

Committee on Energy

Wednesday, March 12, 2008 3:45 PM - 6:00 PM Morris Hall (17 HOB)

COMMITTEE MEETING PACKET



The Florida House of Representatives

Environment & Natural Resources Council Committee on Energy

Marco Rubio Speaker Paige Kreegel Chair

AGENDA Morris Hall March 12, 2008

3:45 p.m. – 6:00 p.m.

- I. Opening Remarks by Chair Kreegel
- II. Workshop on potential issues for inclusion in PCB ENRC 08-01 Relating to Energy
- III. Closing Remarks by Chair Kreegel
- IV. Adjournment

INDEX OF POTENTIAL ISSUES FOR INCLUSION IN PCB ENRC 08-01 – ENERGY

- A Energy PCB workshopped in committee on March 5, 2008
- **B** Proposal relating to Electric Power Plant Siting and Transmission Power Plant Siting by the Florida Electric Power Coordinating Group, Inc.
- C Proposal relating to Governance of Energy Policy to establish a 7-member Florida Energy and Climate Commission within the Executive Office of the Governor
- **D** Discussion of Cap and Trade Regulatory Program
- E Discussion of Policy Options for Renewable Portfolio Standards
- F Discussion of Renewable Fuel Standards
- **G** Proposal relating to increased Thermal Efficiency Standards and Appliance Standards as proposed in the Governor's Bill C
- **H**-Proposal relating to the State Comprehensive Plan and the inclusion of energy and global climate change as program areas as proposed in the Governor's Bill B
- I Proposal relating to Metropolitan Planning Organizations (MPOs) as they relate to minimizing transportation-related fuel consumption, air pollution, and greenhouse gas emissions as proposed in the Governor's Bill B
- J Proposal relating to Environmental Cost Recovery as proposed in the Governor's Bill B
- K Proposal relating to Florida Green Government Grants Act as proposed in the Governor's Bill D
- L Proposal relating to Public Employee Telecommuting Programs as proposed in the Governor's Bill A
- M Proposal relating to the sales tax exemption for wind energy or wind turbines and the investment tax credit for wind energy as proposed by the Governor's Bill C
- N Proposal relating the Public Service Commission adopting a "net metering" rule that applies to municipal electric utilities and rural electric cooperatives



A – Energy PCB workshopped in committee on March 5, 2008

Section-by-Section Summary of Selected Provisions of Proposed Council Bill ENRC 08-01 relating to Energy

March 5, 2008

Section 1. Amends s. 196.175, F.S. - Renewable Energy Source Device Exemption

- Removes the expiration date of the property tax exemption for real property on which a renewable energy source device is installed and is being operated, thereby allowing property owners to once again apply for the exemption. The period of each exemption, however, remains at 10 years.
- Revises the options for calculating the property assessments for those properties with renewable energy source devices by limiting the exemption to the amount of the original cost of the device, including the installation cost, but not including the cost of replacing previously existing property.

Section 2. Amends s. 212.08(7)(ccc), F.S. – Sales, Rental, Use, Consumption, Distribution and Storage Tax Exemption for Renewable Energy Technologies

- Revises the definition of "ethanol" to mean anhydrous denatured alcohol produced by the *conversion of carbohydrates* rather than produced by the *fermentation of plant sugars*.
- Specifies that eligible items for the sales tax exemption are limited to one refund and requires a purchaser who receives a refund to notify a subsequent purchaser that the item is no longer eligible for a tax refund.
- Grants rule-making authority to the Department of Environmental Protection for certificate requirements.

Section 3. Amends s. 220.192, F.S. - Renewable Energy Technologies Investment Tax Credit

- Provides a definition of "corporation" to expand the types of business entities that may apply for and receive an allocation of the renewable energy technologies investment tax credit.
- Authorizes tax credits to be transferred to underlying partners, members, and owners, or to any taxpayer by written agreement.
- Grants rule-making authority to the Department of Revenue relating to prescribing forms, reporting requirements, and procedures necessary to transfer a tax credit and the pass through of a tax credit to the partner, member, or owner of a corporation.

Sections 4-5. Amend ss. 255.251 and 255.252, F.S. – Energy Conservation and Sustainable Buildings

- Renames the short title so that those statutes focus on both energy conservation and sustainable buildings.
- Provides intent language relating to the need to build energy-efficient, state-owned buildings that meet environmental standards using sustainable materials.
- Provides that new construction and renovations of existing state facilities attain Leadership in Energy and Environmental Design (LEED) rating, LEED-EB for smaller renovations, and LEED-NC for major renovations;
- Provides that state buildings be constructed to meet the LEED rating system and that existing state-owned buildings be retrofitted to minimize energy consumption.
- Requires each state government entity to compile a list of state-owned buildings (that are over 5,000 square feet in area) suitable for a Guaranteed Energy Performance Saving Contract (GEPSCA). Requires the list to be submitted to the Department of Management Services (DMS) by December 31, 2008.
- Requires the DMS to consult with governmental entities and create a schedule to prioritize state-owned buildings suitable for energy conservation projects by July 1, 2009.

Section 6. Amends s. 255.253, F.S. - Definitions Relating to Sustainable Buildings

- "Sustainable building" means a building that is healthy and comfortable for its occupants and is economical to operate while conserving resources, including energy, water, raw materials and land, and minimizing the generation and use of toxic materials and waste in its design, construction, landscaping, and operation.
- "Sustainable building rating" means a rating established by the United States Green Building Council's LEED rating system.
- "State government entity" means any state government entity listed in chapter 20 or the Florida Constitution and also includes water management districts, the Florida Court System, the State University System, the Community College System, or any other agency, commission, council, office, board, authority, department, or official of state government.

Sections 7-8. Amend ss. 255.254 and 255.255, F.S. – Facility Constructed or Leased without Life-Cycle Costs

 Provides that no state government entity shall lease, construct, or have constructed a facility, within prescribed limits, without having secured from the department an evaluation of lifecycle costs based on sustainable building ratings.

- Requires that an energy performance analysis (projection of annual energy consumption in dollars per square foot of major energy consuming equipment and systems) be provided for leased buildings of 5,000 square feet or greater.
- Provides that any building leased by the state from the private sector include monthly energy use data and that the owner of the building provide that data to the DMS on a monthly basis.
- Requires the DMS to promulgate rules and procedures, including energy conservation performance guidelines, based on sustainable building ratings.

Section 9. Amends s. 255.257, F.S. - Energy Management in State Buildings

- Provides that data be gathered on energy consumption and cost for each state-owned facility over 5,000 net square feet and that the data be reported annually to the DMS.
- Requires each state government entity to appoint a coordinator to advise the head of the entity on matters of energy consumption in that entity's facilities, vehicles operated by that entity, and other energy-consuming activities of the state. The bill further requires the coordinator to assist the DMS in the development of the State Energy Management Plan.
- Requires all state government entities to adopt the LEED-NC (new construction) standards for all new construction of state buildings.
- Requires all state government entities to implement the LEED-EB (existing building) rating for all buildings currently owned and operated by the DMS for client agencies. Further provides that the state government entity can prioritize implementation of LEED-EB to gain the greatest environmental benefit.
- Provides that leasing agreements entered into by state government entities meet Energy Star building standards and provides an exception if no other cost-effective alternative exists.
- Provides that state government entities develop energy conservation measures for new and existing office space where the state government entity occupies more 5,000 square feet.

Section 10. Undesignated section - Mandatory Compliance for New Construction

- Declares that the construction of energy efficient and sustainable buildings is an important state interest.
- Requires that all county, municipal, and school district buildings be constructed to meet the LEED rating system. This requirement would only apply to buildings whose architectural plans are started after July 1, 2008.

Section 11. Creates s. 286.28, F.S. - Climate Friendly Public Business

Requires the DMS to develop a "Florida Climate Friendly Preferred Products List." Requires
products of comparable cost that have clear energy efficiency or other environmental benefits
over competing products to be purchased under State Term Contracts.

- Provides that effective July 1, 2008, state government entities shall only contract for meeting and conference space with hotels or conference facilities that have received the "Green Lodging" designation from the DEP and authorizes the DEP to adopt rules to implement the "Green Lodging" program.
- Specifies that each state government entity shall meet vehicle maintenance schedules shown to reduce fuel consumption and shall measure and report compliance to the DMS through the Equipment Management Information System.
- Provides that when procuring new vehicles, state government entities shall define the intended purpose for a vehicle and determine which "use classes" the vehicle is being procured. Further requires that the vehicle with the highest fuel efficiency available be selected. The bill provides for exceptions for emergency response vehicles and approval of exception requests by the entity's chief executive officer.
- Requires state government entities to use ethanol and biodiesel blended fuels, when available, and requires entities administering central fueling operations for state-owned vehicles to procure biofuels for fleet needs to the greatest extent practicable.
- Defines "state government entity" to mean any state government entity listed in chapter 20 or the Florida Constitution and also includes water management districts, the Florida Court System, the State University System, the Community College System, or any other agency, commission, council, office, board, authority, department, or official of state government.

Section 12. Amends s. 287.063, F.S. - Deferred-Payment Commodity Contracts

- Deletes an obsolete subsection relating to deferred payment purchases.
- Provides that the payment term for the deferred payment purchase may not exceed the useful life of the equipment unless the contract provides for replacement or extension of the useful life of the equipment.

Section 13. Amends s. 287.064, F.S. - Consolidated Financing of Deferred-Payment Purchases

- Increases the period of time for repayment of funds drawn pursuant to the master equipment financing agreement from 10 to 20 years for energy conservation measures.
- Provides that the guaranteed energy performance savings contractor provide for the replacement or extension of the useful life of the equipment during the term of the contract.

Section 14. Amends s. 377.803, F.S. – Definitions under the Renewable Energy Technologies Grant Program

• Removes the definition of an "approved metering device," which is a cost-prohibitive device that is no longer used to measure British thermal units produced by commercial-sized systems.

Sections 15-32. Amend ss. 403.502, 403.503, 403.504, 403.506, 403.5065, 403.50663, 403.50665, 403.507, 403.508, 403.509, 403.511, 403.5112, 403.5113, 403.5115, 403.516, 403.517, 403.5175, and 403.518, F.S – Power Plant Siting Act (PPSA)

- Clarifies legislative intent regarding an electrical power plant's associated facilities in order to be consistent with the changes to the definition of an "electric power plant."
- Revises the definitions for "associated facilities," "electrical power plant," and "site" and creates a new definition for "electrical generating facility." Amending these terms provides conformity to other revisions made throughout the PPSA. These changes also conform to legislative changes made to the definition of "electrical power plant" in 2006.
- Amends the definition of "Certification" to specify that the term refers to not only the Final Order of the Siting Board, but, when applicable, the Final Order of the Secretary of DEP.
- Revises the definition of "ultimate site capacity" to clarify that unless otherwise specified, "ultimate site capacity" is calculated on a "gross" capacity basis rather than "net."
- Provides that steam generating facilities that do not produce electricity are not subject to the act. This section also specifies that the PPSA does not apply to power plants of less than 75 MWs in "gross" capacity, and this includes all "associated facilities," not just substations. This section also increases the exemption from the act for expansions of generation capacity for an existing exothermic reaction cogeneration electrical generating facility from 35 MW to 75 MW.
- Decreases the public notice requirement for local government informational meetings from 15 days to 5 days prior to the meeting, and specifies that the "general public" along with all parties must be provided notice. Provides the manner in which the notice is to be made and how to get reimbursed for providing such notice.
- Requires applicants to include, within the required consistency statement, the "identification of associated facilities that the applicant believes are exempt from land use requirements and zoning ordinances."
- Provides that local governments only have to file a Consistency Determination for facilities that are not exempt from land use plans and zoning ordinances. Provides that this requirement to file a consistency determination by local governments does not apply to any new electrical generation unit proposed to be operated on the site of a previously certified electric power plant or on the site of a power plant that was not previously certified that will be wholly contained within the boundaries of the existing site.
- Increases the amount of time beyond the 45 day time limit from 35 to 55 days that a local government has to issue its land use consistency determination if the application has been determined incomplete based in whole or part upon a local government request for additional information. Provides that incompleteness of information can be claimed by the local government as cause for a statement of inconsistency with existing land use plans zoning ordinances.

- Establishes a deadline for the local government to initiate the proceeding to rule upon a request to address inconsistencies.
- Provides that petitions on land use consistency determinations should be filed with the Administrative law Judge (ALJ), rather than the DEP, since a case has already been opened at the Division of Administrative Hearings and an ALJ has already been assigned to the case.
- Provides that certain reports and agency reviews must be provided to DEP, unless a final order denying the Determination of Need has been issued.
- Requires that when an Administrative Law Judge receives a petition on land use consistency determinations, a hearing date shall be set within 5 days.
- Clarifies that since no determinations are required for exempt facilities, no hearing is required.
- Conforms to the revisions made in s. 403.50665, F.S., providing that the administrative law judge and not the DEP receives petitions disputing a local land use consistency determination.
- Relocates a provision on the completeness of information for local governments to make a land
 use consistency determination into the section on the land use consistency determination from the
 section on hearings, where it is more germane.
- Specifies that property rights will be handled as part of the stipulation filed among all parties that there are no disputed issues of fact or law, and requires that such property rights be issued within 30 days of issuance of the final order.
- Revises the sizing requirements for the various newspaper notices to make them more consistent with the map and text requirements for each notice.
- Clarifies that when "interested persons" have been requested to be placed on a list for information about power plants being reviewed by the department, such notice shall be issued for each case, rather than for all cases.
- Adds a public notice provision for the local government informational public meetings, to be issued 7 days before the meetings, and specifies publication requirements
- Revises exemption from land use and zoning determination for existing power plant sites if there will be no expansion in site boundaries to include additional offsite associated facilities if they are exempt from Ch. 163, F.S., requirements.
- Provides that the department may issue the certification, as well as the Siting Board. Specifies
 that Regional Planning Councils may hold Informational Public Meetings instead of a local
 government.
- Deletes the word "hearing" because no part of the act states that local governments must provide notice of hearings (as opposed to meetings).
- Establishes a benchmark for timing in relation to fee disbursements for projects placed in abeyance.

• Provides that DEP may take into account the number of agencies involved in the review when determining the amount of the certification modification fee.

Sections 33-40. Amend ss. 403.5252, 403.526, 403.527, 403.5271, 403.5272, 403.5312, 403.5363, and 403.5365, F.S. - Transmission Line Siting Act (TLSA)

- Clarifies that agency completeness statements are due 30 days after the application is filed, rather than after it is distributed. Provides that the deadline for the issuance of the determination of completeness by DEP is "37 days" after the "filing of the application" rather than "7 days" after the "filing of agency completeness statements".
- Provides that a preliminary statement of issues must be submitted no later than "the submittal of each agency's recommendation that that the application is complete" rather than "50 days after the filing of the application."
- Provides that agency reviews and reporting requirements are halted if a final order denying the Determination of Need has been issued.
- Clarifies that there shall be a public hearing component held in conjunction with the main hearing, in addition to those that may be optionally requested by a local government.
- Extends the local government public hearing notification deadline from "21 days after the application has been determined complete" to "50 days after the filing of the application."
- Revises the deadline for the cancellation of the certification hearing and clarifies that any stipulation regarding cancellation of the hearing must also state that there are no disputed issues of law.
- Requires that notice must be published providing that the certification hearing has been deferred due to the acceptance of the alternate corridor.
- Provides for automatic withdrawal of an alternate proposal if the alternate proponent does not meet its obligations regarding notice. Provides a deadline for agency comments on alternate proposals.
- Increases notification requirement to parties for informational public meetings from 5 to 15 days and adds a requirement for public notice of the meeting.
- Specifies various size and content requirements for several categories of public notices, such as the
 notice of filing an application, the notice of the certification hearing, and the notice of the
 cancellation of the certification hearing.
- Makes deadline changes in various notices to match other changes in the bill, in order to enable DEP to have the time to publish such notice under the new, lengthier Florida Administrative Weekly publication requirements set out in 2006.

- Specifies that there may be more than one alternate proponent. Allows for a combined notice of
 alternates to avoid confusing the public when a number of notices are published about different
 alternate proposals for the same transmission line.
- Adds a notice to assure public knowledge of an informational public meeting.
- Provides that agencies may submit to DEP, within 90 days after "the written notification of" withdrawal of the application, requests for reimbursement of expenses incurred during the certification process.
- Clarifies that the 1 year in abeyance provision is to be measured from the date the applicant has provided written notification to the department that it desires to have the application review process placed on hold.
- Provides that if the certification application is withdrawn, the remaining sums are to be refunded to the applicant within 90 days after "submittal of the written notification" of withdrawal.

Section 41. Amends s. 489.145, F.S. - Guaranteed Energy Performance Savings Contracting Act (GEPSCA)

- Clarifies language for greater flexibility for facility improvements that produce an energyrelated cost savings to minimize energy consumption. Provides for agency shared savings that result from savings generated under the GEPSCA.
- Revises the definition of "energy conservation measure" to exclude training progress programs and include measures that reduce British thermal units, kilowatts, or kilowatt hours consumed.
- Expands the definition of "guaranteed energy performance savings contract" to include energy-related operational saving measures.
- Allows GEPSCA financing to include "allowable cost avoidance" in the amount of actual annual budgeted cost savings accrued under the GEPSCA.
- Requires that actual computed cost savings meet or exceed the cost savings estimated for a GEPSCA contract and that any baseline adjustments must be specified in the contract.
- Provides that financing for GEPSCA contracts may be provided under authority of consolidated financing of deferred payment purchases.
- Requires the Chief Financial Officer (CFO) to review proposals to ensure the most effective financing is used for GEPSCA contracts.
- Requires that GEPSCA financing payments under a contract are equal throughout the life of the financing.
- Requires the DMS to provide state agencies assistance with technical content of contracts.
- Requires the CFO to develop a model GEPSCA contract.

• Requires that a proposed GEPSCA contract include certain information when submitted to the CFO for review and approval.

Section 42. Provides an effective date of July 1, 2008.

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An act relating to Energy; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 196.175, Florida Statutes, is amended to read:

196.175 Renewable energy source exemption. --

- (1) Improved real property upon which a renewable energy source device is installed and operated shall be entitled to an exemption in the amount of not greater than the lesser of:
- (a) The assessed value of such real property less any other exemptions applicable under this chapter;
- (b) the original cost of the device, including the installation cost thereof, but excluding the cost of replacing previously existing property removed or improved in the course of such installation; or
- (c) Eight percent of the assessed value of such property immediately following installation.
- (2) The exempt amount authorized under subsection (1) shall apply in full if the device was installed and operative throughout the 12-month period preceding January 1 of the year of application for this exemption. If the device was operative for a portion of that period, the exempt amount authorized under this section shall be reduced proportionally.
- (3) It shall be the responsibility of the applicant for an exemption pursuant to this section to demonstrate affirmatively

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to the satisfaction of the property appraiser that he or she meets the requirements for exemption under this section and that the original cost pursuant to paragraph (1)(b) and the period for which the device was operative, as indicated on the exemption application, are correct.

(4) No exemption authorized pursuant to this section shall be granted for a period of more than 10 years. No exemption shall be granted with respect to renewable energy source devices installed before <u>July 1, 2008 January 1, 1980</u>, or after December 31, 1990.

Section 2. Paragraph (ccc) of subsection (7) of section 212.08, Florida Statutes, is amended to read:

- 212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.
- entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department

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or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

- (ccc) Equipment, machinery, and other materials for renewable energy technologies.--
 - As used in this paragraph, the term:
- a. "Biodiesel" means the mono-alkyl esters of long-chain fatty acids derived from plant or animal matter for use as a source of energy and meeting the specifications for biodiesel and biodiesel blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Biodiesel may refer to biodiesel blends designated BXX, where XX represents the volume percentage of biodiesel fuel in the blend.
- b. "Ethanol" means <u>an</u> nominally anhydrous denatured alcohol produced by the <u>conversion of carbohydrates</u> fermentation of plant sugars meeting the specifications for fuel ethanol and fuel ethanol blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Ethanol may refer to fuel ethanol blends designated EXX, where XX represents the volume percentage of fuel ethanol in the blend.
- c. "Hydrogen fuel cells" means equipment using hydrogen or a hydrogen-rich fuel in an electrochemical process to generate energy, electricity, or the transfer of heat.

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- 2. The sale or use of the following in the state is exempt from the tax imposed by this chapter:
- a. Hydrogen-powered vehicles, materials incorporated into hydrogen-powered vehicles, and hydrogen-fueling stations, up to a limit of \$2 million in tax each state fiscal year for all taxpayers.
- b. Commercial stationary hydrogen fuel cells, up to a limit of \$1 million in tax each state fiscal year for all taxpayers.
- c. Materials used in the distribution of biodiesel (B10-B100) and ethanol (E10-E100), including fueling infrastructure, transportation, and storage, up to a limit of \$1 million in tax each state fiscal year for all taxpayers. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify for the exemption provided in this sub-subparagraph.
- 3. The Department of Environmental Protection shall provide to the department a list of items eligible for the exemption provided in this paragraph.
- 4.a. The exemption provided in this paragraph shall be available to a purchaser only through a refund of previously paid taxes. Only the initial purchase of an eligible item from the manufacturer is subject to refund. A purchaser who has received a refund on an eligible item must notify any subsequent purchaser of the item that the item is no longer eligible for a refund of tax paid. This notification must be provided to the subsequent purchaser on the sales invoice or other proof of purchase.

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- b. To be eligible to receive the exemption provided in this paragraph, a purchaser shall file an application with the Department of Environmental Protection. The application shall be developed by the Department of Environmental Protection, in consultation with the department, and shall require:
- (I) The name and address of the person claiming the refund.
- (II) A specific description of the purchase for which a refund is sought, including, when applicable, a serial number or other permanent identification number.
- (III) The sales invoice or other proof of purchase showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the property was purchased.
- (IV) A sworn statement that the information provided is accurate and that the requirements of this paragraph have been met.
- c. Within 30 days after receipt of an application, the Department of Environmental Protection shall review the application and shall notify the applicant of any deficiencies. Upon receipt of a completed application, the Department of Environmental Protection shall evaluate the application for exemption and issue a written certification that the applicant is eligible for a refund or issue a written denial of such certification within 60 days after receipt of the application. The Department of Environmental Protection shall provide the department with a copy of each certification issued upon approval of an application.

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- Each certified applicant shall be responsible for forwarding a certified copy of the application and copies of all required documentation to the department within 6 months after certification by the Department of Environmental Protection.
- The provisions of s. 212.095 do not apply to any refund application made pursuant to this paragraph. A refund approved under pursuant to this paragraph shall be made within 30 days after formal approval by the department.
- The Department of Environmental Protection may adopt the form for the application for a certificate, requirements for the content and format of information submitted to the department in support of the application, other procedural requirements, and criteria by which the application will be determined by rule. The department may adopt all rules pursuant to ss. 120.536(1) and 120.54 to administer this paragraph, including rules establishing forms and procedures for claiming this exemption.
- The Department of Environmental Protection shall ensure α. be responsible for ensuring that the total amounts of the exemptions authorized do not exceed the limits as specified in subparagraph 2.
- 5. The Department of Environmental Protection shall determine and publish on a regular basis the amount of sales tax funds remaining in each fiscal year.
 - This paragraph expires July 1, 2010.
- Section 3. Subsection (1) of section 220.192, Florida Statutes, is amended, present subsection (6) is renumbered as subsection (7) and amended, present subsection (7) is renumbered

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- as subsection (8), and a new subsection (6) is added to that section, to read:
- 170 220.192 Renewable energy technologies investment tax credit.--
- 171 (1) DEFINITIONS.--For purposes of this section, the term:
- (a) "Biodiesel" means biodiesel as defined in s.
- 173 212.08(7)(ccc).

