Dear Ms. Groover:

The City of Leesburg is honored to have been awarded EECBG Grant No. ARE024. This grant provides significant assistance to the 23,000 customers served by the City of Leesburg's electric utility as Leesburg partners with electric customers to provide technologically advanced equipment, optional alternative retail rate structures, and Energy Efficiency and Conservation elements as part of Leesburg's comprehensive Smart Grid project. Leesburg's revised EECBG project provides for the procurement and installation of 23,000 smart meters, that will serve as the network infrastructure capable of informing electric customers of near real-time energy consumption information and the infrastructure necessary to enable the benefits of the future planned installation of Home Area Network (HAN) equipment that will support programmable communicating thermostats and other demand response (DR) equipment to residential and small commercial customers.

Leesburg issued Purchase Order # 527844 to GE Digital Energy on December 1, 2011 for electric meters and communications equipment (relays, access points and associated hardware) necessary to deliver the meter data to the utility.

The most recent delivery schedule from GE Digital Energy is for meter delivery to Leesburg during June 2012. The meter installation contractor is scheduled to begin meter installation during July 2012 and continuing the installation through September and possibly into October 2012. Both GE and the installation contractor are aware of the strong desire of Leesburg and the State that the meters be installed in a timely manner.

The final contract costs for meter, communications equipment, and installation contractor are as follows:

Electric Meters	\$ 3,946,212
Communications Equipment	<u>\$ 216,827</u>
PO 527844 TOTAL	\$ 4,218,167

Meter Installation Contract	<u>\$ 645,437</u>
Project TOTAL	\$ 4,863,604

Leesburg Match:	\$ 3,623,604
EECBG funding	<u>\$ 1,240,000</u>
Project TOTAL	\$ 4,863,604



LEESBURG
The Lakefront City

Post Office Box 490630 • Leesburg, Florida 34749-0630
352/728-9700 • Fax 352/728-9734 • TDD 352/728-4138

- AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER -

Ms. April Groover
March 1, 2012
Page 2

While the project objective remains to reduce the annual power consumption by City of Leesburg electric customers, that objective will not be met by the installation of the electric meters alone and there can be no anticipated documentation of energy savings resulting from the installation of the metering infrastructure. The installation of the advanced metering infrastructure is, however, a necessary precedent to the future installation of the HAN equipment.

Leesburg is fully committed to complete this EECBG project and Leesburg's overarching Smart Grid Investment Grant (SGIG) contract with the Department of Energy. Leesburg's SGIG project period of performance extends through May 13, 2013, by which time the HAN equipment will be installed and operational. Leesburg plans to use this meter procurement and installation \$1,240,000 savings to fund the HAN equipment as originally envisioned for the EECBG project.

Leesburg's efforts to lead the way and create a model for Smart Grid modernization so that other medium to small municipal utilities might benefit from our lessons learned, has already brought favorable recognition to the State of Florida. Most recently Leesburg's project has been nominated for a national award for Utility Innovation. This EECBG project is a critical element in the funding to enable Leesburg to reach our 2020 Vision.

This letter requests favorable consideration to amend certain terms and conditions contained in Grant Agreement ARE 024.

You may reach me at (352)728.9834 or by e-mail (paul.kalv@leesburgflorida.gov) with any questions or suggested revisions to this application for a no cost time extension to the grant agreement.

Sincerely,



Paul D. Kalv
Electric Utility Director
Chief Smart Grid Systems Architect

Attachments:

PO 527844
Energy Innovator Award Nomination