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- (b) "Corporation" means a general partnership, limited partnership, limited liability company, unincorporated business, or other business entity in which a taxpayer owns an interest and that is taxed as a partnership or is disregarded as a separate entity from the taxpayer for tax purposes.
 - (c) (b) "Eligible costs" means:
- 1. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$3 million per state fiscal year for all taxpayers, in connection with an investment in hydrogen-powered vehicles and hydrogen vehicle fueling stations in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
- 2. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$1.5 million per state fiscal year for all taxpayers, and limited to a maximum of \$12,000 per fuel cell, in connection with an investment in commercial stationary hydrogen fuel cells in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the

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- 3. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$6.5 million per state fiscal year for all taxpayers, in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100) and ethanol (E10-E100) in the state, including the costs of constructing, installing, and equipping such technologies in the state. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify as an eligible cost under this subparagraph.
- $\underline{(d)}$ "Ethanol" means ethanol as defined in s. 212.08(7)(ccc).
- $\underline{\text{(e)}}$ "Hydrogen fuel cell" means hydrogen fuel cell as defined in s. 212.08(7)(ccc).
 - (6) TRANSFERABILITY OF CREDIT. --
- (a) Any corporation or subsequent transferee allowed a tax credit under this section may transfer the credit, in whole or in part, to any taxpayer by written agreement without transferring any ownership interest in the property generating the credit or any interest in the entity owning such property. The transferee is entitled to apply the credits against the tax with the same effect as if the transferee had incurred the eligible costs.
- (b) To perfect the transfer, the transferor shall provide the department with a written transfer statement notifying the department of the transferor's intent to transfer the tax credits to the transferee; the date the transfer is effective;

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the transferee's name, address, and federal taxpayer
identification number; the tax period; and the amount of tax
credits to be transferred. The department shall, upon receipt of
a transfer statement conforming to the requirements of this
section, provide the transferee with a certificate reflecting
the tax credit amounts transferred. A copy of the certificate
must be attached to each tax return for which the transferee
seeks to apply such tax credits.

- (c) A tax credit authorized under this section that is held by a corporation and not transferred under this subsection shall be passed through to the taxpayers designated as partners, members, or owners, respectively, in the manner agreed to by such persons whether or not such partners, members, or owners are allocated or allowed any portion of the federal energy tax credit for the eligible costs.
- (7)(6) RULES.--The Department of Revenue shall have the authority to adopt rules <u>pursuant to ss. 120.536(1)</u> and 120.54 to administer this section, including rules relating to:
- (a) The forms required to claim a tax credit under this section, the requirements and basis for establishing an entitlement to a credit, and the examination and audit procedures required to administer this section.
- (b) The implementation and administration of the provisions allowing a transfer of a tax credit, including rules prescribing forms, reporting requirements, and specific procedures, guidelines, and requirements necessary to transfer a tax credit.
 - Section 4. Section 255.251, Florida Statutes, is amended

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252 to read:

255.251 Energy Conservation and Sustainable in Buildings Act; short title.—This act shall be cited as the "Florida Energy Conservation and Sustainable in Buildings Act of 1974."

Section 5. Section 255.252, Florida Statutes, is amended to read:

255.252 Findings and intent.--

- (1) Operating and maintenance expenditures associated with energy equipment and with energy consumed in state-financed and leased buildings represent a significant cost over the life of a building. Energy conserved by appropriate building design not only reduces the demand for energy but also reduces costs for building operation. For example, commercial buildings are estimated to use from 20 to 80 percent more energy than would be required if energy conserving designs were used. The size, design, orientation, and operability of windows, the ratio of ventilating air to air heated or cooled, the level of lighting consonant with space-use requirements, the handling of occupancy loads, and the ability to zone off areas not requiring equivalent levels of heating or cooling are but a few of the considerations necessary to conserving energy.
- efficient state-owned buildings that meet environmental standards and underway by the General Services Administration, the National Institute of Standards and Technology, and others to detail the considerations and practices for energy conservation in buildings. Most important is that energy efficient designs provide energy savings over the life of the

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building structure. Conversely, energy inefficient designs cause excess and wasteful energy use and high costs over that life. With buildings lasting many decades and with energy costs escalating rapidly, it is essential that the costs of operation and maintenance for energy-using equipment and sustainable materials be included in all design proposals for state-owned state buildings.

- materials considerations become a function of building design, and also a model for future application in the private sector, it shall be the policy of the state that buildings constructed and financed by the state be designed and constructed to meet the United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) rating system in a manner which will minimize the consumption of energy used in the operation and maintenance of such buildings. It is further the policy of the state, when economically feasible, to retrofit existing state-owned buildings in a manner which will minimize the consumption of energy used in the operation and maintenance of such buildings.
- (4) In addition to designing and constructing new buildings to be energy-efficient, it shall be the policy of the state to operate, maintain, and renovate existing state facilities, or provide for their renovation, in accordance with the United States Green Building Council's Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) for smaller renovations, or the United States Green Building Council's Leadership in Energy and Environmental Design for New

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Construction (LEED-NC) for major renovations in order to a manner which will minimize energy consumption and maximize building sustainability as well as ensure that facilities leased by the state are operated so as to minimize energy use. State government entities Agencies are encouraged to consider shared savings financing of such energy efficiency and conservation projects, using contracts which split the resulting savings for a specified period of time between the state government entity agency and the private firm or cogeneration contracts that which otherwise permit the state to lower its net energy costs. Such energy contracts may be funded from the operating budget.

(5) Each state government entity must identify and compile a list of all state-owned buildings within its inventory that it determines are suitable for a guaranteed energy performance savings contract pursuant to s. 489.145. The list of all stateowned buildings identified and compiled by each state government entity shall be submitted to the Department of Management Services by December 31, 2008, and shall include any criteria used to determine suitability. The list of suitable buildings shall be developed from the list of state-owned facilities over 5,000 square feet in area and for which the state government entity is responsible for paying the expenses of utilities and other operating expenses as they relate to energy use. In consultation with each state government entity executive officer, by July 1, 2009, the Department of Management Services shall prioritize all facilities owned by a state government entity deemed suitable for energy conservation projects by each state government entity and shall develop an energy efficiency

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project schedule based on lactors such as project magnitude,
efficiency and effectiveness of energy conservation measures to
be implemented, and other factors that may prove to be
advantageous to pursue. Such schedule shall provide the deadline
for guaranteed energy performance savings contract improvements
to be made to the state-owned buildings.
Section 6. Subsections (6), (7), and (8) are added to
section 255.253, Florida Statutes, to read:
255.253 Definitions; ss. 255.251-255.258
(6) "Sustainable building" means a building that is
healthy and comfortable for its occupants and is economical to
operate while conserving resources, including energy, water, raw
materials and land, and minimizing the generation and use of
toxic materials and waste in its design, construction,
landscaping, and operation.
(7) "Sustainable building rating" means a rating
established by the United States Green Building Council (USGBC)
Leadership in Energy and Environmental Design (LEED) rating
system.
(8) "State government entity" means any state government entity

- (8) "State government entity" means any state government entity listed in chapter 20 or the Florida State Constitution and also includes water management districts, the Florida State Court System, the State University System, the Community College System, or any other agency, commission, council, office, board, authority, department or official of state government.
- Section 7. Section 255.254, Florida Statutes, is amended to read:

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255.254 No facility constructed or leased without life-cycle costs.--

No state government entity agency shall lease, construct, or have constructed, within limits prescribed herein, a facility without having secured from the department an $\frac{a}{a}$ proper evaluation of life-cycle costs based on sustainable building ratings, as computed by an architect or engineer. Furthermore, construction shall proceed only upon disclosing \underline{to} the department, for the facility chosen, the life-cycle costs as determined in s. 255.255, its sustainable building rating goal, and the capitalization of the initial construction costs of the building. The life-cycle costs and the sustainable building rating goal shall be a primary considerations consideration in the selection of a building design. Such analysis shall be required only for construction of buildings with an area of 5,000 square feet or greater. For leased buildings 5,000 square feet or greater areas of 20,000 square feet or greater within a given building boundary, an energy performance analysis a lifecycle analysis consisting of a projection of the annual energy consumption costs in dollars per square foot of major energyconsuming equipment and systems based on actual expenses, from the last three years, and projected forward for the term of the proposed lease shall be performed. , and a The lease shall only be made where there is a showing that the energy life cycle costs incurred by the state are minimal compared to available like facilities. Any building leased by the state from a private sector entity shall include, as a part of the lease, provisions for monthly energy use data to be collected and

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391 <u>submitted monthly to the department by the owner of the</u>
392 <u>building.</u>

- entity agency shall initiate construction or have construction initiated, prior to approval thereof by the department, on a facility or self-contained unit of any facility, the design and construction of which incorporates or contemplates the use of an energy system other than a solar energy system when the life-cycle costs analysis prepared by the department has determined that a solar energy system is the most cost-efficient energy system for the facility or unit.
- entity agency must replace or supplement major items of energy-consuming equipment in existing state-owned or leased facilities or any self-contained unit of any facility with other major items of energy-consuming equipment, the selection of such items shall be made on the basis of a life-cycle cost analysis of alternatives in accordance with rules promulgated by the department under s. 255.255.

Section 8. Subsection (1) of section 255.255, Florida Statutes, is amended to read:

255.255 Life-cycle costs.--

(1) The department shall promulgate rules and procedures, including energy conservation performance guidelines <u>based on sustainable building ratings</u>, for conducting a life-cycle cost analysis of alternative architectural and engineering designs and alternative major items of energy-consuming equipment to be retrofitted in existing state-owned or leased facilities and for

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developing energy performance indices to evaluate the efficiency of energy utilization for competing designs in the construction of state-financed and leased facilities.

Section 9. Section 255.257, Florida Statutes, is amended to read:

- 255.257 Energy management; buildings occupied by state government entities agencies.--
- (1) ENERGY CONSUMPTION AND COST DATA. -- Each state government entity agency shall collect data on energy consumption and cost. The data gathered shall be on state-owned facilities and metered state-leased facilities of 5,000 net square feet or more. These data will be used in the computation of the effectiveness of the state energy management plan and the effectiveness of the energy management program of each of the state government entities agencies. Collected data shall be reported annually to the department in a format prescribed by the department.
- entity agency, the Florida Public Service Commission, the Department of Military Affairs, and the judicial branch shall appoint a coordinator whose responsibility shall be to advise the head of the state government entity agency on matters relating to energy consumption in facilities under the control of that head or in space occupied by the various units comprising that state government entity agency, in vehicles operated by that state government entity agency, and in other energy-consuming activities of the state agency. The coordinator shall implement the energy management program agreed upon by the

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department	in	the	devel	opment	of	the	State	Energy	Management
Plan.									

- (3) CONTENTS OF THE STATE ENERGY MANAGEMENT PLAN. -- The Department of Management Services shall may develop a state energy management plan consisting of, but not limited to, the following elements:
 - (a) Data-gathering requirements;
 - (b) Building energy audit procedures;
 - (c) Uniform data analysis procedures;
 - (d) Employee energy education program measures;
 - (e) Energy consumption reduction techniques;
- (f) Training program for <u>state government entity</u> agency energy management coordinators; and
 - (g) Guidelines for building managers.

The plan shall include a description of actions that state government entities shall take to reduce consumption of electricity and nonrenewable energy sources used for space heating and cooling, ventilation, lighting, water heating, and transportation.

- (4) All state government entities shall adopt the United States Green Building Council's Leadership in Energy and Environmental Design for New Construction (LEED-NC) standards for all new buildings.
- (5) All state government entities shall implement the United States Green Building Council's Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) for all

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- (6) No state government entity shall enter into new leasing agreements for office space that does not meet Energy Star building standards, except when determined by the appropriate state government entity executive that no other viable or cost-effective alternative exists.
- (7) All state government entities shall develop energy conservation measures and guidelines for new and existing office space where state government entities occupy more than 5,000 square feet. These conservation measures shall focus on programs that may reduce energy consumption and when established, provide a net reduction in occupancy costs.

Section 10. (1) The Legislature declares that there is an important state interest in promoting the construction of energy-efficient and sustainable buildings. Government leadership in promoting these standards is vital to demonstrate the state's commitment to energy conservation, saving taxpayers money, and raising public awareness of energy-rating systems.

(2) All county, municipal, and school district buildings shall be constructed to meet the United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) rating system. This section shall apply to all county, municipal, and school district buildings whose architectural plans are started after July 1, 2008.

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Section 11. Section 286.28, Florida Statutes, is created to read:

286.28 Climate Friendly Public Business.-

- (1) The Legislature recognizes the importance of leadership by state government in the area of energy efficiency and in reducing the greenhouse gas emissions of state government operations. The following shall pertain to all state government entities, as defined in this section, when conducting public business:
- (a) The Department of Management Services shall develop the "Florida Climate Friendly Preferred Products List." In maintaining that list, the department, in consultation with the Department of Environmental Protection, will continually assess products currently available for purchase under State Term Contracts to identify specific products and vendors that have clear energy efficiency or other environmental benefit over competing products. When procuring products from state term contracts, state government entities shall first consult the Florida Climate Friendly Preferred Products List and procure such products if the price is comparable.
- (b) Effective July 1, 2008, state government entities shall only contract for meeting and conference space with hotels or conference facilities that have received the "Green Lodging" designation from the Department of Environmental Protection for best practices in water, energy and waste efficiency standards, unless the responsible state government entity's chief executive officer makes a determination that no other viable alternative exists. The Department of Environmental Protection is

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authorized to adopt rules to implement the "Green Lodging"

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532	program.
533	(c) Each state government entity shall assure that all
534	maintained vehicles meet minimum maintenance schedules shown to
535	reduce fuel consumption which include: assuring appropriate
536	tire pressures and tread depth; replacing fuel filters and
537	emission filters at recommended intervals; using proper motor
538	oils; and performing timely motor maintenance. Each state
539	government entity will measure and report compliance to the
540	Department of Management Services through the Equipment
541	Management Information System database.
542	(d) When procuring new vehicles, all state government
543	entities shall first define the intended purpose for a vehicle
544	and determine which of the following use classes the vehicle is
545	being procured for:

- 1. State business travel, designated operator;
- 2 State business travel, pool operators;
- 3. Construction, agricultural or maintenance work;
- 4. Conveyance of passengers;
- 5. Conveyance of building or maintenance materials and supplies;
- 6. Off-road vehicles, motorcycles and all-terrain vehicles;
 - 7. Emergency response; or
- 555 8. Other.

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557 <u>Vehicles in subparagraphs 1. through 8., when being processed</u>
558 for purchase or leasing agreements, must be selected for the

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greatest fuel efficiency available for a given use class when
fuel economy data are available. Exceptions may be made for
certain individual vehicles in subparagraph 7., when
accompanied, during the procurement process, by documentation
indicating that the operator or operators will exclusively be
emergency first responders or have special documented need for
exceptional vehicle performance characteristics. Any request
for an exception must be approved by the purchasing entity's
chief executive officer and any exceptional performance
characteristics denoted as a part of the procurement process
prior to purchase.

- (f) All state government entities shall use ethanol and biodiesel blended fuels, when available. State government entities administering central fueling operations for state-owned vehicles shall procure biofuels for fleet needs to the greatest extent practicable.
- (2) When used in this section, the term "state government entity" means any state government entity listed in chapter 20 or the Florida State Constitution and also includes water management districts, the Florida State Court System, the State University System, the Community College System, or any other agency, commission, council, office, board, authority, department or official of state government.
- Section 12. Paragraph (b) of subsection (2) and subsection (5) of section 287.063, Florida Statutes, are amended to read:

 287.063 Deferred-payment commodity contracts; preaudit review.--

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- (b) The Chief Financial Officer shall establish, by rule, criteria for approving purchases made under deferred-payment contracts which require the payment of interest. Criteria shall include, but not be limited to, the following provisions:
- 1. No contract shall be approved in which interest exceeds the statutory ceiling contained in this section. However, the interest component of any master equipment financing agreement entered into for the purpose of consolidated financing of a deferred-payment, installment sale, or lease-purchase shall be deemed to comply with the interest rate limitation of this section so long as the interest component of every interagency agreement under such master equipment financing agreement complies with the interest rate limitation of this section.
- 2. No deferred-payment purchase for less than \$30,000 shall be approved, unless it can be satisfactorily demonstrated and documented to the Chief Financial Officer that failure to make such deferred-payment purchase would adversely affect an agency in the performance of its duties. However, the Chief Financial Officer may approve any deferred-payment purchase if the Chief Financial Officer determines that such purchase is economically beneficial to the state.
- 3. No agency shall obligate an annualized amount of payments for deferred payment purchases in excess of current operating capital outlay appropriations, unless specifically authorized by law or unless it can be satisfactorily demonstrated and documented to the Chief Financial Officer that failure to make such deferred payment purchase would adversely affect an agency in the performance of its duties.

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- 3. 4. No contract shall be approved which extends payment beyond 5 years, unless it can be satisfactorily demonstrated and documented to the Chief Financial Officer that failure to make such deferred-payment purchase would adversely affect an agency in the performance of its duties. The payment term may not exceed the useful life of the equipment unless the contract provides for the replacement or the extension of the useful life of the equipment during the term of the deferred payment contract.
- (c) The Chief Financial Officer shall require written justification based on need, usage, size of the purchase, and financial benefit to the state for deferred-payment purchases made pursuant to this subsection.
 - (3) This section does not apply to the Legislature.
- (4) For purposes of this section, deferred-payment commodity contracts for replacing the state accounting and cash management systems may include equipment, accounting software, and implementation and project management services.
- (5) For purposes of this section, the annualized amount of any such deferred payment commodity contract must be supported from available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation category as defined in chapter 216, that the Chief Financial Officer has determined is appropriate or that the Legislature has designated for payment of the obligation incurred under this section.
- Section 13. Subsections (10) and (11) of section 287.064, Florida Statutes, are amended to read:

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287.064 Consolidated financing of deferred-payment purchases.--

- (10) Costs incurred pursuant to a guaranteed energy performance savings contract, including the cost of energy conservation measures, each as defined in s. 489.145, may be financed pursuant to a master equipment financing agreement; however, the costs of training, operation, and maintenance may not be financed. The period of time for repayment of the funds drawn pursuant to the master equipment financing agreement under this subsection may exceed 5 years but may not exceed 20 10 years for energy conservation measures pursuant to s. 489.145, excluding the costs of training, operation, and maintenance. The guaranteed energy performance savings contractor shall provide for the replacement or the extension of the useful life of the equipment during the term of the contract.
- (11) For purposes of consolidated financing of deferred payment commodity contracts under this section by a state agency, the annualized amount any such contract must be supported from available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation category as defined in chapter 216, that the Chief Financial Officer has determined is appropriate or that the Legislature has designated for payment of the obligation incurred under this section.

Section 14. Subsection (2) of section 377.803, Florida Statutes, is amended, and subsections (3) through (10) of that section are renumbered as subsections (2) through (9), respectively, to read:

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377.803 Definitions.--As used in ss. 377.801-377.806, the term:

(2) "Approved metering equipment" means a device capable of measuring the energy output of a solar thermal system that has been approved by the commission.

Section 15. Section 403.502, Florida Statutes, is amended to read:

Legislative intent. -- The Legislature finds that the present and predicted growth in electric power demands in this state requires the development of a procedure for the selection and utilization of sites for electrical generating facilities and the identification of a state position with respect to each proposed site and its associated facilities. The Legislature recognizes that the selection of sites and the routing of associated facilities including transmission lines will have a significant impact upon the welfare of the population, the location and growth of industry, and the use of the natural resources of the state. The Legislature finds that the efficiency of the permit application and review process at both the state and local level would be improved with the implementation of a process whereby a permit application would be centrally coordinated and all permit decisions could be reviewed on the basis of standards and recommendations of the deciding agencies. It is the policy of this state that, while recognizing the pressing need for increased power generation facilities, the state shall ensure through available and reasonable methods that the location and operation of electrical power plants will produce minimal adverse effects on human

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health, the environment, the ecology of the land and its wildlife, and the ecology of state waters and their aquatic life and will not unduly conflict with the goals established by the applicable local comprehensive plans. It is the intent to seek courses of action that will fully balance the increasing demands for electrical power plant location and operation with the broad interests of the public. Such action will be based on these premises:

- (1) To assure the citizens of Florida that operation safeguards are technically sufficient for their welfare and protection.
- (2) To effect a reasonable balance between the need for the facility and the environmental impact resulting from construction and operation of the facility, including air and water quality, fish and wildlife, and the water resources and other natural resources of the state.
- (3) To meet the need for electrical energy as established pursuant to s. 403.519.
- (4) To assure the citizens of Florida that renewable energy sources and technologies, as well as conservation measures, are utilized to the extent reasonably available.

Section 16. Subsections (6), (8), (13), (27), and (29) of section 403.503, Florida Statutes, are amended, a new subsection (13) is added, and subsequent subsections are renumbered to read:

- 403.503 Definitions relating to Florida Electrical Power Plant Siting Act.--
 - (6) "Associated facilities" means, for the purpose of

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certification, those on-site and off-site facilities which directly support the construction and operation of the electrical generating facility power plant such as electrical transmission lines, substations, fuel unloading facilities; pipelines necessary for transporting fuel for the operation of the facility or other fuel transportation facilities; water or wastewater transport pipelines; construction, maintenance, and access roads; and railway lines necessary for transport of construction equipment or fuel for the operation of the facility.

- "Certification" means the written order of the board, or Secretary when applicable, approving an application for the licensing of an electrical power plant, in whole or with such changes or conditions as the board may deem appropriate.
- (13) "Electrical generating facility" means that portion of the electrical power plant where fuel or solar energy is transformed into electrical energy, Typical components include steam-generation boilers, combustion turbines, heat-recovery equipment, fluidized bed equipment, solar collectors, steam turbines, smoke-stacks, cooling towers, air-pollution control equipment, generators and exciters, containment buildings, and main plus auxiliary transformers. The term does not include onsite associated facilities such as cooling ponds, coal piles, fuel tanks or related support equipment, or off-site associated facilities.
- (14) (13) "Electrical power plant" means, for the purpose of certification, any steam or solar electrical generating facility using any process or fuel, including nuclear materials,

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except that this term does not include any steam or solar electrical generating facility of less than 75 megawatts in capacity unless the applicant for such a facility elects to apply for certification under this act. This term also includes the site, all associated facilities that will to be owned by the applicant that which are physically connected to the electrical power plant site; all associated facilities that or which are indirectly directly connected to the electrical power plant site by other proposed associated facilities that will to be owned by the applicant; 7 and associated transmission lines that will to be owned by the applicant that which connect the electrical generating facility power plant to an existing transmission network or rights-of-way to of which the applicant intends to connect. At the applicant's option, this term may include any offsite associated facilities that which will not be owned by the applicant; offsite associated facilities that which are owned by the applicant but which are not directly connected to the electrical power plant site; any proposed terminal or intermediate substations or substation expansions connected to the associated transmission line; or new transmission lines, upgrades, or improvements of an existing transmission line on any portion of the applicant's electrical transmission system necessary to support the generation injected into the system from the proposed electrical generating facility power plant. (28) (27) "Site" means any proposed location within which

(28) (27) "Site" means any proposed location within which will be located wherein an electrical power plant's generating facility and on-site support facilities plant, or an electrical power plant alteration or addition of electrical generating

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facilities and on-location support facilities resulting in an increase in generating capacity, will be located, including offshore sites within state jurisdiction.

- (30) (29) "Ultimate site capacity" means the maximum gross generating capacity for a site as certified by the board, unless otherwise specified as net generating capacity.
- Section 17. Subsections (2), (3), (4), (5), and (11) of section 403.504, Florida Statutes, are amended to read:
- 403.504 Department of Environmental Protection; powers and duties enumerated. - The department shall have the following powers and duties in relation to this act:
- To prescribe the form and content of the public notices and the notice of intent and the form, content, and necessary supporting documentation and studies to be prepared by the applicant for electrical power plant site certification applications.
- (3) To receive applications for electrical power plant site certifications and to determine the completeness and sufficiency thereof.
- To make, or contract for, studies of electrical power (4)plant site certification applications.
- To administer the processing of applications for electric power plant site certifications and to ensure that the applications are processed as expeditiously as possible.
- To administer and manage the terms and conditions of the certification order and supporting documents and records for the life of the electrical power plant facility.
 - Section 18. Subsection (1) of section 403.506, Florida

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Statutes, is amended to read:

403.506 Applicability, thresholds, and certification.--

The provisions of this act shall apply to any electrical power plant as defined herein, except that the provisions of this act shall not apply to any electrical power plant or steam generating plant of less than 75 megawatts in gross capacity including its or to any associated facilities substation to be constructed as part of an associated transmission line unless the applicant has elected to apply for certification of such electrical power plant or substation under this act. The provisions of this act shall not apply to any unit capacity expansions expansion of 75 35 megawatts or less, in the aggregate, of an existing exothermic reaction cogeneration electrical generating facility unit that was exempt from this act when it was originally built; however, this exemption shall not apply if the unit uses oil or natural gas for purposes other than unit startup. No construction of any new electrical power plant or expansion in steam generating capacity as measured by an increase in the maximum electrical generator rating of any existing electrical power plant may be undertaken after October 1, 1973, without first obtaining certification in the manner as herein provided, except that this act shall not apply to any such electrical power plant which is presently operating or under construction or which has, upon the effective date of chapter 73-33, Laws of Florida, applied for a permit or certification under requirements in force prior to the effective date of such act.

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Section 19. Subsection (1) of section 403.5065, Florida Statutes, is amended to read:

403.5065 Appointment of administrative law judge; powers and duties.—

- (1) Within 7 days after receipt of an application, the department shall request the Division of Administrative Hearings to designate an administrative law judge to conduct the hearings required by this act. The division director shall designate an administrative law judge within 7 days after receipt of the request from the department. In designating an administrative law judge for this purpose, the division director shall, whenever practicable, assign an administrative law judge who has had prior experience or training in electrical power plant site certification proceedings. Upon being advised that an administrative law judge has been appointed, the department shall immediately file a copy of the application and all supporting documents with the designated administrative law judge, who shall docket the application.
- Section 20. Subsection (3) of section 403.50663, Florida Statutes, is amended to read:
 - 403.50663 Informational public meetings.--
 - (3) A local government or regional planning council that intends to conduct an informational public meeting must provide notice of the meeting to all parties not less than 5 days prior to the meeting and to the general public, in accordance with the provisions of s. 403.5115(5). The expense for such notice is eligible for reimbursement under the provisions of s. 403.518(2)(c)1.

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Section 21. Section 403.50665, Florida Statutes, is amended to read:

403.50665 Land use consistency.--

- (1) The applicant shall include in the application a statement on the consistency of the site and or any directly associated facilities with existing land use plans and zoning ordinances that were in effect on the date the application was filed and a full description of such consistency. This information shall include an identification of those associated facilities that the applicant believes are exempt from the requirements of land use plans and zoning ordinances under the provisions of the Local Government Comprehensive Planning and Land Development Regulation Act provisions of Chapter 163 and s. 380.04(3).
- (2) (a) Within 45 days after the filing of the application, each local government shall file a determination with the department, the applicant, the administrative law judge, and all parties on the consistency of the site, and or any directly associated facilities that are not exempt from the requirements of land use plans and zoning ordinances under the provisions of Chapter 163 and s. 380.04(3), with existing land use plans and zoning ordinances that were in effect on the date the application was filed, based on the information provided in the application. However, this requirement does not apply to any new electrical generation unit proposed to be constructed and operated:
- 1. On the site of a previously certified electrical power plant; or

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- 2. On the site of a power plant that was not previously certified that will be wholly contained within the boundaries of the existing site.
- (b) The local government may issue its determination up to 55 35 days later if the application has been determined incomplete based in whole or part upon a local government request for has requested additional information on land use and zoning consistency as part of the local government's statement on completeness of the application submitted pursuant to s. 403.5066(1)(a). Incompleteness of information necessary for a local government to evaluate an application may be claimed by the local government as cause for a statement of inconsistency with existing land use plans and zoning ordinances.
- (c) Notice of the consistency determination shall be published in accordance with the requirements of s. 403.5115.
- (3) If the local government issues a determination that the proposed <u>site and any non-exempt associated facilities are electrical power plant is</u> not consistent or in compliance with local land use plans and zoning ordinances, the applicant may apply to the local government for the necessary local approval to address the inconsistencies <u>identified</u> in the local government's determination.
- (a) If the applicant makes such an application to the local government, the time schedules under this act shall be tolled until the local government issues its revised determination on land use and zoning or the applicant otherwise withdraws its application to the local government.
 - (b) If the applicant applies to the local government for

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necessary local land use or zoning approval, the local government shall commence a proceeding to consider the application for land use or zoning approval within 45 days of receipt of the complete request, and shall issue a revised determination within 30 days following the conclusion of that local proceeding. , and The time schedules and notice requirements under this act shall apply to such revised determination.

- (4) If any substantially affected person wishes to dispute the local government's determination, he or she shall file a petition with the <u>designated administrative law judge department</u> within 21 days after the publication of notice of the local government's determination. If a hearing is requested, the provisions of s. 403.508(1) shall apply.
- (5) The dates in this section may be altered upon agreement between the applicant, the local government, and the department pursuant to s. 403.5095.
- (6) If it is determined by the local government that the proposed site or non-exempt directly associated facility does conform with existing land use plans and zoning ordinances in effect as of the date of the application and no petition has been filed, the responsible zoning or planning authority shall not thereafter change such land use plans or zoning ordinances so as to foreclose construction and operation of the proposed site or directly associated facilities unless certification is subsequently denied or withdrawn.
- Section 22. Paragraph (a) of subsection (2) of section 403.507, Florida Statutes, is amended to read:

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403.507 Preliminary statements of issues, reports, project analyses, and studies.--

(2) (a) The No later than 100 days after the certification application has been determined complete, the following agencies shall prepare reports as provided below and shall submit them to the department and the applicant no later than 100 days after the certification application has been determined complete, unless a final order denying the Determination of Need has been issued under the provisions of s. 403.519:

Section 23. Subsection (1) and paragraph (a) of subsection (2) of section 403.508, Florida Statutes, are amended to read:

403.508 Land use and certification hearings, parties, participants.--

(1) (a) Within 5 days after the filing of Hf a petition for a hearing on land use has been filed pursuant to s. 403.50665, the designated administrative law judge shall schedule conduct a land use hearing to be conducted in the county of the proposed site, or directly associated facility that is not exempt from the requirements of land use plans and zoning ordinances under the provisions of Chapter 163 and s. 380.04(3), as applicable, as expeditiously as possible, but not later than 30 days after the designated administrative law judge's department's receipt of the petition. The place of such hearing shall be as close as possible to the proposed site or directly associated facility. If a petition is filed, the hearing shall be held regardless of the status of the completeness of the application. However, incompleteness of information necessary for a local government to evaluate an application may be claimed by the local

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government as cause for a statement of inconsistency with existing land use plans and zoning ordinances under s. 403.50665.

- (b) Notice of the land use hearing shall be published in accordance with the requirements of s. 403.5115.
- hearing shall be whether or not the proposed site or non-exempt associated facility is consistent and in compliance with existing land use plans and zoning ordinances. If the administrative law judge concludes that the proposed site or non-exempt associated facility is not consistent or in compliance with existing land use plans and zoning ordinances, the administrative law judge shall receive at the hearing evidence on, and address in the recommended order any changes to or approvals or variances under, the applicable land use plans or zoning ordinances which will render the proposed site or non-exempt associated facility consistent and in compliance with the local land use plans and zoning ordinances.
- (d) The designated administrative law judge's recommended order shall be issued within 30 days after completion of the hearing and shall be reviewed by the board within 60 days after receipt of the recommended order by the board.
- (e) If it is determined by the board that the proposed site or non-exempt associate facility does conform with existing land use plans and zoning ordinances in effect as of the date of the application, or as otherwise provided by this act, the responsible zoning or planning authority shall not thereafter change such land use plans or zoning ordinances so as to

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foreclose construction and operation of the proposed electrical power plant on the proposed site or directly associated facilities unless certification is subsequently denied or withdrawn.

- If it is determined by the board that the proposed site or non-exempt associated facility does not conform with existing land use plans and zoning ordinances, the board may, if it determines after notice and hearing and upon consideration of the recommended order on land use and zoning issues that it is in the public interest to authorize the use of the land as a site for a site or associated facility an electrical power plant, authorize a variance or other necessary approval to the adopted land use plan and zoning ordinances required to render the proposed site or associated facility consistent with local land use plans and zoning ordinances. The board's action shall not be controlled by any other procedural requirements of law. In the event a variance or other approval is denied by the board, it shall be the responsibility of the applicant to make the necessary application for any approvals determined by the board as required to make the proposed site or associated facility consistent and in compliance with local land use plans and zoning ordinances. No further action may be taken on the complete application until the proposed site or associated facility conforms to the adopted land use plan or zoning ordinances or the board grants relief as provided under this act.
- (2) (a) A certification hearing shall be held by the designated administrative law judge no later than 265 days after

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the application is filed with the department. The certification hearing shall be held at a location in proximity to the proposed site. At the conclusion of the certification hearing, the designated administrative law judge shall, after consideration of all evidence of record, submit to the board a recommended order no later than 45 days after the filing of the hearing transcript.

Section 24. Subsections (3) and (5) of section 403.509, Florida Statutes, are amended to read:

403.509 Final disposition of application. --

- (3) In determining whether an application should be approved in whole, approved with modifications or conditions, or denied, the board, or secretary when applicable, shall consider whether, and the extent to which, the location, construction and operation of the electrical power plant and directly associated facilities and their construction and operation will:
- (a) Provide reasonable assurance that operational safeguards are technically sufficient for the public welfare and protection.
- (b) Comply with applicable nonprocedural requirements of agencies.
- (c) Be consistent with applicable local government comprehensive plans and land development regulations.
- (d) Meet the electrical energy needs of the state in an orderly and timely fashion.
- (e) Effect a reasonable balance between the need for the facility as established pursuant to s. 403.519 and the impacts upon air and water quality, fish and wildlife, water resources,

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and other natural resources of the state resulting from the construction and operation of the facility.

- (f) Minimize, through the use of reasonable and available methods, the adverse effects on human health, the environment, and the ecology of the land and its wildlife and the ecology of state waters and their aquatic life.
 - (g) Serve and protect the broad interests of the public.
- (5) For certifications issued by the board in regard to the properties and works of any agency which is a party to the certification hearing, the board shall have the authority to decide issues relating to the use, the connection thereto, or the crossing thereof, for the electrical power plant and directly associated facilities and to direct any such agency to execute, within 30 days after the entry of certification, the necessary license or easement for such use, connection, or crossing, subject only to the conditions set forth in such certification. For certifications issued by the department in regard to the properties and works of any agency which is a party to the proceeding, any stipulation filed pursuant to s. 403.508(6)(a) must include a stipulation regarding any issues relating to the use, the connection thereto, or the crossing thereof, for the electrical power plant. Any agency stipulating to the use, connection to, or crossing of its property must agree to execute, within 30 days after the entry of certification, the necessary license or easement for such use, connection, or crossing, subject only to the conditions set forth in such certification.

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Section 25. Subsections (1) and (6) of section 403.511, Florida Statutes, are amended to read:

403.511 Effect of certification. --

- (1) Subject to the conditions set forth therein, any certification shall constitute the sole license of the state and any agency as to the approval of the <u>location of the site and any associated facility</u> and the construction and operation of the proposed electrical power plant, except for the issuance of department licenses required under any federally delegated or approved permit program and except as otherwise provided in subsection (4).
- (6) No term or condition of <u>an electrical power plant a</u> site certification shall be interpreted to supersede or control the provisions of a final operation permit for a major source of air pollution issued by the department pursuant to s. 403.0872 to a facility certified under this part.
- Section 26. Subsection (1) of section 403.5112, Florida Statutes, is amended to read:
 - 403.5112 Filing of notice of certified corridor route. --
- (1) Within 60 days after certification of <u>an</u> a <u>directly</u> associated linear facility pursuant to this act, the applicant shall file, in accordance with s. 28.222, with the department and the clerk of the circuit court for each county through which the corridor will pass, a notice of the certified route.
- Section 27. Subsections (1) and (4) of section 403.5113, Florida Statutes, are amended to read:
 - 403.5113 Postcertification amendments and review .--
 - (1) POSTCERTIFICATION AMENDMENTS. --

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- (a) If, subsequent to certification by the board, a licensee proposes any material change to the application and revisions or amendments thereto, as certified, the licensee shall submit a written request for amendment and a description of the proposed change to the application to the department. Within 30 days after the receipt of the request for the amendment, the department shall determine whether the proposed change to the application requires a modification of the conditions of certification.
- (b) (2) If the department concludes that the change would not require a modification of the conditions of certification, the department shall provide written notification of the approval of the proposed amendment to the licensee, all agencies, and all other parties.
- (c) (3) If the department concludes that the change would require a modification of the conditions of certification, the department shall provide written notification to the licensee that the proposed change to the application requires a request for modification pursuant to s. 403.516.
- (2) (4) POSTCERTIFICATION REVIEW.--Postcertification submittals filed by the licensee with one or more agencies are for the purpose of monitoring for compliance with the issued certification and must be reviewed by the agencies on an expedited and priority basis because each facility certified under this act is a critical infrastructure facility. In no event shall a postcertification review be completed in more than 90 days after complete information is submitted to the reviewing agencies.

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Section 28. Section 403.5115, Florida Statutes, is amended to read:

403.5115 Public notice.--

- (1) The following notices are to be published by the applicant <u>for all applications</u>:
- (a) Notice of the filing of a notice of intent under s. 403.5063, which shall be published within 21 days after the filing of the notice. The notice shall be published as specified by subsection (2), except that the newspaper notice shall be one-fourth page in size in a standard size newspaper or one-half page in size in a tabloid size newspaper.
- (b) Notice of filing of the application, which shall include a description of the proceedings required by this act, within 21 days after the date of the application filing. Such notice shall give notice of the provisions of s. 403.511(1) and (2).
- (c) <u>If applicable</u>, notice of the land use determination made pursuant to s. 403.50665(2) (1) within 21 days after the deadline for the filing of the determination is filed.
- (d) <u>If applicable</u>, notice of the land use hearing, which shall be published as specified in subsection (2), no later than 15 days before the hearing.
- (e) Notice of the certification hearing and notice of the deadline for filing notice of intent to be a party, which shall be published as specified in subsection (2), at least 65 days before the date set for the certification hearing.
- (f) Notice of the cancellation of the certification hearing, if applicable, no later than 3 days before the date of

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the originally scheduled certification hearing. The newspaper notice shall be one-fourth page in size in a standard size newspaper or one-half page in size in a tabloid size newspaper.

- (g) Notice of modification when required by the department, based on whether the requested modification of certification will significantly increase impacts to the environment or the public. Such notice shall be published as specified under subsection (2):
- 1. Within 21 days after receipt of a request for modification. The newspaper notice shall be of a size as directed by the department commensurate with the scope of the modification.
- 2. If a hearing is to be conducted in response to the request for modification, then notice shall be published no later than 30 days before the hearing.
- (h) Notice of a supplemental application, which shall be published as specified in paragraph (b) and subsection (2).
- (i) Notice of existing site certification pursuant to s. 403.5175. Notices shall be published as specified in paragraph (b) and subsection (2).
- (2) Notices provided by the applicant shall be published in newspapers of general circulation within the county or counties in which the proposed electrical power plant will be located. The newspaper notices, unless otherwise specified, shall be at least one-half page in size in a standard size newspaper or a full page in a tabloid size newspaper. These notices shall include a map generally depicting the project and all associated facilities corridors. A newspaper of general

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circulation shall be the newspaper which has the largest daily circulation in that county and has its principal office in that county. If the newspaper with the largest daily circulation has its principal office outside the county, the notices shall appear in both the newspaper having the largest circulation in that county and in a newspaper authorized to publish legal notices in that county.

- (3) All notices published by the applicant shall be paid for by the applicant and shall be in addition to the application fee.
- (4) The department shall arrange for publication of the following notices in the manner specified by chapter 120 and provide copies of those notices to any persons who have requested to be placed on the departmental mailing list for this purpose for each case for which an application has been received by the department:
- (a) Notice of the filing of the notice of intent within 15 days after receipt of the notice.
- (b) Notice of the filing of the application, no later than 21 days after the application filing.
- (c) Notice of the land use determination made pursuant to s. 403.50665(2) (1) within 21 days after the <u>deadline for the filing</u> of the determination is filed.
- (d) Notice of the land use hearing before the administrative law judge, if applicable, no later than 15 days before the hearing.
- (e) Notice of the land use hearing before the board, if applicable.

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- (f) Notice of the certification hearing at least 45 days before the date set for the certification hearing.
 - (g) Notice of the cancellation of the certification hearing, if applicable, no later than 3 days prior to the date of the originally scheduled certification hearing.
 - (h) Notice of the hearing before the board, if applicable.
 - (i) Notice of stipulations, proposed agency action, or petitions for modification.
 - (5) A local government or regional planning council that proposes to conduct an informational public meeting pursuant to s. 403.50663 must publish notice of the meeting in a newspaper of general circulation within the county or counties in which the proposed electrical power plant will be located no later than 7 days prior to the meeting. A newspaper of general circulation shall be the newspaper which has the largest daily circulation in that county and has its principal office in that county. If the newspaper with the largest daily circulation has its principal office outside the county, the notices shall appear in both the newspaper having the largest circulation in that county and in a newspaper authorized to publish legal notices in that county.
 - Section 29. Subparagraph 1. of paragraph (b) of subsection (1) of section 403.516, Florida Statutes, is amended to read:
 403.516 Modification of certification.--
 - (1) A certification may be modified after issuance in any one of the following ways:
 - (b)1. The department may modify specific conditions of a site certification which are inconsistent with the terms of any

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federally delegated or approved permit for the certified electrical power plant.

Section 30. Paragraphs (a) and (c) of subsection (1) of section 403.517, Florida Statutes, are amended to read:

403.517 Supplemental applications for sites certified for ultimate site capacity.--

- (1) (a) Supplemental applications may be submitted for certification of the construction and operation of electrical power plants to be located at sites which have been previously certified for an ultimate site capacity pursuant to this act. Supplemental applications shall be limited to electrical power plants using the fuel type previously certified for that site. Such applications shall include all new directly associated facilities that support the construction and operation of the electrical power plant.
- supplemental application shall be designated by the department commensurate with the scope of the supplemental application, but shall not exceed any time limitation governing the review of initial applications for site certification pursuant to this act, it being the legislative intent to provide shorter time limitations for the processing of supplemental applications for electrical power plants to be constructed and operated at sites which have been previously certified for an ultimate site capacity.
- Section 31. Subsections (1) and (3), and paragraphs (a), (b), and (c) of subsection (2) of section 403.5175, Florida Statutes, are amended to read:

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403.5175 Existing electrical power plant site certification.--

- (1) An electric utility that owns or operates an existing electrical power plant as defined in s. 403.503(13) may apply for certification of an existing power plant and its site in order to obtain all agency licenses necessary to ensure compliance with federal or state environmental laws and regulation using the centrally coordinated, one-stop licensing process established by this part. An application for site certification under this section must be in the form prescribed by department rule. Applications must be reviewed and processed using the same procedural steps and notices as for an application for a new facility, except that a determination of need by the Public Service Commission is not required.
- (2) An application for certification under this section must include:
- (a) A description of the site and existing power plant installations, and associated facilities;
- (b) A description of all proposed changes or alterations to the site and or electrical power plant, including all new associated facilities that are the subject of the application;
- (c) A description of the environmental and other impacts caused by the existing utilization of the site and directly associated facilities, and the operation of the electrical power plant that is the subject of the application, and of the environmental and other benefits, if any, to be realized as a result of the proposed changes or alterations if certification is approved and such other information as is necessary for the

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reviewing agencies to evaluate the proposed changes and the expected impacts;

- (3) The land use and zoning determination requirements of s. 403.50665 do not apply to an application under this section if the applicant does not propose to expand the boundaries of the existing site or to add additional offsite associated facilities that are not exempt from the provisions of s. 403.50665. If the applicant proposes to expand the boundaries of the existing site or to add additional offsite facilities that are not exempt from the provisions of s. 403.50665 to accommodate portions of the electrical generation facility plant or associated facilities, a land use and zoning determination shall be made as specified in s. 403.50665; provided, however, that the sole issue for determination is whether the proposed site expansion or additional non-exempt associated facilities are is consistent and in compliance with the existing land use plans and zoning ordinances.
- Section 32. Section 403.518, Florida Statutes, is amended to read:
- 403.518 Fees; disposition.—The department shall charge the applicant the following fees, as appropriate, which, unless otherwise specified, shall be paid into the Florida Permit Fee Trust Fund:
- (1) A fee for a notice of intent pursuant to s. 403.5063, in the amount of \$2,500, to be submitted to the department at the time of filing of a notice of intent. The notice-of-intent fee shall be used and disbursed in the same manner as the application fee.

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- (2) An application fee, which shall not exceed \$200,000. The fee shall be fixed by rule on a sliding scale related to the size, type, ultimate site capacity, or increase in electrical generating capacity proposed by the application.
- (a) Sixty percent of the fee shall go to the department to cover any costs associated with coordinating the review and acting upon the application, to cover any field services associated with monitoring construction and operation of the facility, and to cover the costs of the public notices published by the department.
- (b) The following percentages shall be transferred to the Operating Trust Fund of the Division of Administrative Hearings of the Department of Management Services:
- 1. Five percent to compensate expenses from the initial exercise of duties associated with the filing of an application.
- 2. An additional 5 percent if a land use hearing is held pursuant to s. 403.508.
- 3. An additional 10 percent if a certification hearing is held pursuant to s. 403.508.
- (c)1. Upon written request with proper itemized accounting within 90 days after final agency action by the board or department, or withdrawal of the application, the agencies that prepared reports pursuant to s. 403.507 or participated in a hearing pursuant to s. 403.508 may submit a written request to the department for reimbursement of expenses incurred during the certification proceedings. The request shall contain an accounting of expenses incurred which may include time spent reviewing the application, preparation of any studies required

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of the agencies by this act, agency travel and per diem to attend any hearing held pursuant to this act, and for any agency or local government's or regional planning council's provision of notice of public meetings or hearings required as a result of the application for certification. The department shall review the request and verify that the expenses are valid. Valid expenses shall be reimbursed; however, in the event the amount of funds available for reimbursement is insufficient to provide for full compensation to the agencies requesting reimbursement, reimbursement shall be on a prorated basis.

- 2. If the application review is held in abeyance for more than 1 year, the agencies may submit a request for reimbursement. This time period shall be measured from the date the applicant has provided written notification to the department that it desires to have application review process placed on hold. The fee disbursement shall be processed in accordance with subparagraph 1.
- (d) If any sums are remaining, the department shall retain them for its use in the same manner as is otherwise authorized by this act; provided, however, that if the certification application is withdrawn, the remaining sums shall be refunded to the applicant within 90 days after the submittal of the written notification of withdrawal.
- (3)(a) A certification modification fee, which shall not exceed \$30,000. The department shall establish rules for determining such a fee based on the <u>number of agencies involved</u> in the review, equipment redesign, change in site size, type, increase in generating capacity proposed, or change in an

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1396 associated linear facility location.

- (b) The fee shall be submitted to the department with a petition for modification pursuant to s. 403.516. This fee shall be established, disbursed, and processed in the same manner as the application fee in subsection (2), except that the Division of Administrative Hearings shall not receive a portion of the fee unless the petition for certification modification is referred to the Division of Administrative Hearings for hearing. If the petition is so referred, only \$10,000 of the fee shall be transferred to the Operating Trust Fund of the Division of Administrative Hearings of the Department of Management Services.
- (4) A supplemental application fee, not to exceed \$75,000, to cover all reasonable expenses and costs of the review, processing, and proceedings of a supplemental application. This fee shall be established, disbursed, and processed in the same manner as the certification application fee in subsection (2).
- (5) An existing site certification application fee, not to exceed \$200,000, to cover all reasonable costs and expenses of the review processing and proceedings for certification of an existing power plant site under s. 403.5175. This fee must be established, disbursed, and processed in the same manner as the certification application fee in subsection (2).
- Section 33. Subsection (1) of section 403.5252, Florida Statutes, is amended to read:
 - 403.5252 Determination of completeness.--
- (1) (a) Within 30 days after the filing distribution of an application, the affected agencies shall file a statement with

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the department containing the recommendations of each agency concerning the completeness of the application for certification.

(b) Within 37 7 days after the filing receipt of the application completeness statements of each agency, the department shall file a statement with the Division of Administrative Hearings, with the applicant, and with all parties declaring its position with regard to the completeness of the application. The statement of the department shall be based upon its consultation with the affected agencies.

Section 34. Subsection (1) and paragraph (a) of subsection (2) of section 403.526, Florida Statutes, are amended to read:

403.526 Preliminary statements of issues, reports, and project analyses; studies.--

- (1) Each affected agency that is required to file a report in accordance with this section shall submit a preliminary statement of issues to the department and all parties no later than the submittal of each agency's recommendation that the application is complete 50 days after the filing of the application. Such statements of issues shall be made available to each local government for use as information for public meetings held under s. 403.5272. The failure to raise an issue in this preliminary statement of issues does not preclude the issue from being raised in the agency's report.
- (2)(a) The following agencies shall prepare reports as provided below and shall submit them to the department and the applicant no later than 90 days after the filing of the

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application, unless a final order denying the Determination of Need has been issued under the provisions of s. 403.537:

Section 35. Subsection (4) and paragraph (a) of subsection (6) of section 403.527, Florida Statutes, are amended to read:
403.527 Certification hearing, parties, participants.--

- (4) (a) One public hearing where members of the public who are not parties to the certification hearing may testify shall be held in conjunction with the certification hearing.
- (b) Upon the request of the local government, one public hearing where members of the public who are not parties to the certification hearing and who reside within the jurisdiction of the local government may testify shall be held within the boundaries of each county in which a local government that made such a request is located, at the option of any local government.

1. (a) A local government shall notify the administrative law judge and all parties not later than 50 days after the filing of the application 21 days after the application has been determined complete as to whether the local government wishes to have a public hearing within the boundaries of its county. If a filing for an alternate corridor is accepted for consideration under s. 403.5271(1) by the department and the applicant, any newly affected local government must notify the administrative law judge and all parties not later than 10 days after the data concerning the alternate corridor has been determined complete as to whether the local government wishes to have such a public hearing. The local government is responsible for providing the location of the public hearing if held separately from the

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1479 certification hearing.

- 2. (b) Within 5 days after notification, the administrative law judge shall determine the date of the public hearing, which shall be held before or during the certification hearing. If two or more local governments within one county request a public hearing, the hearing shall be consolidated so that only one public hearing is held in any county. The location of a consolidated hearing shall be determined by the administrative law judge.
- 3. (c) If a local government does not request a public hearing within 50 days after the filing of the application 21 days after the application has been determined complete, then members of the public who are not parties to the certification hearing and who reside persons residing within the jurisdiction of the local government may testify during the that portion of the certification hearing held under the provisions of paragraph (4) (a) at which public testimony is heard.
- (6)(a) No later than 29 25 days before the certification hearing, the department or the applicant may request that the administrative law judge cancel the certification hearing and relinquish jurisdiction to the department if all parties to the proceeding stipulate that there are no disputed issues of material fact or law to be raised at the certification hearing.

Section 36. Paragraphs (b), (c) and (e) of subsection (1) of section 403.5271, Florida Statutes, are amended to read:

403.5271 Alternate corridors.--

(1) No later than 45 days before the originally scheduled certification hearing, any party may propose alternate

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transmission line corridor routes for consideration under the provisions of this act.

- Within 7 days after receipt of the notice, the applicant and the department shall file with the administrative law judge and all parties a notice of acceptance or rejection of a proposed alternate corridor for consideration. If the alternate corridor is rejected by the applicant or the department, the certification hearing and the public hearings shall be held as scheduled. If both the applicant and the department accept a proposed alternate corridor for consideration, the certification hearing and the public hearings shall be rescheduled, if necessary. If a filing for an alternate corridor is accepted for consideration by the department and the applicant, any newly affected local government must notify the administrative law judge and all parties not later than 10 days after the data concerning the alternate corridor has been determined complete as to whether the local government wishes to have such a public hearing. The local government is responsible for providing the location of the public hearing if held separately from the certification hearing. The provisions of s. 403.527(4)(b) and (c) shall apply. Notice of the local hearings shall be published in accordance with s. 403.5363.
- 2. If rescheduled, the certification hearing shall be held no more than 90 days after the previously scheduled certification hearing, unless the data submitted under paragraph (d) is determined to be incomplete, in which case the rescheduled certification hearing shall be held no more than 105 days after the previously scheduled certification hearing. If

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additional time is needed due to the alternate corridor crossing a local government jurisdiction that was not previously affected, the remainder of the schedule listed below shall be appropriately adjusted by the administrative law judge to allow that local government to prepare a report pursuant to s. 403.526(2)(a)5. Notice that the certification hearing has been deferred due to the acceptance of the alternate corridor shall be published in accordance with s. 403.5363.

- (c) Notice of the filing of the alternate corridor, of the revised time schedules, of the deadline for newly affected persons and agencies to file notice of intent to become a party, of the rescheduled hearing date, and of the proceedings shall be published by the alternate proponent in accordance with s. 403.5363(2). If the notice is not timely published or does not meet the notice requirements, the alternate shall be deemed withdrawn.
- (e)1. Reviewing agencies shall advise the department of any issues concerning completeness no later than 15 days after the submittal of the data required by paragraph (d). Within 22 days after receipt of the data, the department shall issue a determination of completeness.
- 2. If the department determines that the data required by paragraph (d) is not complete, the party proposing the alternate corridor must file such additional data to correct the incompleteness. This additional data must be submitted within 14 days after the determination by the department.
- 3. Reviewing agencies may advise the department of any issues concerning completeness of the additional data within 10

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days after the filing by the party proposing the alternate corridor. If the department, within 14 days after receiving the additional data, determines that the data remains incomplete, the incompleteness of the data is deemed a withdrawal of the proposed alternate corridor. The department may make its determination based on recommendations made by other affected agencies.

Section 37. Subsection (3) of section 403.5272, Florida Statutes, is amended to read:

403.5272 Informational public meetings.--

- (3) A local government or regional planning council that intends to conduct an informational public meeting must provide notice of the meeting, with notice sent to all parties listed in s. 403.527(2)(a), not less than $\underline{15}$ 5 days before the meeting and to the general public, in accordance with the provisions of s. 403.5363(4).
- Section 38. Subsection (1) of section 403.5312, Florida Statutes, is amended to read:
- 403.5312 Filing of notice of certified corridor route.--
- (1) Within 60 days after certification of a directly associated transmission line under ss. 403.501-403.518 or a transmission line corridor under ss. 403.52-403.5365, the applicant shall file with the department and, in accordance with s. 28.222, with the clerk of the circuit court for each county through which the corridor will pass, a notice of the certified route.
- Section 39. Section 403.5363, Florida Statutes, is amended to read:

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- 1591 403.5363 Public notices; requirements.--
 - (1)(a) The applicant shall arrange for the publication of the notices specified in paragraph (b).
 - The notices shall be published in newspapers of general circulation within counties crossed by the transmission line corridors proper for certification. The required newspaper notices for filing of an application and for the certification hearing shall be one half page in size in a standard size newspaper or a full page in a tabloid size newspaper and published in a section of the newspaper other than the section for legal notices. These two notices must include a map generally depicting all transmission corridors proper for certification. A newspaper of general circulation shall be the newspaper within a county crossed by a transmission line corridor proper for certification which newspaper has the largest daily circulation in that county and has its principal office in that county. If the newspaper having the largest daily circulation has its principal office outside the county, the notices must appear in both the newspaper having the largest circulation in that county and in a newspaper authorized to publish legal notices in that county.
 - 2. The department shall adopt rules specifying the content of the newspaper notices.
 - 3. All notices published by the applicant shall be paid for by the applicant and shall be in addition to the application fee.
 - (b) Public notices that must be published under this section include:

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- 1. The notice of the filing of an application, which must include a description of the proceedings required by this act. The notice must describe the provisions of s. 403.531(1) and (2) and give the date by which notice of intent to be a party or a petition to intervene in accordance with s. 403.527(2) must be filed. This notice must be published no more than 21 days after the application is filed. The notice shall, at a minimum, be one-half page in size in a standard-size newspaper or a full page in a tabloid-size newspaper. The notice must include a map generally depicting all transmission corridors proper for certification.
- 2. The notice of the certification hearing and any other public hearing held permitted under s. 403.527(4). The notice must include the date by which a person wishing to appear as a party must file the notice to do so. The notice of the originally scheduled certification hearing must be published at least 65 days before the date set for the certification hearing. The notice shall meet the same size and map requirements required in subparagraph 1.
- 3. The notice of the cancellation of the certification hearing under s. 403.527(6), if applicable. The notice must be published at least 3 days before the date of the originally scheduled certification hearing. The notice shall, at a minimum, be one-quarter page in size in a standard-size newspaper or one-half page in a tabloid-size newspaper. The notice shall not require a map to be included.
- 4. The notice of the deferment of the certification hearing due to the acceptance of an alternate corridor under s.

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1647	403.5272(1)(b)2. The notice must be published at least 7 days
1648	before the date of the originally scheduled certification
1649	hearing. The notice shall, at a minimum, be one-eighth page in
1650	size in a standard-size newspaper or one-quarter page in a
1651	tabloid-size newspaper. The notice shall not require a map to be
1652	included.

- 5. If the notice of the rescheduled certification hearing required of an alternate proponent under s. 403.5271(1)(c) is not timely published or does not meet the notice requirements such that an alternate corridor is withdrawn under the provisions of s. 403.5271(1)(c), the notice of rescheduled hearing and any local hearings shall be provided by the applicant at least 30 days prior to the rescheduled certification hearing.
- The notice of the filing of a proposal to modify the certification submitted under s. 403.5315, if the department determines that the modification would require relocation or expansion of the transmission line right-of-way or a certified substation.
- (2) Each The proponent of an alternate corridor shall arrange for newspaper notice of the publication of the filing of the proposal for an alternate corridor. If there is more than one alternate proponent, the proponents may jointly publish notice, so long as the content requirements below are met and the maps are legible.
- The notice shall specify, the revised time schedules, the date by which newly affected persons or agencies may file the notice of intent to become a party, and the date of the

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rescheduled hearing, and any public hearing held under s. 403.5271(1)(b)1.

- (b) A notice listed in this subsection must be published in a newspaper of general circulation within the county or counties crossed by the proposed alternate corridor and comply with the content, size, and map requirements set forth in this section $\frac{1}{2}$
- (c) The notice of the alternate corridor proposal must be published not less than $\underline{45}$ 50 days before the rescheduled certification hearing.
- (3) The department shall arrange for the publication of the following notices in the manner specified by chapter 120:
- (a) The notice of the filing of an application and the date by which a person intending to become a party must file a petition to intervene or a notice of intent to be a party. The notice must be published no later than 21 days after the application has been filed.
- (b) The notice of any administrative hearing for certification, if applicable. The notice must be published not less than 65 days before the date set for a hearing, except that notice for a rescheduled certification hearing after acceptance of an alternative corridor must be published not less than $\underline{40}$ 50 days before the date set for the hearing.
- (c) The notice of the cancellation of a certification hearing <u>under s. 403.527(6)</u>, if applicable. The notice must be published not later than 7 days before the date of the originally scheduled certification hearing.
 - (d) The notice of the deferment of the certification

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1703	hearing due to the acceptance of an alternate corridor under s.
1704	403.5272(1)(b)2. The notice must be published at least 7 days
1705	before the date of the originally scheduled certification
1706	hearing.

- $\underline{\text{(e)}}$ (d) The notice of the hearing before the siting board, if applicable.
- $\underline{\text{(f)}}$ (e) The notice of stipulations, proposed agency action, or a petition for modification.
- (4) A local government or regional planning council that proposes to conduct an informational public meeting pursuant to s. 403.5272 must publish notice of the meeting in a newspaper of general circulation within the county or counties in which the proposed electrical transmission line will be located no later than 7 days prior to the meeting. A newspaper of general circulation shall be the newspaper which has the largest daily circulation in that county and has its principal office in that county. If the newspaper with the largest daily circulation has its principal office outside the county, the notices shall appear in both the newspaper having the largest circulation in that county and in a newspaper authorized to publish legal notices in that county.

Section 40. Paragraphs (d) and (e) of subsection (1) of section 403.5365, Florida Statutes, are amended to read:

- 403.5365 Fees; disposition.—The department shall charge the applicant the following fees, as appropriate, which, unless otherwise specified, shall be paid into the Florida Permit Fee Trust Fund:
 - (d) 1. Upon written request with proper itemized accounting

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within 90 days after final agency action by the siting board or the department or the written notification of the withdrawal of the application, the agencies that prepared reports under s. 403.526 or s. 403.5271 or participated in a hearing under s. 403.527 or s. 403.5271 may submit a written request to the department for reimbursement of expenses incurred during the certification proceedings. The request must contain an accounting of expenses incurred, which may include time spent reviewing the application, preparation of any studies required of the agencies by this act, agency travel and per diem to attend any hearing held under this act, and for the local government or regional planning council providing additional notice of the informational public meeting. The department shall review the request and verify whether a claimed expense is valid. Valid expenses shall be reimbursed; however, if the amount of funds available for reimbursement is insufficient to provide for full compensation to the agencies, reimbursement shall be on a prorated basis.

- 2. If the application review is held in abeyance for more than 1 year, the agencies may submit a request for reimbursement under subparagraph 1. This time period shall be measured from the date the applicant has provided written notification to the department that it desires to have the application review process placed on hold. The fee disbursement shall be processed in accordance with subparagraph 1.
- (e) If any sums are remaining, the department shall retain them for its use in the same manner as is otherwise authorized by this section; however, if the certification application is

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withdrawn, the remaining sums shall be refunded to the applicant within 90 days after submittal of the written notification of withdrawal.

Section 41. Section 489.145, Florida Statutes, is amended to read:

489.145 Guaranteed energy performance savings contracting.--

- (1) SHORT TITLE. -- This section may be cited as the "Guaranteed Energy Performance Savings Contracting Act."
- (2)LEGISLATIVE FINDINGS. -- The Legislature finds that investment in energy conservation measures in agency facilities can reduce the amount of energy consumed and produce immediate and long-term savings. It is the policy of this state to encourage agencies to invest in energy conservation measures that reduce energy consumption, produce a cost savings for the agency, and improve the quality of indoor air in public facilities and to operate, maintain, and, when economically feasible, build or renovate existing agency facilities in such a manner as to minimize energy consumption and maximize energy savings. It is further the policy of this state that agencies share in the monetary savings resulting from energy performance contracting and to encourage agencies to reinvest any energy savings resulting from energy conservation measures in additional energy conservation efforts.
 - (3) DEFINITIONS.--As used in this section, the term:
- (a) "Agency" means the state, a municipality, or a political subdivision.

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- (b) "Energy conservation measure" means a training

 program, facility alteration, or an equipment purchase to be

 used in new construction, including an addition to an existing

 facility, which reduces energy or energy-related operating costs

 and includes, but is not limited to:
 - 1. Insulation of the facility structure and systems within the facility.
 - 2. Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat-absorbing, or heat-reflective, glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption.
 - 3. Automatic energy control systems.
 - 4. Heating, ventilating, or air-conditioning system modifications or replacements.
 - 5. Replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system, which, at a minimum, must conform to the applicable state or local building code.
 - 6. Energy recovery systems.
 - 7. Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a facility or complex of facilities.
 - 8. Energy conservation measures that <u>reduce British</u> thermal units (Btu), kilowatts (kW), or kilowatt hours (kWh) consumed or provide long-term operating cost reductions or significantly reduce Btu consumed.

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- 1813 Renewable energy systems, such as solar, biomass, or 1814 wind systems.
 - 10. Devices that reduce water consumption or sewer charges.
 - 11. Storage systems, such as fuel cells and thermal storage.
 - 12. Generating technologies, such as microturbines.
- 1820 13. Any other repair, replacement, or upgrade of existing 1821 equipment.
 - "Energy cost savings" means a measured reduction in the cost of fuel, energy consumption, and stipulated operation and maintenance created from the implementation of one or more energy conservation measures when compared with an established baseline for the previous cost of fuel, energy consumption, and stipulated operation and maintenance.
 - "Guaranteed energy performance savings contract" means a contract for the evaluation, recommendation, and implementation of energy conservation measures or energy-related operational saving measures, which, at a minimum, shall include:
 - The design and installation of equipment to implement one or more of such measures and, if applicable, operation and maintenance of such measures.
 - The amount of any actual annual savings that meet or exceed total annual contract payments made by the agency for the contract and may include allowable cost avoidance. As used in this section, allowable cost avoidance calculations include, but are not limited to, avoided provable budgeted costs contained in a capital replacement plan less the current undepreciated value

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of replaced equipment and the replacement cost of the new equipment.

- 3. The finance charges incurred by the agency over the life of the contract.
- (e) "Guaranteed energy performance savings contractor" means a person or business that is licensed under chapter 471, chapter 481, or this chapter, and is experienced in the analysis, design, implementation, or installation of energy conservation measures through energy performance contracts.
 - (4) PROCEDURES. --
- (a) An agency may enter into a guaranteed energy performance savings contract with a guaranteed energy performance savings contractor to significantly reduce energy consumption or energy-related operating costs of an agency facility through one or more energy conservation measures.
- (b) Before design and installation of energy conservation measures, the agency must obtain from a guaranteed energy performance savings contractor a report that summarizes the costs associated with the energy conservation measures or energy-related operational cost saving measures and provides an estimate of the amount of the energy cost savings. The agency and the guaranteed energy performance savings contractor may enter into a separate agreement to pay for costs associated with the preparation and delivery of the report; however, payment to the contractor shall be contingent upon the report's projection of energy or operational cost savings being equal to or greater than the total projected costs of the design and installation of the report's energy conservation measures.

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- The agency may enter into a quaranteed energy performance savings contract with a guaranteed energy performance savings contractor if the agency finds that the amount the agency would spend on the energy conservation or energy-related cost saving measures will not likely exceed the amount of the energy or energy-related cost savings for up to 20 years from the date of installation, based on the life cycle cost calculations provided in s. 255.255, if the recommendations in the report were followed and if the qualified provider or providers give a written guarantee that the energy or energyrelated cost savings will meet or exceed the costs of the system. However, actual computed cost savings must meet or exceed the estimated cost savings provided in each agency's program approval. Baseline adjustments used in calculations must be specified in the contract. The contract may provide for installment payments for a period not to exceed 20 years.
- (d) A guaranteed energy performance savings contractor must be selected in compliance with s. 287.055; except that if fewer than three firms are qualified to perform the required services, the requirement for agency selection of three firms, as provided in s. 287.055(4)(b), and the bid requirements of s. 287.057 do not apply.
- (e) Before entering into a guaranteed energy performance savings contract, an agency must provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

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- (f) A guaranteed energy performance savings contract may provide for financing, including tax-exempt financing, by a third party. The contract for third party financing may be separate from the energy performance contract. A separate contract for third party financing pursuant to this paragraph must include a provision that the third party financier must not be granted rights or privileges that exceed the rights and privileges available to the guaranteed energy performance savings contractor.
- (g) Financing for guaranteed energy performance savings contracts may be provided under the authority of s. 287.064.
- (h) The Office of the Chief Financial Officer shall review proposals to ensure that the most effective financing is being used.
- (i) (g) In determining the amount the agency will finance to acquire the energy conservation measures, the agency may reduce such amount by the application of any grant moneys, rebates, or capital funding available to the agency for the purpose of buying down the cost of the guaranteed energy performance savings contract. However, in calculating the life cycle cost as required in paragraph (c), the agency shall not apply any grants, rebates, or capital funding.
 - (5) CONTRACT PROVISIONS.--
- (a) A guaranteed energy performance savings contract must include a written guarantee that may include, but is not limited to the form of, a letter of credit, insurance policy, or corporate guarantee by the guaranteed energy performance savings

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contractor that annual energy cost savings will meet or exceed the amortized cost of energy conservation measures.

- (b) The guaranteed energy performance savings contract must provide that all payments, except obligations on termination of the contract before its expiration, may be made over time, but not to exceed 20 years from the date of complete installation and acceptance by the agency, and that the annual savings are guaranteed to the extent necessary to make annual payments to satisfy the guaranteed energy performance savings contract.
- (c) The guaranteed energy performance savings contract must require that the guaranteed energy performance savings contractor to whom the contract is awarded provide a 100-percent public construction bond to the agency for its faithful performance, as required by s. 255.05.
- (d) The guaranteed energy performance savings contract may contain a provision allocating to the parties to the contract any annual energy cost savings that exceed the amount of the energy cost savings guaranteed in the contract.
- (e) The guaranteed energy performance savings contract shall require the guaranteed energy performance savings contractor to provide to the agency an annual reconciliation of the guaranteed energy or energy-related cost savings. If the reconciliation reveals a shortfall in annual energy or energy-related cost savings, the guaranteed energy performance savings contractor is liable for such shortfall. If the reconciliation reveals an excess in annual energy cost savings, the excess savings may be allocated under paragraph (d) but may not be used

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to cover potential energy cost savings shortages in subsequent contract years.

- (f) The guaranteed energy performance savings contract must provide for payments of not less than one-twentieth of the price to be paid within 2 years from the date of the complete installation and acceptance by the agency <u>using straight-line</u> <u>amortization for the term of the loan</u>, and the remaining costs to be paid at least quarterly, not to exceed a 20-year term, based on life cycle cost calculations.
- (g) The guaranteed energy performance savings contract may extend beyond the fiscal year in which it becomes effective; however, the term of any contract expires at the end of each fiscal year and may be automatically renewed annually for up to 20 years, subject to the agency making sufficient annual appropriations based upon continued realized energy savings.
- (h) The guaranteed energy performance savings contract must stipulate that it does not constitute a debt, liability, or obligation of the state.
- (6) PROGRAM ADMINISTRATION AND CONTRACT REVIEW. -- The Department of Management Services, with the assistance of the Office of the Chief Financial Officer, shall may, within available resources, provide technical content assistance to state agencies contracting for energy conservation measures and engage in other activities considered appropriate by the department for promoting and facilitating guaranteed energy performance contracting by state agencies. The Office of the Chief Financial Officer, with the assistance of the Department of Management Services, shall may, within available resources,

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develop model contractual and related documents for use by state agencies. Prior to entering into a guaranteed energy performance savings contract, any contract or lease for third-party financing, or any combination of such contracts, a state agency shall submit such proposed contract or lease to the Office of the Chief Financial Officer for review and approval. A proposed contract or lease shall include:

- Supporting information required by s. 216.023(4)(a)9.
- (b) Documentation supporting recurring funds requirements in ss. 287.063(5) and 287.064(11).
- (c) Approval by the chief executive officer of the government entity, or his or her designee.
- (d) An agency measurement and verification plan to monitor costs savings.
- FUNDING SUPPORT. -- For purposes of consolidated (7) financing of deferred payment commodity contracts under this section by an agency, any such contract must be supported from available funds appropriated to the agency in an appropriation category, as defined in chapter 216, that the Chief Financial Officer has determined is appropriate or that the Legislature has designated for payment of the obligation incurred under this The Office of the Chief Financial Officer may not approve any contract submitted under this section that does not meet the requirements of this section.

Section 42. This act shall take effect July 1, 2008.

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B – Electric Power Plant Siting and Transmission Power Plant Siting

Section 1. Amends s. 74.051, F.S. - Hearing on order of taking

This section requires that a hearing on order of taking be conducted within 120 days after the petition is filed when the petitioner is an electric utility that is seeking to appropriate property for an electric generation plant, associated facility of such plant, an electric substation, or a power line. This section also requires that the court issues its final judgment no more than 30 days after the hearing.

Section 2. Amends s. 253.02, F.S. - Board of trustees; powers and duties

This section provides that the board of trustees may delegate its authority to grant easements for the construction and operation of natural gas pipeline transmission and linear facilities, for which the Public Service Commission (PSC) has determined a need exists or the Federal Energy Regulatory Commission has granted a Certificate of Public Convenience and Necessity, to the Secretary of the Department of Environmental Protection (DEP) for facilities subject to part II of chapter 403 or facilities subject to part IV of chapter 373.

This section also provides that the board of trustees may review and approve uses of state lands if delegation would be inappropriate in regard to the amount or location of state lands involved.

Section 3. Amends s. 253.034, F.S. - State-owned lands; uses

This section creates a new subsection (14), which provides that after showing competent substantial evidence that utility of non-sovereignty state-owned lands is reasonably based on multiple factors, easements or other interests in such lands (of which title is vested in the board of trustees, a WMD, or state agency) may be granted to any public utility, regional transmission organization or natural gas company for:

- Electric transmission and distribution lines;
- Natural gas pipelines; or
- Other public utility infrastructure linear facilities that the Public Service Commission has determined that a need exists, or for which the Federal Energy Regulatory Commission has issued a Certificate of Public Convenience and Necessity.

This section also provides that in exchange for a less than fee simple interest acquired, the public utility must vest in the grantor the same type of less than fee simple interest to other available land that is at least 1.5 times the size of the land acquired by the utility. The grantor agency must approve the property, and the determination is based on the economic and ecological or recreational value and whether it is at least equivalent to the property transferred.

In exchange for fee simple interests, the public utility shall acquire and vest in the grantor agency fee simple title to other available land of at least 2 times the size of the land acquired from the

agency grantor. The grantor agency must approve the land to be acquired on its behalf based on a determination that the economic and ecological or recreational value is at least equivalent to the property transferred.

Instead of providing other lands to the grantor agency in exchange for lands it acquires, the grantee may propose and, subject to the grantor agency's approval, pay to the grantor agency an amount equal to the fair market value of the state-owned land received by the grantee plus one-half of the cost differential between the cost of constructing the facility up to a maximum of twice the fair market value of the state-owned lands received by the grantee. These moneys shall then be used by the grantor agency to acquire fee simple or less than fee simple interest in other lands.

Section 4. Amends s. 337.401, F.S. - Use of right-of-way for utilities subject to regulation; permit; fees

This section provides that for transmission lines that operate more than 69 KV, and where there is no practical alternative available, the Department of Transportation (DOT) rules must provide for placement of, and access to, such transmission lines adjacent to and within the right-of-way of any department-controlled public roads, including longitudinally within limited access facilities to the greatest extent allowed by federal law, provide compliance with minimum clear zone and other safety standards established by such rules or regulations is achieved. For purposes of this section, "base load generating facilities" are those electrical power plants certified pursuant to Chapter 403, Part II, F.S.

Section 5. Amends s. 366.93, F.S. - Cost recovery for the siting, design, licensing, and construction of nuclear and integrated gasification combined cycle power plants

This section amends the definition of "cost" to include expenses relating to any new, enlarged, or relocated electrical transmission lines or facilities of any size that are necessary to serve nuclear or integrated gasification combined cycle power plant.

This section amends the definition of "preconstruction" to specify that it relates to the period of time after any related electrical transmission lines or facilities has been selected through and including the date the utility completes site-clearing work.

This section also requires the Public Service Commission to establish alternative cost recovery for new, expanded, or relocated electric transmission lines and facilities that are necessary to serve the nuclear or integrated gasification combined cycle power plant. Furthermore, the proposed legislation allows utilities to recover preconstruction and construction costs incurred after the issuance of a final order granting a determination of need for nuclear power plant and electrical transmission lines and facilities in the event that the utility elects not to complete or is precluded from completing construction of any new, expanded, or relocated electrical transmission lines or facilities of a nuclear power plant.

Sections 6-7. Amend ss. 380.23 and 403.031, F.S., to:

Correct a cross reference to conform to the renumbering of subsections.

Section 8. Amends s. 403.503, F.S. - Definitions

This section defines an "alternative corridor" as an area that is proposed by the applicant or a third party within which all or part of an associated electrical transmission line right-of-way is to be located and that is different from the preferred transmission line corridor proposed by the applicant. The width of the alternate corridor proposed for certification for an associated electrical transmission line may be the width of the proposed right-of-way or a wider boundary not to exceed a width of 1 mile. The area within the alternate corridor may be further restricted as a condition of certification. The alternate corridor may include alternate electrical substation sites if the applicant has proposed an electrical substation as part of the portion of the proposed electrical transmission line.

This section also amends the definition of "corridor" to specify that the corridors proper for certification must be those addressed in the application, in amendments to the application, and in notices of acceptance of proposed alternate corridors filed by an applicant and DEP.

Section 9. Amends s. 403.504 - Department of Environmental Protection; powers and duties enumerated

This section provides that DEP has the power and duty under the Power Plant Siting Act to determine whether an alternate corridor proposed for consideration is acceptable.

Section 10. Amends s. 403.506, F.S. - Applicability, thresholds, and certification

This section provides that for nuclear power plants, an electric utility may obtain separate licenses and permits for the construction of a facility necessary to construct a power plant without first having to obtain certification. Such facilities can include access and onsite roads, rail lines, electrical transmission facilities to support construction, and facilities necessary for waterborne delivery of construction materials and project components. This exemption does not authorize agency rulemaking and any action taken under this subsection is not subject to chapter 120, F.S.

Section 11. Amends s. 403.5064, F.S. - Application; schedules

This section provides a timetable and schedule for when an applicant, as part of the certification application, opts to allow consideration of alternate corridors for any associated transmission line corridors.

Section 12. Amends s. 403.50665, F.S. - Land use consistency

This section provides that an applicant must include in the application a statement on the consistency of the site, or any directly associated facilities "that constitutes a development, as defined by s. 380.04, F.S."

This section also provides that the issue of land use consistency for a proposed alternate electrical substation that is proposed as part of an alternate corridor accepted by the applicant and the DEP must be addressed in the supplemental report prepared by the local government on the proposed alternate corridor and shall be considered at the final certification hearing.

Section 13. Amends s. 403.509, F.S. - Final disposition of application

This section specifies that any transmission line corridor certified by the board shall meet the criteria of this section. Additionally, it specifies that when there is more than one transmission line corridor that is proper for certification under s. 403.503(10), F.S., and meets the criteria of this section, the board must certify the transmission line corridor that has the least adverse impact regarding the information in (3), including costs.

This section also specifies that if the board finds an alternate corridor rejected pursuant to s. 403.5271, F.S., and incorporated by reference in 403.5064(1)(b), F.S., meets the criteria of (3) and has the least adverse impact regarding information in (3), including cost, of all the corridors that meet the criteria in (3), the board must either deny certification or allow the applicant to amend the application in order to include the corridor.

In addition, this section specifies that if the board finds that two or more of the corridors that comply with (3) have the least adverse impacts regarding the criteria in (3), including costs, and that the corridors are substantially equal in adverse impacts regarding the criteria of (3), including costs, the board shall certify the corridor preferred by the applicant if the corridor is one proper for certification under s. 403.503(10), F.S.

Section 14. Amends s. 403.5115, F.S. - Public notice

This section provides public notice requirements pertaining to the filing of a proposal for an alternate corridor.

Section 15. Amends s. 403.5175, F.S. – Existing electrical power plant site certification

This section corrects a cross reference to conform to the renumbering of subsections.

Section 16. Amends s. 403.518, F.S. - Fees; disposition

This section provides for a filing fee for an alternative corridor filed pursuant to s. 403.5064(4), F.S.

Section 17. Amends s. 403.519, F.S. - Exclusive forum for determination of need

This section requires that an applicant's petition to determine need must include a description of and an estimate of the cost of the nuclear or integrated gasification combined cycle power plant, which "includes any costs associated with new, enlarged, or relocated electrical transmission lines or facilities of any size that are necessary to serve the nuclear power plant."

This section also provides that, after the determination of need, the right of the utility to recover the cost of new, expanded, or relocated electrical transmission lines or facilities of any size that are necessary to serve the nuclear power plant shall not be subject to challenge, unless the commission finds that costs were imprudently incurred.

Section 18. Amends s. 403.514, F.S. - General permits; delegation

This section specifies that subsection (6), which provides for the general permitting requirements for the construction and maintenance of transmission lines in wetlands by electric utilities, "applies to transmission lines and appurtenances certified pursuant to part II of this chapter."

Section 1. Present subsection (3) of section 74.051, Florida Statutes, is redesignated as subsection (4), and a new subsection (3) is added to that section, to read:

74.051 Hearing on order of taking.--

is an electric utility that is seeking to appropriate property necessary for an electric generation plant, an associated facility of such plant, an electric substation, or a power line, the court shall conduct the hearing no more than 120 days after the petition is filed. The court shall issue its final judgment no more than 30 days after the hearing.

Section 2. Subsection (2) of section 253.02, Florida Statutes, is amended to read:

253.02 Board of trustees; powers and duties.--

- (2) (a) The board of trustees shall not sell, transfer, or otherwise dispose of any lands the title to which is vested in the board of trustees except by vote of at least three of the four trustees and as provided in this subsection.
- (b) In order to promote efficient, effective, and economical management of state lands and utility services and if the Public Service Commission has determined a need exists or the Federal Energy Regulatory Commission has granted a Certificate of Public Convenience and Necessity, the authority to grant easements for rights-of-way over, across, and upon lands the title to which is vested in the board of trustees for the construction and operation of natural gas pipeline transmission and linear facilities, including electric transmission and distribution facilities, may be delegated to

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the Secretary of the Department of Environmental Protection for facilities subject to part II of chapter 403 or facilities subject to part IV of chapter 373.

The board of trustees may review and approve such uses of state lands if delegation would be inappropriate in regard to the amount or location of state lands involved.

Section 3. Subsection (14) is added to section 253.034, Florida Statutes, to read:

253.034 State-owned lands; uses.--

- organization, or natural gas company presents competent and substantial evidence that its use of nonsovereignty state-owned lands is reasonable based upon a consideration of economic and environmental factors, including an assessment of practicable alternative alignments and assurance that the lands will remain in their predominantly natural condition, the public utility, regional transmission organization, or natural gas company may be granted fee simple title, easements, or other interests in nonsovereignty state-owned lands title to which is vested in the board of trustees, a water management district, or any other agency in the state for:
 - 1. Electric transmission and distribution lines;
 - 2. Natural gas pipelines; or
- 3. Other linear facilities for which the Public Service Commission has determined a need exists or the Federal Energy Regulatory Commission has issued a Certificate of Public Convenience and Necessity.

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- acquired pursuant to this subsection, the grantee shall vest in the grantor the same fee simple interest to other available land that is at least 1.5 times the size of the land acquired by the grantee. The grantor shall approve the property with a less than fee simple interest on its behalf based on the geographic location in relation to the land relinquished by the grantor agency and a determination that the economic, ecological, and recreational value is at least equivalent to that of the property transferred to the public utility, regional transmission organization, or natural gas company.
- (c) In exchange for a fee simple interest acquired pursuant to this subsection, the grantee shall vest in the grantor a fee simple title to other available land that is at least 2 times the size of the land acquired by the grantee. The grantor shall approve the land to be acquired on its behalf based on a determination that the economic and ecological or recreational value is at least equivalent to that of the property transferred to the public utility, regional transmission organization, or natural gas company.
- (d) The grantee may, subject to the grantor's approval, pay the fair market value of the state-owned land plus one-half of the cost differential between the cost of constructing the facility and the cost of constructing the facility on state-owned land, up to a maximum of twice the fair market value of the land acquired by the grantee. The grantor must use these moneys to acquire fee simple or less than fee simple interest in other available land.

Section 4. Subsection (1) of section 337.401, Florida Statutes, is amended to read:

337.401 Use of right-of-way for utilities subject to regulation; permit; fees.--

The department and local governmental entities, referred to in ss. 337.401-337.404 as the "authority," that have jurisdiction and control of public roads or publicly owned rail corridors are authorized to prescribe and enforce reasonable rules or regulations with reference to the placing and maintaining along, across, or on any road or publicly owned rail corridors under their respective jurisdictions any electric transmission, telephone, telegraph, or other communications services lines; pole lines; poles; railways; ditches; sewers; water, heat, or gas mains; pipelines; fences; gasoline tanks and pumps; or other structures hereinafter referred to in this <u>section</u> as the "utility." For aerial and underground electric utility transmission lines designed to operate at 69 kv or more that are needed to accommodate the additional electrical transfer capacity on the transmission grid resulting from new base load generating facilities, where there is no other practicable alternative available for placement of the electric utility transmission lines, as defined below, on the department's rights-of-way, the department's rules or regulations shall provide for placement of, and access to such transmission lines adjacent to and within the right-of-way of any department-controlled public roads, including longitudinally within limited access facilities to the greatest extent allowed by federal law, provided compliance with the standards

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113 established by such rules or regulations is achieved. Such 114 rules and regulations may include, but not be limited to, 115 presentation of confident and substantial evidence that the use 116 of the right-of-way is reasonable based upon a consideration of 117 economic and environmental factors, including an assessment of practicable alternative alignments, including without limitation 118 119 other utility corridors and easements, minimum clear zone and 120 other safety standards and such improvements do not interfere 121 with operational requirements of the transportation facility or 122 planned or potential future expansion of such transportation facility. If the department approves longitudinal placement of 123 124 electric utility transmission lines in limited access 125 facilities, compensation for the use of the right-of-way shall 126 be required. Such consideration or compensation paid by the 127 electric utility in connection with the department's issuance of 128 a permit does not create any property right whatsoever in the 129 department's property regardless of the amount of the 130 consideration paid or the improvements constructed on the property by the utility. Upon notice by the department that the 131 property is needed for expansion or improvement of the 132 133 transportation facility, the electric utility transmission line 134 will relocate from the facility at the electric utility's sole 135 expense. An electric utility shall pay to the department any 136 additional expenses or damages, including without limitation, 137 damages resulting from construction delay claims and loss of 138 revenues, resulting from the electric utility's failure or 139 refusal to timely relocate its transmission line. As used in 140 this subsection, the term "base load generating facilities"

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means electrical power plants that are certified under part II, chapter 403, Florida Statutes. The department may enter into a permit-delegation agreement with a governmental entity if issuance of a permit is based on requirements that the department finds will ensure the safety and integrity of facilities of the Department of Transportation; however, the permit-delegation agreement does not apply to facilities of electric utilities as defined in s. 366.02(2).

Section 5. Section 366.93, Florida Statutes, is amended to read:

366.93 Cost recovery for the siting, design, licensing, and construction of nuclear and integrated gasification combined cycle power plants.--

- (1) As used in this section, the term:
- (a) "Cost" includes, but is not limited to, all capital investments, including rate of return, any applicable taxes, and all expenses, including operation and maintenance expenses, related to or resulting from the siting, licensing, design, construction, or operation of the nuclear power plant and any new, enlarged, or relocated electrical transmission lines or facilities of any size that are necessary to serve the nuclear or integrated gasification combined cycle power plant.
- (b) "Electric utility" or "utility" has the same meaning as that provided in s. 366.8255(1)(a).
- (c) "Integrated gasification combined cycle power plant" or "plant" is an electrical power plant as defined in \underline{s} . $\underline{403.503(14)}$ which \underline{s} . $\underline{403.503(13)}$ that uses synthesis gas produced by integrated gasification technology.

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- (d) "Nuclear power plant" or "plant" means is an electrical power plant, as defined in s. 403.503(14), which s. 403.503(13) that uses nuclear materials for fuel.
- (e) "Power plant" or "plant" means a nuclear power plant or an integrated gasification combined cycle power plant.
- (f) "Preconstruction" is that period of time after a site, including any related electrical transmission lines or facilities, has been selected through and including the date the utility completes site-clearing site clearing work.

 Preconstruction costs shall be afforded deferred accounting treatment and shall accrue a carrying charge equal to the utility's allowance for funds during construction (AFUDC) rate until recovered in rates.
- (2) Within 6 months after the enactment of this act, the commission shall establish, by rule, alternative cost recovery mechanisms for the recovery of costs incurred in the siting, design, licensing, and construction of a nuclear power plant, including new, expanded, or relocated electrical transmission lines and facilities that are necessary to serve the nuclear or integrated gasification combined cycle power plant. Such mechanisms shall be designed to promote utility investment in nuclear or integrated gasification combined cycle power plants and allow for the recovery in rates of all prudently incurred costs, and shall include, but need are not be limited to:
- (a) Recovery through the capacity cost recovery clause of any preconstruction costs.
- (b) Recovery through an incremental increase in the utility's capacity cost recovery clause rates of the carrying

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costs on the utility's projected construction cost balance associated with the nuclear or integrated gasification combined cycle power plant. To encourage investment and provide certainty, for nuclear or integrated gasification combined cycle power plant need petitions submitted on or before December 31, 2010, associated carrying costs shall be equal to the pretax AFUDC in effect upon this act becoming law. For nuclear or integrated gasification combined cycle power plants for which need petitions are submitted after December 31, 2010, the utility's existing pretax AFUDC rate is presumed to be appropriate unless determined otherwise by the commission in the determination of need for the nuclear or integrated gasification combined cycle power plant.

- (3) After a petition for determination of need is granted, a utility may petition the commission for cost recovery as permitted by this section and commission rules.
- (4) When the nuclear or integrated gasification combined cycle power plant is placed in commercial service, the utility shall be allowed to increase its base rate charges by the projected annual revenue requirements of the nuclear or integrated gasification combined cycle power plant based on the jurisdictional annual revenue requirements of the plant for the first 12 months of operation. The rate of return on capital investments shall be calculated using the utility's rate of return last approved by the commission prior to the commercial inservice date of the nuclear or integrated gasification combined cycle power plant. If any existing generating plant is retired as a result of operation of the nuclear or integrated

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gasification combined cycle power plant, the commission shall allow for the recovery, through an increase in base rate charges, of the net book value of the retired plant over a period not to exceed 5 years.

- (5) The utility shall report to the commission annually the budgeted and actual costs as compared to the estimated inservice cost of the nuclear or integrated gasification combined cycle power plant provided by the utility pursuant to s. 403.519(4), until the commercial operation of the nuclear or integrated gasification combined cycle power plant. The utility shall provide such information on an annual basis following the final order by the commission approving the determination of need for the nuclear or integrated gasification combined cycle power plant, with the understanding that some costs may be higher than estimated and other costs may be lower.
- is precluded from completing construction of the nuclear power plant, including any new, expanded, or relocated electrical transmission lines or facilities or integrated gasification combined cycle power plant, the utility shall be allowed to recover all prudent preconstruction and construction costs incurred following the commission's issuance of a final order granting a determination of need for the nuclear power plant and electrical transmission lines and facilities or integrated gasification combined cycle power plant. The utility shall recover such costs through the capacity cost recovery clause over a period equal to the period during which the costs were incurred or 5 years, whichever is greater. The unrecovered

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balance during the recovery period will accrue interest at the utility's weighted average cost of capital as reported in the commission's earnings surveillance reporting requirement for the prior year.

Section 6. Paragraph (c) of subsection (3) of section 380.23, Florida Statutes, is amended to read:

380.23 Federal consistency.--

- (3) Consistency review shall be limited to review of the following activities, uses, and projects to ensure that such activities, uses, and projects are conducted in accordance with the state's coastal management program:
- (c) Federally licensed or permitted activities affecting land or water uses when such activities are in or seaward of the jurisdiction of local governments required to develop a coastal zone protection element as provided in s. 380.24 and when such activities involve:
- 1. Permits and licenses required under the Rivers and Harbors Act of 1899, 33 U.S.C. ss. 401 et seq., as amended.
- 2. Permits and licenses required under the Marine Protection, Research and Sanctuaries Act of 1972, 33 U.S.C. ss. 1401-1445 and 16 U.S.C. ss. 1431-1445, as amended.
- 3. Permits and licenses required under the Federal Water Pollution Control Act of 1972, 33 U.S.C. ss. 1251 et seq., as amended, unless such permitting activities have been delegated to the state pursuant to said act.
- 4. Permits and licenses relating to the transportation of hazardous substance materials or transportation and dumping which are issued pursuant to the Hazardous Materials

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Transportation Act, 49 U.S.C. ss. 1501 et seq., as amended, or 33 U.S.C. s. 1321, as amended.

- 5. Permits and licenses required under 15 U.S.C. ss. 717-717w, 3301-3432, 42 U.S.C. ss. 7101-7352, and 43 U.S.C. ss. 1331-1356 for construction and operation of interstate gas pipelines and storage facilities.
- 6. Permits and licenses required for the siting and construction of any new electrical power plants as defined in \underline{s} . $\underline{403.503(14)}$ \underline{s} . $\underline{403.503(13)}$, as amended, and the licensing and relicensing of hydroelectric power plants under the Federal Power Act, 16 U.S.C. ss. 791a et seq., as amended.
- 7. Permits and licenses required under the Mining Law of 1872, 30 U.S.C. ss. 21 et seq., as amended; the Mineral Lands Leasing Act, 30 U.S.C. ss. 181 et seq., as amended; the Mineral Leasing Act for Acquired Lands, 30 U.S.C. ss. 351 et seq., as amended; the Federal Land Policy and Management Act, 43 U.S.C. ss. 1701 et seq., as amended; the Mining in the Parks Act, 16 U.S.C. ss. 1901 et seq., as amended; and the OCS Lands Act, 43 U.S.C. ss. 1331 et seq., as amended, for drilling, mining, pipelines, geological and geophysical activities, or rights-ofway on public lands and permits and licenses required under the Indian Mineral Development Act, 25 U.S.C. ss. 2101 et seq., as amended.
- 8. Permits and licenses for areas leased under the OCS Lands Act, 43 U.S.C. ss. 1331 et seq., as amended, including leases and approvals of exploration, development, and production plans.
 - 9. Permits and licenses required under the Deepwater Port

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Act of 1974, 33 U.S.C. ss. 1501 et seq., as amended.

- 10. Permits required for the taking of marine mammals under the Marine Mammal Protection Act of 1972, as amended, 16 U.S.C. s. 1374.
- Section 7. Subsection (20) of section 403.031, Florida Statutes, is amended to read:
- 403.031 Definitions.--In construing this chapter, or rules and regulations adopted pursuant hereto, the following words, phrases, or terms, unless the context otherwise indicates, have the following meanings:
- Section 8. Present subsections (3) through (30) of section 403.503, Florida Statutes, are redesignated as subsections (4) through (31), respectively, a new subsection (3) is added to that section, and present subsection (10) of that section is amended, to read:
- 403.503 Definitions relating to Florida Electrical Power Plant Siting Act.--As used in this act:
- (3) "Alternate corridor" means an area that is proposed by the applicant or a third party within which all or part of an associated electrical transmission line right-of-way is to be located and that is different from the preferred transmission line corridor proposed by the applicant. The width of the

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alternate corridor proposed for certification for an associated electrical transmission line may be the width of the proposed right-of-way or a wider boundary not to exceed a width of 1 mile. The area within the alternate corridor may be further restricted as a condition of certification. The alternate corridor may include alternate electrical substation sites if the applicant has proposed an electrical substation as part of the portion of the proposed electrical transmission line.

(11) (10) "Corridor" means the proposed area within which an associated linear facility right-of-way is to be located. The width of the corridor proposed for certification as an associated facility, at the option of the applicant, may be the width of the right-of-way or a wider boundary, not to exceed a width of 1 mile. The area within the corridor in which a rightof-way may be located may be further restricted by a condition of certification. After all property interests required for the right-of-way have been acquired by the licensee, the boundaries of the area certified shall narrow to only that land within the boundaries of the right-of-way. The corridors proper for certification shall be those addressed in the application, in amendments to the application filed under s. 403.5064, and in notices of acceptance of proposed alternate corridors filed by an applicant and the department pursuant to s. 403.5271 as incorporated by reference in s. 403.5064(1)(b) for which the required information for the preparation of agency supplemental reports was filed.

Section 9. Present subsections (9) through (12) of section 403.504, Florida Statutes, are redesignated as subsections (10)

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through (13), respectively, and a new subsection (9) is added to that section, to read:

- 403.504 Department of Environmental Protection; powers and duties enumerated.—The department shall have the following powers and duties in relation to this act:
- (9) To determine whether an alternate corridor proposed for consideration under s. 403.5064(4) is acceptable.
- Section 10. Subsection (3) is added to section 403.506, Florida Statutes, to read:
 - 403.506 Applicability, thresholds, and certification.--
- (3) An electric utility may obtain separate licenses, permits, and approvals for the construction of facilities necessary to construct an electrical power plant without first obtaining certification under this act if the utility intends to locate, license, and construct a proposed or expanded electrical power plant that uses nuclear materials as fuel. Such facilities may include, but are not limited to, access and onsite roads, rail lines, electrical transmission facilities to support construction, and facilities necessary for waterborne delivery of construction materials and project components. This exemption applies to such facilities regardless of whether the facilities are used for operation of the power plant. The applicant shall file with the department a statement that declares that the construction of such facilities is necessary for the timely construction of the proposed electrical power plant and identifies those facilities that the applicant intends to seek licenses for and construct prior to or separate from certification of the project. The facilities may be located

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within or off of the site for the proposed electrical power plant. The filing of an application under this act does not affect other applications for separate licenses which are pending at the time of filing the application. Furthermore, the filing of an application does not prevent an electric utility from seeking separate licenses for facilities that are necessary to construct the electrical power plant. Licenses, permits, or approvals issued by any state, regional, or local agency for such facilities shall be incorporated by the department into a final certification upon completion of construction. Any facilities necessary for construction of the electrical power plant shall become part of the certified electrical power plant upon completion of the electrical power plant's construction. The exemption in this subsection does not require or authorize agency rulemaking, and any action taken under this subsection is not subject to chapter 120.

Section 11. Subsections (1) and (4) of section 403.5064, Florida Statutes, are amended to read:

403.5064 Application; schedules.--

- (1) The formal date of filing of a certification application and commencement of the certification review process shall be when the applicant submits:
- (a) Copies of the certification application in a quantity and format as prescribed by rule to the department and other agencies identified in s. 403.507(2)(a).
- (b) If the applicant opts to allow consideration of alternate corridors for any associated transmission line corridors, the applicant shall file a statement with the

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department affirming the exercise of this option. If alternate corridors are allowed, at the applicant's option, the portion of the application addressing associated transmission line corridors shall be processed under the schedule of the Florida Electric Transmission Line Siting Act, sections 403.521-403.526 and 403.5271, including the opportunity for the filing and review of alternate corridors, provided that any party proposing alternate transmission line corridor routes for consideration must do so no later than 115 days prior to the certification hearing that is scheduled for the power plant, including any associated transmission line corridors, in accordance with s. 403.508(2).

- (c) The application fee specified under s. 403.518 to the department.
- (2) Within 7 days after the filing of an application, the department shall provide to the applicant and the Division of Administrative Hearings the names and addresses of any additional agencies or persons entitled to notice and copies of the application and any amendments. Copies of the application shall be distributed within 5 days by the applicant to these additional agencies. This distribution shall not be a basis for altering the schedule of dates for the certification process.
- (3) Any amendment to the application made prior to certification shall be disposed of as part of the original certification proceeding. Amendment of the application may be considered good cause for alteration of time limits pursuant to s. 403.5095.

Within 7 days after the filing of an application, the department shall prepare a proposed schedule of dates for determination of completeness, submission of statements of issues, submittal of final reports, and other significant dates to be followed during the certification process, including dates for filing notices of appearance to be a party pursuant to s. 403.508(3). If the application includes one or more associated transmission line corridors, at the request of the applicant filed concurrently with the application, the department shall incorporate the application processing schedule of the Florida Electric Transmission Line Siting Act, sections 403.521-403.526 and 403.5271 for the associated transmission line corridors, including the opportunity for the filing and review of alternate corridors, providing that any party may propose alternate transmission line corridor routes for consideration no later than 115 days prior to the scheduled certification hearing. Notwithstanding an applicant's option for the transmission line corridor portion of its application to be processed under this optional schedule, only one certification hearing will be held for the entire power plant in accordance with s. 403.508(2). The proposed This schedule shall be timely provided by the department to the applicant, the administrative law judge, all agencies identified pursuant to subsection (2), and all parties. Within 7 days after the filing of the proposed schedule, the administrative law judge shall issue an order establishing a schedule for the matters addressed in the department's proposed schedule and other appropriate matters, if any. Section 12. Subsections (1) and (3 of section 403.50665,

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Florida Statutes, are amended, and subsection (7) is added to said section, to read:

403.50665 Land use consistency.--

- (1) The applicant shall include in the application a statement on the consistency of the site, or any directly associated facilities that constitute a "development," as defined by s. 380.04, with existing land use plans and zoning ordinances that were in effect on the date the application was filed and a full description of such consistency.
- If the local government issues a determination that (3) the proposed electrical power plant and any directly associated facility is not consistent or in compliance with local land use plans and zoning ordinances, the applicant may apply to the local government for the necessary local approval to address the inconsistencies in the local government's determination. If the applicant makes such an application to the local government, the time schedules under this act shall be tolled until the local government issues its revised determination on land use and zoning or the applicant otherwise withdraws its application to the local government. If the applicant applies to the local government for necessary local land use or zoning approval, the local government shall issue a revised determination within 30 days following the conclusion of that local proceeding, and the time schedules and notice requirements under this act shall apply to such revised determination.
- (7) The issue of land use and zoning consistency for any proposed alternate intermediate electrical substation which is proposed as part of an alternate electrical transmission line

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corridor which is accepted by the applicant and the department under s. 403.5271(1)(b) shall be addressed in the supplementary report prepared by the local government on the proposed alternate corridor and shall be considered as an issue at any final certification hearing. If such a proposed intermediate electrical substation is determined to not be consistent with local land use plans and zoning ordinances, then that alternate electrical substation shall not be certified.

Section 13. Paragraph (d) of subsection (3) of section 403.509, Florida Statutes, is amended, present subsections (4) through (6) of that section, are redesignated as subsections (5) through (7), respectively, and a new subsection (4) is added to that section, to read:

403.509 Final disposition of application. --

- (3) In determining whether an application should be approved in whole, approved with modifications or conditions, or denied, the board, or secretary when applicable, shall consider whether, and the extent to which, the location of the electrical power plant and directly associated facilities and their construction and operation will:
- (d) Meet the electrical energy needs of the state in an orderly, reliable, and timely fashion.
- (4) (a) Any transmission line corridor certified by the board, or secretary if applicable, shall meet the criteria of this section. When more than one transmission line corridor is proper for certification under s. 403.503(10) and meets the criteria of this section, the board, or secretary if applicable, shall certify the transmission line corridor that has the least

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adverse impact regarding the criteria in subsection (3),
including costs.

- (b) If the board, or secretary if applicable, finds that an alternate corridor rejected pursuant to s. 403.5271 as incorporated by reference in s. 403.5064(1)(b) meets the criteria of subsection (3) and has the least adverse impact regarding the criteria in subsection (3), the board, or secretary if applicable, shall deny certification or shall allow the applicant to submit an amended application to include the corridor.
- (c) If the board, or secretary if applicable, finds that two or more of the corridors that comply with subsection (3) have the least adverse impacts regarding the criteria in subsection (3), including costs, and that the corridors are substantially equal in adverse impacts regarding the criteria in subsection (3), including costs, the board, or secretary if applicable, shall certify the corridor preferred by the applicant if the corridor is one proper for certification under s. 403.503(10).
- Section 14. Subsection (5) is added to section 403.5115, Florida Statutes, to read:
 - 403.5115 Public notice.--
- (5) A proponent of an alternate corridor shall publish public notices concerning the filing of a proposal for an alternate corridor; the route of the alternate corridor; the revised time schedules, if any; the filing deadline for a petition to become a party; and the date of the rescheduled certification hearing, if necessary. For purposes of this

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subsection, all notices must be published in a newspaper or newspapers of general circulation within the county or counties affected by the proposed alternate corridor and must comply with the requirements provided in subsection (2). The notices must be published at least 45 days before the date of the rescheduled certification hearing.

Section 15. Subsection (1) of section 403.5175, Florida Statutes, is amended to read:

403.5175 Existing electrical power plant site certification.--

(1) An electric utility that owns or operates an existing electrical power plant as defined in s. 403.503(14) s. 403.503(13) may apply for certification of an existing power plant and its site in order to obtain all agency licenses necessary to ensure compliance with federal or state environmental laws and regulation using the centrally coordinated, one-stop licensing process established by this part. An application for site certification under this section must be in the form prescribed by department rule. Applications must be reviewed and processed using the same procedural steps and notices as for an application for a new facility, except that a determination of need by the Public Service Commission is not required.

Section 16. Subsection (6) is added to section 403.518, Florida Statutes, to read:

403.518 Fees; disposition.—The department shall charge the applicant the following fees, as appropriate, which, unless otherwise specified, shall be paid into the Florida Permit Fee

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Trust Fund:

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(6) (a) An application fee for an alternate corridor filed pursuant to s. 403.5064(4). The application fee shall be \$750 per mile for each mile of the alternate corridor located within an existing electric transmission line right-of-way or within an existing right-of-way for a road, highway, railroad, or other aboveground linear facility, or \$1,000 per mile for each mile of an electric transmission line corridor proposed to be located outside the existing right-of-way.

Section 17. Subsection (4) of section 403.519, Florida Statutes, is amended to read:

403.519 Exclusive forum for determination of need.--

In making its determination on a proposed electrical power plant using nuclear materials or synthesis gas produced by integrated gasification combined cycle power plant as fuel, the commission shall hold a hearing within 90 days after the filing of the petition to determine need and shall issue an order granting or denying the petition within 135 days after the date of the filing of the petition. The commission shall be the sole forum for the determination of this matter and the issues addressed in the petition, which accordingly shall not be reviewed in any other forum, or in the review of proceedings in such other forum. In making its determination to either grant or deny the petition, the commission shall consider the need for electric system reliability and integrity, including fuel diversity, the need for base-load generating capacity, the need for adequate electricity at a reasonable cost, and whether renewable energy sources and technologies, as well as

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conservation measures, are utilized to the extent reasonably available.

- (a) The applicant's petition shall include:
- 1. A description of the need for the generation capacity.
- 2. A description of how the proposed nuclear or integrated gasification combined cycle power plant will enhance the reliability of electric power production within the state by improving the balance of power plant fuel diversity and reducing Florida's dependence on fuel oil and natural gas.
- 3. A description of and a nonbinding estimate of the cost of the nuclear or integrated gasification combined cycle power plant, including any costs associated with new, enlarged, or relocated electrical transmission lines or facilities of any size that are necessary to serve the nuclear power plant.
- 4. The annualized base revenue requirement for the first 12 months of operation of the nuclear or integrated gasification combined cycle power plant.
- 5. Information on whether there were any discussions with any electric utilities regarding ownership of a portion of the nuclear or integrated gasification combined cycle power plant by such electric utilities.
- (b) In making its determination, the commission shall take into account matters within its jurisdiction, which it deems relevant, including whether the nuclear or integrated gasification combined cycle power plant will:
 - 1. Provide needed base-load capacity.
- 2. Enhance the reliability of electric power production within the state by improving the balance of power plant fuel

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diversity and reducing Florida's dependence on fuel oil and natural gas.

- 3. Provide the most cost-effective source of power, taking into account the need to improve the balance of fuel diversity, reduce Florida's dependence on fuel oil and natural gas, reduce air emission compliance costs, and contribute to the long-term stability and reliability of the electric grid.
- (c) No provision of rule 25-22.082, Florida Administrative Code, shall be applicable to a nuclear or integrated gasification combined cycle power plant sited under this act, including provisions for cost recovery, and an applicant shall not otherwise be required to secure competitive proposals for power supply prior to making application under this act or receiving a determination of need from the commission.
- (d) The commission's determination of need for a nuclear or integrated gasification combined cycle power plant shall create a presumption of public need and necessity and shall serve as the commission's report required by s. 403.507(4)(a). An order entered pursuant to this section constitutes final agency action. Any petition for reconsideration of a final order on a petition for need determination shall be filed within 5 days after the date of such order. The commission's final order, including any order on reconsideration, shall be reviewable on appeal in the Florida Supreme Court. Inasmuch as delay in the determination of need will delay siting of a nuclear or integrated gasification combined cycle power plant or diminish the opportunity for savings to customers under the federal Energy Policy Act of 2005, the Supreme Court shall proceed to

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hear and determine the action as expeditiously as practicable and give the action precedence over matters not accorded similar precedence by law.

After a petition for determination of need for a nuclear or integrated gasification combined cycle power plant has been granted, the right of a utility to recover any costs incurred prior to commercial operation, including, but not limited to, costs associated with the siting, design, licensing, or construction of the plant and new, expanded, or relocated electrical transmission lines or facilities of any size that are necessary to serve the nuclear power plant, shall not be subject to challenge unless and only to the extent the commission finds, based on a preponderance of the evidence adduced at a hearing before the commission under s. 120.57, that certain costs were imprudently incurred. Proceeding with the construction of the nuclear or integrated gasification combined cycle power plant following an order by the commission approving the need for the nuclear or integrated gasification combined cycle power plant under this act shall not constitute or be evidence of imprudence. Imprudence shall not include any cost increases due to events beyond the utility's control. Further, a utility's right to recover costs associated with a nuclear or integrated gasification combined cycle power plant may not be raised in any other forum or in the review of proceedings in such other forum. Costs incurred prior to commercial operation shall be recovered pursuant to chapter 366.

Section 18. Paragraph (i) of subsection (6) of section 403.814, Florida Statutes, is amended to read:

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403.814 General permits; delegation. --

- (6) Construction and maintenance of electric transmission or distribution lines in wetlands by electric utilities, as defined in s. 366.02, shall be authorized by general permit provided the following provisions are implemented:
- appurtenances certified pursuant to part II of this chapter.

 However, the criteria of the general permit shall not otherwise affect the authority of the siting board to condition certification of transmission lines as authorized under part II of this chapter.

Maintenance of existing electric lines and clearing of vegetation in wetlands conducted without the placement of structures in wetlands or other dredge and fill activities does not require an individual or general construction permit. For the purpose of this subsection, wetlands shall mean the landward extent of waters of the state regulated under ss. 403.91-403.929 and isolated and nonisolated wetlands regulated under part IV of chapter 373. The provisions provided in this subsection apply to the permitting requirements of the department, any water management district, and any local government implementing part IV of chapter 373 or part VIII of this chapter.

C – Governance of Energy Policy

Section 1. Amends s. 377.601, F.S. – Legislative Intent Regarding Energy Security, the Effects of Global Climate Change, and the Implementation of Alternative Energy Technologies

This section revises legislative intent to emphasize the following:

- Florida's energy security can be increased by lessening dependence on foreign oil;
- The impacts of global climate change can be reduced through the reduction of greenhouse gas emissions; and
- The implementation of alternative energy technologies can be the source of new jobs and employment opportunities for many Floridians.

Section 2. Creates s. 377.6015, F.S. - Florida Energy and Climate Commission

This section creates the Florida Energy and Climate Commission (commission) in the Executive Office of the Governor and provides for the following:

- The commission is to be comprised of 7 members appointed by the Governor for 3-year terms.
- The Governor is to select from three people nominated by the Florida Public Service Commission Nominating Council for each seat on the commission.
- The Governor is to select a chair from three people nominated for the chair position by the council.
- The Florida Department of Law Enforcement must conduct a background investigation of nominees being appointed to the commission.
- If the Governor does not make an appointment within 30 days of receiving the council's recommendations or if the Senate fails to confirm the Governor's appointment to the commission, the council is to initiate the nominating process within 30 days.
- The Governor or his or her successor can recall an appointee.
- A commission member must be an expert in one or more of the following fields:
 - o Energy,
 - Natural resource conservation,
 - o Economics.
 - o Engineering,
 - o Finance,
 - o Law,
 - o Transportation and land use,
 - o Consumer protection,
 - State energy policy, or

- o Another field which is substantially related to the duties and functions of the commission.
- At the time of appointment and at each meeting, members must disclose any financial interest or employment or affiliation with any business entity that may be affected by the policy recommendations of the commission.
- The chair may designate ex-officio non-voting members to provide information and advice to the commission. The following are ex-officio non-voting members of the commission:
 - o The chair of the Florida Public Service Commission, or designee;
 - o The Public Counsel, or designee;
 - o A representative of the Department of Agriculture and Consumer Services;
 - o A representative of the Department of Financial Services;
 - o A representative of the Department of Environmental Protection;
 - o A representative of the Department of Community Affairs;
 - o A representative of the Board of Governors of the State University System; and
 - A representative of the Department of Transportation.
- The commission must meet at least six times a year and may employ staff and counsel, as needed. The commission is directed to do the following:
 - Administer the Florida Renewable Energy and Energy Efficient Technologies
 Grant Program.
 - Develop policy for requiring grantees to provide royalty-sharing or licensing agreements with state government for commercialized products developed under a state grant.
 - Administer the Florida Green Government Grants Act and set annual priorities for grants.
 - O Administer information gathering and reporting functions.
 - o Administer petroleum planning and emergency contingency planning.
 - Represent Florida in the Southern States Energy Compact.
 - Complete the annual assessment of the efficacy of Florida's Energy and Climate Change Action Plan, upon completion by the Governor's Action Team on Energy and Climate Change and provide specific recommendations to the Governor and the Legislature each year to improve results.
 - Administer the provisions of the Florida Energy and Climate Protection Act.
 - O Advocate for energy and climate change issues and provide educational outreach and technical assistance in cooperation with Florida's academic institutions.
 - Adopt rules to implement powers and duties delineated in the section.

Section 3. Amends s. 377.602, F.S. – Definitions

This section expands the definition of "Energy Resources" to include "energy converted from solar radiation, wind, hydraulic potential, tidal movements, and geothermal sources."

Sections 4. – 7. Amend ss. 377.603, 377.604, 377.605, and 377.606, F.S. – Powers and Duties of the Commission; Required Reports; Use of Existing Information; Records of the Commission

These sections make conforming changes reflecting the transferring of responsibilities from the department to the commission.

Section 8. Amends s. 377.703, F.S. – Additional Functions of the Commission

This section deletes definitions and makes conforming changes reflecting the transferring of responsibilities from the department to the commission. It expands the requirement of the Department of Management Services to furnish data on agencies' energy consumption to include their emissions of greenhouse gases.

Section 9. Amends s. 377.705, F.S. – Solar Energy Center; Development of Solar Energy Standards

This section deletes outdated findings and intent language regarding energy consumption and solar energy.

Section 10. Amends s. 377.801, F.S. – Florida Energy and Climate Protection Act

This section renames ss. 377.801-377.806, F.S., as the "Florida Energy and Climate Protection Act."

Section 11. Amends s. 377.802, F.S. – Purpose of the Act

This section provides that the purpose of the act is to provide incentives for activities designed to affect climate change and reduce carbon emissions. The grant programs are intended to stimulate capital investment and enhance the market for renewable energy. The act is also intended to provide incentives for the purchase of energy-efficient appliances and rebates for solar energy equipment.

Section 12. Amends 377.803, F.S. – Definitions Used Within the Act

This section makes conforming changes reflecting the transferring of responsibilities from the department to the commission.

Section 13. Amends s. 377.804, F.S. – Renewable Energy and Energy Efficient Technologies Grants Program

This section renames the "Renewable Energy Technologies Grants Program" as the "Renewable Energy and Energy Efficient Technologies Grants Program." It also stipulates that each application be accompanied by an affidavit stating that the statements in it are true.

Section 14. Amends s. 377.806, F.S. - Solar Energy System Incentives Program

This section, with regard to the Solar Energy System Incentives Program, changes the requirement that the system comply with all applicable building codes as defined by local jurisdictional authority to those defined by the Florida Building Code.

Section 15. Repeals s. 377.701, F.S. - Petroleum Allocation

Section 16. Repeals s. 377.901, F.S. - Florida Energy Commission

Section 1. Section 377.601, Florida Statutes, is amended to read:

377.601 Legislative intent.--

The Legislature finds that Florida's energy security can be increased by lessening dependence on foreign oil; that the impacts of global climate change can be reduced through the reduction of greenhouse gas emissions; and that the implementation of alternative energy technologies can be the source of new jobs and employment opportunities for many The Legislature further finds that Florida is positioned at the front line against potential impacts of global climate change. Human and economic costs of those impacts can be averted and, where necessary, adapted to by a concerted effort to make Florida's communities more resilient and less vulnerable to these impacts. In focusing the government's policy and efforts to protect our state, its citizens and resources, the legislature believes that a single government entity with a specific focus on energy and climate change is both desirable and advantageous the ability to deal effectively with present shortages of resources used in the production of energy is aggravated and intensified because of inadequate or nonexistent information and that intelligent response to these problems and to the development of a state energy policy demands accurate and relevant information concerning energy supply, distribution, and use. The Legislature finds and declares that a procedure for the collection and analysis of data on the energy flow in this state is essential to the development and maintenance of an energy profile defining the characteristics and magnitudes of present

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and future energy demands and availability so that the state may rationally deal with present energy problems and anticipate future energy problems.

- (2) The Legislature further recognizes that every state official dealing with energy problems should have current and reliable information on the types and quantity of energy resources produced, imported, converted, distributed, exported, stored, held in reserve, or consumed within the state.
- (3) It is the intent of the Legislature in the passage of this act to provide the necessary mechanisms for the effective development of information necessary to rectify the present lack of information which is seriously handicapping the state's ability to deal effectively with the energy problem. To this end, the provisions of ss. 377.601 377.608 should be given the broadest possible interpretation consistent with the stated legislative desire to procure vital information.
 - (2) (4) It is the policy of the State of Florida to:
- (a) Recognize and address the potential of global climate change wherever possible. Develop and promote the effective use of energy in the state and discourage all forms of energy waste.
- (b) Play a leading role in developing and instituting energy management programs aimed at promoting energy conservation, energy security and the reduction of greenhouse gas emissions.
- (c) Include energy considerations in all <u>state</u>, <u>regional</u> and <u>local</u> planning.
- (d) Utilize and manage effectively energy resources used within state agencies.

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- (e) Encourage local governments to include energy considerations in all planning and to support their work in promoting energy management programs.
- (f) Include the full participation of citizens in the development and implementation of energy programs.
- (g) Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses <u>and reduce those needs</u> whenever possible.
- (h) Promote energy education and the public dissemination of information on energy and its environmental, economic, and social impact.
- (i) Encourage the research, development, demonstration, and application of alternative energy resources, particularly renewable energy resources.
- (j) Consider, in its decisionmaking, the social, economic, and environmental impacts of energy-related activities, including the whole life cycle impacts of any potential energy use choices, so that detrimental effects of these activities are understood and minimized.
- (k) Develop and maintain energy emergency preparedness plans to minimize the effects of an energy shortage within Florida.
- Section 2. Section 377.6015, Florida Statutes, is created to read:
 - 377.6015 Florida Energy and Climate Commission.--
- (1) The Florida Energy and Climate Commission is created and shall be located within the Executive Office of the

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Governor. The commission shall be comprised of 7 members, and shall be appointed by the Governor pursuant to paragraphs (a) and (b).

- (a) The Governor shall select from three persons nominated by the Florida Public Service Commission Nominating Council, created in s. 350.031, for each seat on the commission.
- 1. The council shall submit the recommendations to the Governor by September 1 of those years in which the terms are to begin the following October, or within 60 days after a vacancy occurs for any reason other than the expiration of the term.
- 2. The Governor shall fill a vacancy occurring on the commission by appointment of one of the applicants nominated by the council only after a background investigation of such applicant has been conducted by the Florida Department of Law Enforcement.
- 3. Members shall be appointed to 3-year terms; however, in order to establish staggered terms, for the initial appointments, the Governor shall appoint four members to 3-year terms, two members to 2-year terms, and one member to a 1-year term.
- 4. The council shall nominate three persons from which the Governor shall select the chair of the commission.
- 5. Vacancies on the commission shall be filled for the unexpired portion of the time in the same manner as original appointments to the commission.
- 6. If the Governor has not made an appointment within 30 consecutive calendar days after the receipt of the recommendation, the council shall initiate, in accordance with

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- this section, the nominating process within 30 days.
- 7. Each appointment to the commission shall be subject to confirmation by the Senate during the next regular session after the vacancy occurs. If the Senate refuses to confirm or fails to consider the Governor's appointment, the council shall initiate, in accordance with this section, the nominating process within 30 days.
 - 8. The Governor or the Governor's successor may recall an appointee.
 - (b) Members must meet the following qualifications and restrictions:
 - 1. A member must be an expert in one or more of the following fields: energy, natural resource conservation, economics, engineering, finance, law, transportation and land use, consumer protection, state energy policy, or another field substantially related to the duties and functions of the commission. The commission shall fairly represent the fields specified in this subparagraph.
 - 2. Each member shall, at the time of appointment and at each commission meeting during his or her term of office, disclose:
 - a. Whether he or she has any financial interest, other than ownership of shares in a mutual fund, in any business entity that, directly or indirectly, owns or controls, or is an affiliate or subsidiary of, any business entity that may be affected by the policy recommendations developed by the commission.
 - b. Whether he or she is employed by or is engaged in any

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TAB C ORIGINAL YEAR 141 business activity with any business entity that, directly or 142 indirectly, owns or controls, or is an affiliate or subsidiary 143 of, any business entity that may be affected by the policy 144 recommendations developed by the commission. 145 (c) The chair may designate ex-officio non-voting members 146 to provide information and advice to the commission. The following shall serve as ex-officio non-voting members and may 147 148 provide information and advice at the request of the chair: 149 1. The chair of the Florida Public Service Commission, or 150 designee; 151 2. The Public Counsel, or designee; 152 3. A representative of the Department of Agriculture and 153 Consumer Services; 154 4. A representative of the Department of Financial 155 Services; 156 5. A representative of the Department of Environmental 157 Protection; 158 6. A representative of the Department of Community 159 Affairs; 160 7. A representative of the Board of Governors of the State 161 University System; and 162 8. A representative of the Department of Transportation. 163 (2) Members shall serve without compensation but are 164 entitled to reimbursement for per diem and travel expenses as 165 provided in s. 112.061. 166 (3) Meetings of the commission may be held in various 167 locations around the state and at the call of the chair;

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however, the commission must meet at least six times each year.

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- (4) (a) The commission may employ staff and counsel as needed in the performance of its duties. The commission may prosecute and defend legal actions in its own name.
 (b) The commission may form advisory groups consisting
- (b) The commission may form advisory groups consisting of members of the public to provide information on specific issues.
 - (5) The commission shall:
- (a) Administer the Florida Renewable Energy and Energy

 Efficient Technologies Grant Program authorized under s. 377.804

 to assure a robust grant portfolio.
- (b) Develop policy for requiring grantees to provide royalty-sharing or licensing agreements with state government for commercialized products developed under a state grant.
- (c) Administer the Florida Green Government Grants Act pursuant to s. 377.808 and set annual priorities for grants.
- (d) Administer the information gathering and reporting functions pursuant to ss. 377.601-377.608.
- (e) Administer the petroleum planning and emergency contingency planning pursuant to ss. 377.703-377.704.
- (f) Represent Florida in the Southern States Energy Compact pursuant to ss. 377.71-377.712.
- (g) Complete the annual assessment of the efficacy of Florida's Energy and Climate Change Action Plan, upon completion by the Governor's Action Team on Energy and Climate Change, pursuant to the Governor's Executive Order 2007-128, and provide specific recommendations to the Governor and the Legislature each year to improve results.
- (h) Administer the provisions of the Florida Energy and Climate Protection Act pursuant to ss. 377.801-377.806.

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- (i) Advocate for energy and climate change issues and provide educational outreach and technical assistance in cooperation with Florida's academic institutions.
- (j) Adopt rules pursuant to chapter 120 in order to implement all powers and duties described in this section.
- Section 3. Section 377.602, Florida Statutes, is amended to read:
 - 377.602 Definitions.--As used in ss. 377.601-377.608:
- (1) "Energy resources" includes, but shall not be limited to:
- (a) Energy converted from solar radiation, wind, hydraulic potential, tidal movements, and geothermal sources.
- (b) Propane, butane, motor gasoline, kerosene, home heating oil, diesel fuel, other middle distillates, aviation gasoline, kerosene-type jet fuel, naphtha-type jet fuel, residual fuels, crude oil, and other petroleum products and hydrocarbons as may be determined by the department to be of importance.
- (c) (b) All natural gas, including casinghead gas, all other hydrocarbons not defined as petroleum products in paragraph (a), and liquefied petroleum gas as defined in s. 527.01.
- (d) (c) All types of coal and products derived from its conversion and used as fuel.
- (e) (d) All types of nuclear energy, special nuclear material, and source material, as defined in s. 290.07.
- (e) Every other energy resource, whether natural or manmade which the department determines to be important to the

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production or supply of energy, including, but not limited to, energy converted from solar radiation, wind, hydraulic potential, tidal movements, and geothermal sources.

- (f) All electrical energy.
- (2) "Commission" means the Florida Energy and Climate Commission.
- (3) "Department" means the Department of Environmental Protection.
- (4) "Person" means producer, refiner, wholesaler, marketer, consignee, jobber, distributor, storage operator, importer, exporter, firm, corporation, broker, cooperative, public utility as defined in s. 366.02, rural electrification cooperative, municipality engaged in the business of providing electricity or other energy resources to the public, pipeline company, person transporting any energy resources as defined in subsection (1), and person holding energy reserves for further production; however, "person" does not include persons exclusively engaged in the retail sale of petroleum products.
- Section 4. Section 377.603, Florida Statutes, is amended to read:
- 377.603 Energy data collection; powers and duties of the commission Department of Environmental Protection.--
- (1) The <u>commission</u> department <u>may shall</u> collect data on the extraction, production, importation, exportation, refinement, transportation, transmission, conversion, storage, sale, or reserves of energy resources in this state in an efficient and expeditious manner.
 - (2) The <u>commission</u> department <u>may</u> shall prepare periodic

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reports of energy data it collects.

- (3) The department shall prescribe and furnish forms for the collection of information as required by ss. 377.601-377.608 and shall consult with other state entities to assure that such data collected will meet their data requirements.
- (3) (4) The <u>commission</u> department may adopt and promulgate such rules and regulations as are necessary to carry out the provisions of ss. 377.601-377.608. Such rules shall be pursuant to chapter 120.
- <u>(4)</u> (5) The <u>commission</u> department shall maintain internal validation procedures to assure the accuracy of information received.
- Section 5. Section 377.604, Florida Statutes, is amended to read:
- 377.604 Required reports. -- Every person who produces, imports, exports, refines, transports, transmits, converts, stores, sells, or holds known reserves of any form of energy resources used as fuel shall report to the commission, department at the request of the commission, at a frequency set, and in a manner prescribed, by the commission department, on forms provided by the commission department and prepared with the advice of representatives of the energy industry. Such forms shall be designed in such a manner as to indicate:
- (1) The identity of the person or persons making the report.
- (2) The quantity of energy resources extracted, produced, imported, exported, refined, transported, transmitted, converted, stored, or sold except at retail.

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(3) The quantity of energy resources known to be held in reserve in the state.

- (4) The identity of each refinery from which petroleum products have normally been obtained and the type and quantity of products secured from that refinery for sale or resale in this state.
- (5) Any other information which the <u>commission</u> department deems proper pursuant to the intent of ss. 377.601-377.608.

Section 6. Section 377.605, Florida Statutes, is amended to read:

377.605 Use of existing information.—The <u>commission</u> department <u>may shall</u> utilize to the fullest extent possible any existing energy information already prepared for state or federal agencies. Every state, county, and municipal agency shall cooperate with the <u>commission</u>, department and shall submit any information on energy to the <u>commission</u> department upon request.

Section 7. Section 377.606, Florida Statutes, is amended to read:

377.606 Records of the <u>commission department</u>; limits of confidentiality.—The information or records of individual persons, as defined herein, obtained by the <u>commission</u> department as a result of a report, investigation, or verification required by the <u>commission department</u>, shall be open to the public, except such information the disclosure of which would be likely to cause substantial harm to the competitive position of the person providing such information and which is requested to be held confidential by the person

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providing such information. Such proprietary information is confidential and exempt from the provisions of s. 119.07(1). Information reported by entities other than the department in documents or reports open to public inspection shall under no circumstances be classified as confidential by the commission department. Divulgence of proprietary information as is requested to be held confidential, except upon order of a court of competent jurisdiction or except to an officer of the state entitled to receive the same in his or her official capacity, shall be a misdemeanor of the second degree, punishable as provided in ss. 775.082 and 775.083. Nothing herein shall be construed to prohibit the publication or divulgence by other means of data so classified as to prevent identification of particular accounts or reports made to the department in compliance with s. 377.603 or to prohibit the disclosure of such information to properly qualified legislative committees. The commission department shall establish a system which permits reasonable access to information developed.

Section 8. Section 377.703, Florida Statutes, is amended to read:

- 377.703 Additional functions of the <u>commission</u> Department of Environmental Protection; energy emergency contingency plan; federal and state conservation programs.--
- (1) LEGISLATIVE INTENT. -- Recognizing that energy supply and demand questions have become a major area of concern to the state which must be dealt with by effective and well-coordinated state action, it is the intent of the Legislature to promote the efficient, effective, and economical management of energy

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problems, centralize energy coordination responsibilities, pinpoint responsibility for conducting energy programs, and ensure the accountability of state agencies for the implementation of s. 377.601(4), the state energy policy. It is the specific intent of the Legislature that nothing in this act shall in any way change the powers, duties, and responsibilities assigned by the Florida Electrical Power Plant Siting Act, part II of chapter 403, or the powers, duties, and responsibilities of the Florida Public Service Commission.

(2) DEFINITIONS.

- (a) "Coordinate," "coordination," or "coordinating" means the examination and evaluation of state plans and programs and the providing of recommendations to the Cabinet, Legislature, and appropriate state agency on any measures deemed necessary to ensure that such plans and programs are consistent with state energy policy.
- (b) "Energy conservation" means increased efficiency in the utilization of energy.
- (c) "Energy emergency" means an actual or impending shortage or curtailment of usable, necessary energy resources, such that the maintenance of necessary services, the protection of public health, safety, and welfare, or the maintenance of basic sound economy is imperiled in any geographical section of the state or throughout the entire state.
- (d) "Energy source" means electricity, fossil fuels, solar power, wind power, hydroelectric power, nuclear power, or any other resource which has the capacity to do work.
 - (e) "Facilities" means any building or structure not

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otherwise exempted by the provisions of this act.

- (f) "Fuel" means petroleum, crude oil, petroleum product, coal, natural gas, or any other substance used primarily for its energy content.
- (g) "Local government" means any county, municipality, regional planning agency, or other special district or local governmental entity the policies or programs of which may affect the supply or demand, or both, for energy in the state.
- (h) "Promotion" or "promote" means to encourage, aid, assist, provide technical and financial assistance, or otherwise seek to plan, develop, and expand.
- (i) "Regional planning agency" means those agencies designated as regional planning agencies by the Department of Community Affairs.
- (j) "Renewable energy resource" means any method, process, or substance the use of which does not diminish its availability or abundance, including, but not limited to, biomass conversion, geothermal energy, solar energy, wind energy, wood fuels derived from waste, ocean thermal gradient power, hydroelectric power, and fuels derived from agricultural products.
- (2) (3) FLORIDA ENERGY AND CLIMATE COMMISSION DEPARTMENT OF ENVIRONMENTAL PROTECTION; DUTIES.—The commission Department of Environmental Protection shall, in addition to assuming the duties and responsibilities provided by ss. 20.255 and 377.701, perform the following functions consistent with the development of a state energy policy:
- (a) The <u>commission</u> department shall assume the responsibility for development of an energy emergency

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contingency plan to respond to serious shortages of primary and secondary energy sources. Upon a finding by the Governor, implementation of any emergency program shall be upon order of the Governor that a particular kind or type of fuel is, or that the occurrence of an event which is reasonably expected within 30 days will make the fuel, in short supply. The commission department shall then respond by instituting the appropriate measures of the contingency plan to meet the given emergency or energy shortage. The Governor may utilize the provisions of s. 252.36(5) to carry out any emergency actions required by a serious shortage of energy sources.

- (b) The <u>commission</u> department shall <u>be</u> constitute the responsible state agency for performing or coordinating the functions of any federal energy programs delegated to the state, including energy supply, demand, conservation, or allocation.
- (c) The <u>commission</u> <u>department</u> shall analyze present and proposed federal energy programs and make recommendations regarding those programs to the Governor.
- (d) The <u>commission</u> department shall coordinate efforts to seek federal support or other support for state energy activities, including energy conservation, research, or development, and shall be the state agency responsible for the coordination of multiagency energy conservation programs and plans.
- (e) The <u>commission</u> department shall analyze energy data collected and prepare long-range forecasts of energy supply and demand in coordination with the Florida Public Service Commission, which shall have responsibility for electricity and

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natural gas forecasts. To this end, the forecasts shall contain:

- 1. An analysis of the relationship of state economic growth and development to energy supply and demand, including the constraints to economic growth resulting from energy supply constraints.
- 2. Plans for the development of renewable energy resources and reduction in dependence on depletable energy resources, particularly oil and natural gas, and an analysis of the extent to which renewable energy sources are being utilized in the state.
- 3. Consideration of alternative scenarios of statewide energy supply and demand for 5, 10, and 20 years, to identify strategies for long-range action, including identification of potential social, economic, and environmental effects.
- 4. An assessment of the state's energy resources, including examination of the availability of commercially developable and imported fuels, and an analysis of anticipated effects on the state's environment and social services resulting from energy resource development activities or from energy supply constraints, or both.
- (f) The <u>commission</u> department shall make a report, as requested by the Governor or the Legislature, reflecting its activities and making recommendations of policies for improvement of the state's response to energy supply and demand and its effect on the health, safety, and welfare of the people of Florida. The report shall include a report from the Florida Public Service Commission on electricity and natural gas and information on energy conservation programs conducted and under

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way in the past year and shall include recommendations for energy conservation programs for the state, including, but not limited to, the following factors:

- 1. Formulation of specific recommendations for improvement in the efficiency of energy utilization in governmental, residential, commercial, industrial, and transportation sectors.
- 2. Collection and dissemination of information relating to energy conservation.
- 3. Development and conduct of educational and training programs relating to energy conservation.
- 4. An analysis of the ways in which state agencies are seeking to implement s. 377.601(4), the state energy policy, and recommendations for better fulfilling this policy.
- (g) The $\underline{\text{commission}}$ department has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this act.
- (h) The commission shall promote Promote the development and use of renewable energy resources, in conformance with the provisions of chapter 187 and s. 377.601, by:
- 1. Establishing goals and strategies for increasing the use of solar energy in this state.
- 2. Aiding and promoting the commercialization of solar energy technology, in cooperation with the Florida Solar Energy Center, Enterprise Florida, Inc., and any other federal, state, or local governmental agency which may seek to promote research, development, and demonstration of solar energy equipment and technology.
 - 3. Identifying barriers to greater use of solar energy

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systems in this state, and developing specific recommendations for overcoming identified barriers, with findings and recommendations to be submitted annually in the report to the Legislature required under paragraph (f).

- 4. In cooperation with the <u>Department of Environmental</u>

 <u>Protection</u>, Department of Transportation, the Department of

 Community Affairs, Enterprise Florida, Inc., the Florida Solar

 Energy Center, and the Florida Solar Energy Industries

 Association, investigating opportunities, pursuant to the

 National Energy Policy Act of 1992 and the Housing and Community

 Development Act of 1992, and any subsequent federal legislation,

 for solar electric vehicles and other solar energy

 manufacturing, distribution, installation, and financing efforts

 which will enhance this state's position as the leader in solar

 energy research, development, and use.
- 5. Undertaking other initiatives to advance the development and use of renewable energy resources in this state.

In the exercise of its responsibilities under this paragraph, the <u>commission</u> department shall seek the assistance of the solar energy industry in this state and other interested parties and is authorized to enter into contracts, retain professional consulting services, and expend funds appropriated by the Legislature for such purposes.

(i) The <u>commission</u> department shall promote energy conservation in all energy use sectors throughout the state and shall constitute the state agency primarily responsible for this function. To this end, the commission department shall

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coordinate the energy conservation programs of all state agencies and review and comment on the energy conservation programs of all state agencies.

- The commission department shall serve as the state clearinghouse for indexing and gathering all information related to energy programs in state universities, in private universities, in federal, state, and local government agencies, and in private industry and shall prepare and distribute such information in any manner necessary to inform and advise the citizens of the state of such programs and activities. This shall include developing and maintaining a current index and profile of all research activities, which shall be identified by energy area and may include a summary of the project, the amount and sources of funding, anticipated completion dates, or, in case of completed research, conclusions, recommendations, and applicability to state government and private sector functions. The commission department shall coordinate, promote, and respond to efforts by all sectors of the economy to seek financial support for energy activities. The commission department shall provide information to consumers regarding the anticipated energy-use and energy-saving characteristics of products and services in coordination with any federal, state, or local governmental agencies as may provide such information to consumers.
- (k) The <u>commission</u> department shall coordinate energy-related programs of state government, including, but not limited to, the programs provided in this section. To this end, the commission department shall:

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- 1. Provide assistance to other state agencies, counties, municipalities, and regional planning agencies to further and promote their energy planning activities.
- 2. Require, in cooperation with the Department of Management Services, all state agencies to operate state-owned and state-leased buildings in accordance with energy conservation standards as adopted by the Department of Management Services. Every 3 months, the Department of Management Services shall furnish the commission department data on agencies' energy consumption and emissions of greenhouse gases in a format prescribed by the commission. mutually agreed upon by the two departments.
- 3. Promote the development and use of renewable energy resources, energy efficiency technologies, and conservation measures.
- 4. Promote the recovery of energy from wastes, including, but not limited to, the use of waste heat, the use of agricultural products as a source of energy, and recycling of manufactured products. Such promotion shall be conducted in conjunction with, and after consultation with, the Department of Environmental Protection, and the Florida Public Service Commission where electrical generation or natural gas is involved, and any other relevant federal, state, or local governmental agency having responsibility for resource recovery programs.
- (1) The <u>commission</u> department shall develop, coordinate, and promote a comprehensive research plan for state programs. Such plan shall be consistent with state energy policy and shall

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be updated on a biennial basis.

- (m) In recognition of the devastation to the economy of this state and the dangers to the health and welfare of residents of this state caused by <u>severe hurricanes</u>, <u>Hurricane</u>

 Andrew, and the potential for such impacts caused by other natural disasters, the <u>commission department</u> shall include in its energy emergency contingency plan and provide to the <u>Florida Building Commission Department of Community Affairs</u> for inclusion in the <u>Florida Energy Efficiency Code for Building Construction state model energy efficiency building code</u> specific provisions to facilitate the use of cost-effective solar energy technologies as emergency remedial and preventive measures for providing electric power, street lighting, and water heating service in the event of electric power outages.
- (3) (4) The <u>commission</u> department shall be responsible for the administration of the Coastal Energy Impact Program provided for and described in Pub. L. No. 94-370, 16 U.S.C. s. 1456a.
- Section 9. Subsection (2) of section 377.705, Florida Statutes, is amended to read:
- 377.705 Solar Energy Center; development of solar energy standards.--
 - (2) LEGISLATIVE FINDINGS AND INTENT. --
- (a) The Legislature recognizes that if present trends continue, Florida will increase present energy consumption sixfold by the year 2000. Because of this dramatic increase and because existing domestic conventional energy resources will not provide sufficient energy to meet the nation's future needs, new sources of energy must be developed and applied. One such

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source, solar energy, has been in limited use in Florida for 30 years. Applications of incident solar energy, the use of solar radiation to provide energy for water heating, space heating, space cooling, and other uses, through suitable absorbing equipment on or near a residence or commercial structure, must be extensively expanded. Unfortunately, the initial costs with regard to the production of solar energy have been prohibitively expensive. However, Because of increases in the cost of conventional fuel, certain applications of solar energy are becoming competitive, particularly when life-cycle costs are considered. It is the intent of the Legislature in formulating a sound and balanced energy policy for the state to encourage the development of an alternative energy capability in the form of incident solar energy.

(b) Toward this purpose, the Legislature intends to provide incentives for the production and sale of, and to set standards for, solar energy systems. Such standards shall ensure that solar energy systems manufactured or sold within the state are effective and represent a high level of quality of materials, workmanship, and design.

Section 10. Section 377.801, Florida Statutes, is amended to read:

377.801 Short title.--Sections 377.801-377.806 may be cited as the <u>"Florida Energy and Climate Protection Act."</u>
"Florida Renewable Energy Technologies and Energy Efficiency Act."

Section 11. Section 377.802, Florida Statutes, is amended to read:

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617	377.802 Purpose Purpose This act is intended to
618	provide incentives for Florida's citizens, businesses, school
619	districts and local governments to take action against the
620	effects of climate change by providing funding for activities
621	designed to reduce carbon emissions. The grant programs in this
622	act are intended to stimulate capital investment and enhance the
623	market for renewable energy technologies and technologies
624	intended to combat or limit climate change impacts. This act is
625	also intended to provide incentives for the purchase of energy-
626	efficient appliances and rebates for solar energy equipment
627	installations for residential and commercial buildings. This
628	act is intended to provide matching grants to stimulate capital
629	investment in the state and to enhance the market for and
630	promote the statewide utilization of renewable energy
631	technologies. The targeted grants program is designed to advance
632	the already growing establishment of renewable energy
633	technologies in the state and encourage the use of other
634	incentives such as tax exemptions and regulatory certainty to
635	attract additional renewable energy technology producers,
636	developers, and users to the state. This act is also intended to
637	provide incentives for the purchase of energy efficient
638	appliances and rebates for solar energy equipment installations
639	for residential and commercial buildings.
640	Section 12. Section 377.803, Florida Statutes, is amended
641	to read:
642	377.803 DefinitionsAs used in ss. 377.801-377.808
643	377.806 , the term:
644	(1) "Act" means the Florida Energy and Climate Protection

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Act Florida Renewable Energy Technologies and Energy Efficiency

- (2) "Approved metering equipment" means a device capable of measuring the energy output of a solar thermal system that has been approved by the commission.
- (2) (3) "Commission" means the <u>Florida Energy and Climate</u> Commission—Florida Public Service Commission.
- (4) "Department" means the Department of Environmental Protection.
- (3) (5) "Person" means an individual, partnership, joint venture, private or public corporation, association, firm, public service company, or any other public or private entity.
- (4) (6) "Renewable energy" means electrical, mechanical, or thermal energy produced from a method that uses one or more of the following fuels or energy sources: hydrogen, biomass, solar energy, geothermal energy, wind energy, ocean energy, waste heat, or hydroelectric power.
- (5) (7) "Renewable energy technology" means any technology that generates or utilizes a renewable energy resource.
- (6) (8) "Solar energy system" means equipment that provides for the collection and use of incident solar energy for water heating, space heating or cooling, or other applications that would normally require a conventional source of energy such as petroleum products, natural gas, or electricity that performs primarily with solar energy. In other systems in which solar energy is used in a supplemental way, only those components that collect and transfer solar energy shall be included in this definition.

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- 673 (7) (9) "Solar photovoltaic system" means a device that converts incident sunlight into electrical current.
 - (8) (10) "Solar thermal system" means a device that traps heat from incident sunlight in order to heat water.
 - Section 13. Section 377.804, Florida Statutes, is amended to read:
 - 377.804 Renewable Energy <u>and Energy Efficient</u> Technologies Grants Program.--
 - (1) The Renewable Energy and Energy Efficient Technologies Grants Program is established within the <u>commission</u> department to provide renewable energy matching grants for demonstration, commercialization, research, and development projects relating to renewable energy technologies.
 - (2) Matching grants for renewable energy technology demonstration, commercialization, research, and development projects may be made to any of the following:
 - (a) Municipalities and county governments.
 - (b) Established for-profit companies licensed to do business in the state.
 - (c) Universities and colleges in the state.
 - (d) Utilities located and operating within the state.
 - (e) Not-for-profit organizations.
 - (f) Other qualified persons, as determined by the commission department.
 - (3) The <u>commission</u> department may adopt rules pursuant to ss. 120.536(1) and 120.54 to provide for application requirements, provide for ranking of applications, and administer the awarding of grants under this program.

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(4) Factors the <u>commission</u> department shall consider in awarding grants include, but are not limited to:

- (a) The availability of matching funds or other in-kind contributions applied to the total project from an applicant. The <u>commission</u> department shall give greater preference to projects that provide such matching funds or other in-kind contributions.
- (b) The degree to which the project stimulates in-state capital investment and economic development in metropolitan and rural areas, including the creation of jobs and the future development of a commercial market for renewable energy technologies.
- (c) The extent to which the proposed project has been demonstrated to be technically feasible based on pilot project demonstrations, laboratory testing, scientific modeling, or engineering or chemical theory that supports the proposal.
- (d) The degree to which the project incorporates an innovative new technology or an innovative application of an existing technology.
- (e) The degree to which a project generates thermal, mechanical, or electrical energy by means of a renewable energy resource that has substantial long-term production potential.
- (f) The degree to which a project demonstrates efficient use of energy and material resources.
- (g) The degree to which the project fosters overall understanding and appreciation of renewable energy technologies.
 - (h) The ability to administer a complete project.
 - (i) Project duration and timeline for expenditures.

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- (j) The geographic area in which the project is to be conducted in relation to other projects.
 - (k) The degree of public visibility and interaction.
- (5) The <u>commission</u> department shall solicit the expertise of other state agencies in evaluating project proposals. State agencies shall cooperate with the <u>commission</u> Department of Environmental Protection and provide such assistance as requested.
- (6) Each application shall be accompanied by an affidavit from the applicant attesting to the veracity of the statements contained therein.

Section 14. Section 377.806, Florida Statutes, is amended to read:

377.806 Solar Energy System Incentives Program. --

- (1) PURPOSE. -- The Solar Energy System Incentives Program is established within the <u>commission</u> department to provide financial incentives for the purchase and installation of solar energy systems. Any resident of the state who purchases and installs a new solar energy system of 2 kilowatts or larger for a solar photovoltaic system, a solar energy system that provides at least 50 percent of a building's hot water consumption for a solar thermal system, or a solar thermal pool heater, from July 1, 2006, through June 30, 2010, is eligible for a rebate on a portion of the purchase price of that solar energy system.
 - (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE. --
- (a) Eligibility requirements.——A solar photovoltaic system qualifies for a rebate if:
 - 1. The system is installed by a state-licensed master

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electrician, electrical contractor, or solar contractor.

- 2. The system complies with state interconnection standards as provided by the <u>Public Service Commission</u> commission.
- 3. The system complies with all applicable building codes as defined by the $\underline{Florida\ Building\ Code}\ \underline{local\ jurisdictional}\ \underline{authority}.$
- (b) Rebate amounts.--The rebate amount shall be set at \$4 per watt based on the total wattage rating of the system. The maximum allowable rebate per solar photovoltaic system installation shall be as follows:
 - 1. Twenty thousand dollars for a residence.
- 2. One hundred thousand dollars for a place of business, a publicly owned or operated facility, or a facility owned or operated by a private, not-for-profit organization, including condominiums or apartment buildings.
 - (3) SOLAR THERMAL SYSTEM INCENTIVE. --
- (a) Eligibility requirements.——A solar thermal system qualifies for a rebate if:
- 1. The system is installed by a state-licensed solar or plumbing contractor.
- 2. The system complies with all applicable building codes as defined by the <u>Florida Building Code</u> local jurisdictional authority.
- (b) Rebate amounts.--Authorized rebates for installation of solar thermal systems shall be as follows:
 - 1. Five hundred dollars for a residence.
 - 2. Fifteen dollars per 1,000 Btu up to a maximum of \$5,000

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for a place of business, a publicly owned or operated facility, or a facility owned or operated by a private, not-for-profit organization, including condominiums or apartment buildings. Btu must be verified by approved metering equipment.

- (4) SOLAR THERMAL POOL HEATER INCENTIVE. --
- (a) Eligibility requirements.—A solar thermal pool heater qualifies for a rebate if the system is installed by a state-licensed solar or plumbing contractor and the system complies with all applicable building codes as defined by the Florida Building Code local jurisdictional authority.
- (b) Rebate amount.--Authorized rebates for installation of solar thermal pool heaters shall be \$100 per installation.
- (5) APPLICATION.--Application for a rebate must be made within $\underline{120}$ 90 days after the purchase of the solar energy equipment.
- determine and publish on a regular basis the amount of rebate funds remaining in each fiscal year. The total dollar amount of all rebates issued by the department is subject to the total amount of appropriations in any fiscal year for this program. If funds are insufficient during the current fiscal year, any requests for rebates received during that fiscal year may be processed during the following fiscal year. Requests for rebates received in a fiscal year that are processed during the following fiscal year requests for rebates received during the following fiscal year shall be given priority over requests for rebates received during the following fiscal year.

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(7) RULES.--The <u>commission</u> department shall adopt rules pursuant to ss. 120.536(1) and 120.54 to develop rebate applications and administer the issuance of rebates.

Section 15. Section 377.701, Florida Statutes, is repealed:

377.701 Petroleum allocation.

- (1) The Department of Environmental Protection shall assume the state's role in petroleum allocation and conservation, including the development of a fair and equitable petroleum plan. The department shall constitute the responsible state agency for performing the functions of any federal program delegated to the state, which relates to petroleum supply, demand, and allocation.
- (2) The department shall, in addition to assuming the duties and responsibilities provided by subsection (1), perform the following:
- (a) In projecting available supplies of petroleum, coordinate with the Department of Revenue to secure information necessary to assure the sufficiency and accuracy of data submitted by persons affected by any federal fuel allocation program.
- (b) Require such periodic reports from public and private sources as may be necessary to the fulfillment of its responsibilities under this act. Such reports may include: petroleum use; all sales, including end user sales, except retail gasoline and retail fuel oil sales; inventories; expected supplies and allocations; and petroleum conservation measures.
 - (c) In cooperation with the Department of Revenue and

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other relevant state agencies, provide for long-range studies regarding the usage of petroleum in the state in order to:

- 1. Comprehend the consumption of petroleum resources.
- 2. Predict future petroleum demands in relation to available resources.
 - 3. Report the results of such studies to the Legislature.
- (3) For the purpose of determining accuracy of data, all state agencies shall timely provide the department with petroleum use information in a format suitable to the needs of the allocation program.
- (4) No state employee shall divulge or make known in any manner any proprietary information acquired under this act if the disclosure of such information would be likely to cause substantial harm to the competitive position of the person providing such information and if the person requests that such information be held confidential, except in accordance with a court order or in the publication of statistical information compiled by methods which would not disclose the identity of individual suppliers or companies. Such proprietary information is confidential and exempt from the provisions of s. 119.07(1). Nothing in this subsection shall be construed to prevent inspection of reports by the Attorney General, members of the Legislature, and interested state agencies; however, such agencies and their employees and members are bound by the requirements set forth in this subsection. (5) Any person who willfully fails to submit information required by this act or submits false information or who violates any provision of this act is guilty of a misdemeanor of

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867	the first degree and shall be punished as provided in ss.
868	775.082 and 775.083.
869	Section 16. Section 377.901, Florida Statutes, is
870	repealed.

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TAB C

CODING: Words stricken are deletions; words underlined are additions.

YEAR



D – Discussion of Cap and Trade Regulatory Program

E – Discussion of Policy Options for Renewable Portfolio Standards

366.92 Florida renewable energy policy.—

- (1) It is the intent of the Legislature to promote the development of renewable energy; protect the economic viability of Florida's existing renewable energy facilities; diversify the types of fuel used to generate electricity in Florida; lessen Florida's dependence on natural gas and fuel oil for the production of electricity; minimize the volatility of fuel costs; encourage investment within the state; improve environmental conditions; and, at the same time, minimize the costs of power supply to electric utilities and their customers.
- (2) For the purposes of this section, "Florida renewable energy resources" shall mean renewable energy, as defined in s. <u>377.803</u>, that is produced in Florida.
- (3) The commission may adopt appropriate goals for increasing the use of existing, expanded, and new Florida renewable energy resources. The commission may change the goals. The commission may review and reestablish the goals at least once every 5 years.
 - (4) The commission may adopt rules to administer and implement the provisions of this section. History.—s. 18, ch. 2006-230.

F – Discussion of Renewable Fuel Standards

G

G – Increased Thermal Efficiency Standards and Appliance Standards

Section 1. Creates s. 553.061, F.S. - Scheduled Increases in Thermal Efficiency Standards

The bill establishes a schedule of increases in the energy performance of buildings subject to the Florida Energy Code for Building Construction. It requires the Florida Building Commission (FBC) to implement the following goals through the triennial code adoption process:

- Increase the energy performance of new buildings in the 2010 edition of the Florida Energy Efficiency Code for Building Construction by at least 20%;
- Increase the energy efficiency requirements of the 2013 edition of the Florida Energy Efficiency Code for Building Construction by at least 30%;
- Increase the energy efficiency requirements of the 2016 edition of the Florida Energy Efficiency Code for Building Construction by at least 40%; and
- Increase the energy efficiency requirements of the 2019 edition of the Energy Efficiency Code for Building Construction by at least 50%.

The bill also provides that the FBC identify within code support and compliance documentation the building options and elements available to meet the goals above.

Section 2. Amends s. 553.957, F.S. - Products Covered by Energy Conservation Standards

The bill applies the testing, certification, and enforcement of energy conservation standards for the following types of new commercial and residential products sold in the state to include:

- Water heaters being used to heat potable water in homes or businesses;
- Electric motors used in pool pumps; and
- Solar thermal radiation swimming pool heating devices.

Section 1. Section 553.061, Florida Statutes, is created to read:

553.9061 Scheduled Increases in Thermal Efficiency
Standards.--

- (1) The purpose of this section is to establish a schedule of increases in the energy performance of buildings subject to the Florida Energy Efficiency Code for Building Construction.

 The Florida Building Commission shall implement the following goals through the triennial code adoption process:
- (a) Include the necessary provisions in the 2010 edition of the Florida Energy Efficiency Code for Building Construction to increase the energy performance of new buildings by at least 20 percent as compared to the energy efficiency provisions of the 2007 Florida Building Code adopted October 31, 2007;
- (b) Increase the energy efficiency requirements of the 2013 edition of the Florida Energy Efficiency Code for Building Construction by at least 30 percent as compared to the 2007 Energy Code;
- (c) Increase the energy efficiency requirements of the 2016 edition of the Florida Energy Efficiency Code for Building Construction by at least 40 percent as compared to the 2007 Energy Code;
- (d) Increase the energy efficiency requirements of the 2019 edition of the Florida Energy Efficiency Code for Building Construction by at least 50 percent as compared to the 2007 Energy Code;
- (2) The Florida Building Commission shall identify within code support and compliance documentation the specific building

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options and elements available to meet the energy performance goals identified above.

Section 2. Subsection (1) of section 553.957, Florida Statutes, is amended to read:

553.957 Products covered by this part.--

- (1) The provisions of this part apply to the testing, certification, and enforcement of energy conservation standards for the following types of new <u>commercial and residential</u> products sold in the state:
- (a) Refrigerators, refrigerator-freezers, and freezers which can be operated by alternating current electricity, excluding:
 - 1. Any type designed to be used without doors; and
- 2. Any type which does not include a compressor and condenser unit as an integral part of the cabinet assembly.
 - (b) Lighting equipment.
 - (c) Showerheads.
- (d) Water heaters used to heat potable water in homes or businesses.
- (e) Electric motors used to pump water within swimming pools.
- (f) Water heaters for swimming pools such that only such devices that use solar thermal radiation to heat water may be sold and/or installed in Florida.
- (g) (d) Any other type of consumer product which the department classifies as a covered product as specified in this part.

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H – State Comprehensive Plan

Section 1. Amends s. 186.007, F.S. - State comprehensive plan; preparation; revision

This section adds "energy" and "global climate change" to the program areas that the Executive Office of the Governor may include in the state comprehensive plan when developing future land use plans.

Section 1. Subsection (3) of section 186.007, Florida Statutes, is amended to read:

186.007 State comprehensive plan; preparation; revision. --

(3) In the state comprehensive plan, the Executive Office of the Governor may include goals, objectives, and policies related to the following program areas: economic opportunities; agriculture; employment; public safety; education; energy; global climate change; health concerns; social welfare concerns; housing and community development; natural resources and environmental management; recreational and cultural opportunities; historic preservation; transportation; and governmental direction and support services.

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I – Metropolitan Planning Organizations

Section 1. Amends s. 339.175, F.S. - Metropolitan planning organization

This section amends the intent language adding "greenhouse gas emissions" to the list of the negative impacts of transportation systems that the Legislature wishes to minimize while promoting the management, operation, and development of these transportation systems.

This section also provides that each Metropolitan Planning Organization is encouraged to consider strategies that integrate transportation and land use planning to provide for sustainable development and reduce greenhouse gas emissions.

In addition, this section adds the following to the list of criteria that selection of the annual project priorities list must be based upon: "to provide for sustainable development and reduce greenhouse gas emissions."

Section 1. Subsections (1), (7), and (8) of section 339.175, Florida Statutes, are amended to read:

339.175 Metropolitan planning organization.-

PURPOSE. -- It is the intent of the Legislature to encourage and promote the safe and efficient management, operation, and development of surface transportation systems that will serve the mobility needs of people and freight and foster economic growth and development within and through urbanized areas of this state while minimizing transportationrelated fuel consumption, and air pollution and greenhouse gas emissions through metropolitan transportation planning processes identified in this section. To accomplish these objectives, metropolitan planning organizations, referred to in this section as M.P.O.'s, shall develop, in cooperation with the state and public transit operators, transportation plans and programs for metropolitan areas. The plans and programs for each metropolitan area must provide for the development and integrated management and operation of transportation systems and facilities, including pedestrian walkways and bicycle transportation facilities that will function as an intermodal transportation system for the metropolitan area, based upon the prevailing principles provided in s. 334.046(1). The process for developing such plans and programs shall provide for consideration of all modes of transportation and shall be continuing, cooperative, and comprehensive, to the degree appropriate, based on the complexity of the transportation problems to be addressed. To ensure that the process is integrated with the statewide planning process, M.P.O.'s shall develop plans and programs that

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identify transportation facilities that should function as an integrated metropolitan transportation system, giving emphasis to facilities that serve important national, state, and regional transportation functions. For the purposes of this section, those facilities include the facilities on the Strategic Intermodal System designated under s. 339.63 and facilities for which projects have been identified pursuant to s. 339.2819(4).

- (7) LONG-RANGE TRANSPORTATION PLAN. -- Each M.P.O. must develop a long-range transportation plan that addresses at least a 20-year planning horizon. The plan must include both longrange and short-range strategies and must comply with all other state and federal requirements. The prevailing principles to be considered in the long-range transportation plan are: preserving the existing transportation infrastructure; enhancing Florida's economic competitiveness; and improving travel choices to ensure mobility. The long-range transportation plan must be consistent, to the maximum extent feasible, with future land use elements and the goals, objectives, and policies of the approved local government comprehensive plans of the units of local government located within the jurisdiction of the M.P.O. Each M.P.O. is encouraged to consider strategies that integrate transportation and land use planning to provide for sustainable development and reduce greenhouse gas emissions. The approved long-range transportation plan must be considered by local governments in the development of the transportation elements in local government comprehensive plans and any amendments thereto. The long-range transportation plan must, at a minimum:
 - (a) Identify transportation facilities, including, but not

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limited to, major roadways, airports, seaports, spaceports, commuter rail systems, transit systems, and intermodal or multimodal terminals that will function as an integrated metropolitan transportation system. The long-range transportation plan must give emphasis to those transportation facilities that serve national, statewide, or regional functions, and must consider the goals and objectives identified in the Florida Transportation Plan as provided in s. 339.155. If a project is located within the boundaries of more than one M.P.O., the M.P.O.'s must coordinate plans regarding the project in the long-range transportation plan.

- (b) Include a financial plan that demonstrates how the plan can be implemented, indicating resources from public and private sources which are reasonably expected to be available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted long-range transportation plan if reasonable additional resources beyond those identified in the financial plan were available. For the purpose of developing the long-range transportation plan, the M.P.O. and the department shall cooperatively develop estimates of funds that will be available to support the plan implementation. Innovative financing techniques may be used to fund needed projects and programs. Such techniques may include the assessment of tolls, the use of value capture financing, or the use of value pricing.
 - (c) Assess capital investment and other measures necessary

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- 1. Ensure the preservation of the existing metropolitan transportation system including requirements for the operation, resurfacing, restoration, and rehabilitation of major roadways and requirements for the operation, maintenance, modernization, and rehabilitation of public transportation facilities; and
- 2. Make the most efficient use of existing transportation facilities to relieve vehicular congestion and maximize the mobility of people and goods.
- (d) Indicate, as appropriate, proposed transportation enhancement activities, including, but not limited to, pedestrian and bicycle facilities, scenic easements, landscaping, historic preservation, mitigation of water pollution due to highway runoff, and control of outdoor advertising.
- (e) In addition to the requirements of paragraphs (a)-(d), in metropolitan areas that are classified as nonattainment areas for ozone or carbon monoxide, the M.P.O. must coordinate the development of the long-range transportation plan with the State Implementation Plan developed pursuant to the requirements of the federal Clean Air Act.

In the development of its long-range transportation plan, each M.P.O. must provide the public, affected public agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transit, and other interested parties with a reasonable opportunity to comment on the long-range transportation plan.

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The long-range transportation plan must be approved by the ${\tt M.P.O.}$

- (8) TRANSPORTATION IMPROVEMENT PROGRAM.--Each M.P.O. shall, in cooperation with the state and affected public transportation operators, develop a transportation improvement program for the area within the jurisdiction of the M.P.O. In the development of the transportation improvement program, each M.P.O. must provide the public, affected public agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transit, and other interested parties with a reasonable opportunity to comment on the proposed transportation improvement program.
- (a) Each M.P.O. is responsible for developing, annually, a list of project priorities and a transportation improvement program. The prevailing principles to be considered by each M.P.O. when developing a list of project priorities and a transportation improvement program are: preserving the existing transportation infrastructure; enhancing Florida's economic competitiveness; and improving travel choices to ensure mobility. The transportation improvement program will be used to initiate federally aided transportation facilities and improvements as well as other transportation facilities and improvements including transit, rail, aviation, spaceport, and port facilities to be funded from the State Transportation Trust Fund within its metropolitan area in accordance with existing and subsequent federal and state laws and rules and regulations

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related thereto. The transportation improvement program shall be consistent, to the maximum extent feasible, with the approved local government comprehensive plans of the units of local government whose boundaries are within the metropolitan area of the M.P.O. and include those projects programmed pursuant to s. 339.2819(4).

- (b) Each M.P.O. annually shall prepare a list of project priorities and shall submit the list to the appropriate district of the department by October 1 of each year; however, the department and a metropolitan planning organization may, in writing, agree to vary this submittal date. The list of project priorities must be formally reviewed by the technical and citizens' advisory committees, and approved by the M.P.O., before it is transmitted to the district. The approved list of project priorities must be used by the district in developing the district work program and must be used by the M.P.O. in developing its transportation improvement program. The annual list of project priorities must be based upon project selection criteria that, at a minimum, consider the following:
 - 1. The approved M.P.O. long-range transportation plan;
- 2. The Strategic Intermodal System Plan developed under s. 339.64.
 - 3. The priorities developed pursuant to s. 339.2819(4).
- 4. The results of the transportation management systems;
 - 5. The M.P.O.'s public-involvement procedures; and
- 167 <u>6. To provide for sustainable development and reduce</u>
 168 greenhouse gas emissions.

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J – Environmental Cost Recovery

Section 1. Amends s. 366.8255, F.S. - Environmental cost recovery

This section amends the definition of "environmental compliance costs" that electric utilities can recover to include:

- Costs or expenses prudently incurred for the quantification, reporting, and third party verification as required for participation in greenhouse gas emission registries for greenhouse gases as defined in s. 403.44, F.S.; and
- Costs or expenses prudently incurred for scientific research and geological assessments of carbon capture and storage conducted in Florida for the purpose of reducing an electric utility's greenhouse gas emissions when such costs or expenses are incurred in joint research projects with the State of Florida government agencies and State of Florida universities.

Section 1. Section 366.8255, Florida Statutes, is amended to read:

366.8255 Environmental cost recovery.--

- (1) As used in this section, the term:
- (a) "Electric utility" or "utility" means any investorowned electric utility that owns, maintains, or operates an electric generation, transmission, or distribution system within the State of Florida and that is regulated under this chapter.
- (b) "Commission" means the Florida Public Service Commission.
- (c) "Environmental laws or regulations" includes all federal, state, or local statutes, administrative regulations, orders, ordinances, resolutions, or other requirements that apply to electric utilities and are designed to protect the environment.
- (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, including but not limited to:
- 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon;
 - Operation and maintenance expenses;
 - 3. Fuel procurement costs;
 - 4. Purchased power costs;
 - 5. Emission allowance costs;
- 6. Costs or expenses prudently incurred for the quantification, reporting, and third party verification as required for participation in greenhouse gas emission registries for greenhouse gases as defined in s. 403.44;

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- 7. Costs or expenses prudently incurred for scientific research and geological assessments of carbon capture and storage conducted in Florida for the purpose of reducing an electric utility's greenhouse gas emissions when such costs or expenses are incurred in joint research projects with State of Florida government agencies and State of Florida universities;
 - 8. 6. Direct taxes on environmental equipment; and
- 9. 7. Costs or expenses prudently incurred by an electric utility pursuant to an agreement entered into on or after the effective date of this act and prior to October 1, 2002, between the electric utility and the Florida Department of Environmental Protection or the United States Environmental Protection Agency for the exclusive purpose of ensuring compliance with ozone ambient air quality standards by an electrical generating facility owned by the electric utility.

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K – Florida Green Government Grants Act

Section 1. Creates s. 377.808, F.S. - Florida Green Government Grants Act

The bill creates the "Florida Green Government Grants Act" and provides that the newly-created Florida Energy and Climate Commission (FECC) award grants to assist local governments, including municipalities, counties, and school districts, to develop programs that achieve green standards. The FECC may provide necessary administrative expenses to local governments from the grants. The green standards, to be determined by the FECC, are required to provide cost-efficient solutions that:

- Reduce greenhouse gas emissions;
- Improve the quality of life; and
- Strengthen Florida's economy.

The bill further provides that the FECC adopt rules pursuant to Chapter 120, Florida Statutes, to administer the grants. The rules must:

- Designate one or more green government standards framework to determine eligibility for funding;
- Require that projects that plan, design, construct, upgrade, or replace facilities be costeffective, environmentally sound, reduce greenhouse gas emissions, and be permittable and implementable.
- Require local governments to match state funds with direct project cost share or in-kind services;
- Provide for a scale of matching requirements on the basis of population in order to assist rural and undeveloped areas of the state with any climate change impacts that cause financial burden:
- Require applications for grants to be on FECC forms, along with supporting documentation, and require records to be maintained;
- Establish a system to determine priority of grant applications. The system must consider greenhouse gas reductions, energy savings and efficiencies, and proven technologies;
- Establish requirements for competitive procurement of engineering and construction services, materials, and equipment;
- Provide for termination of grants when requirements are not met; and
- Limit local government to no more than two grant applications during each application period. However, a local government may not have more than three active projects that use grant funds during any state fiscal year.

The bill requires that the FECC perform adequate overview of each grant, which may include technical review, site inspections, disbursement approvals, and auditing. The FECC may also use up to two percent of the grant funds each year for administering the grants program.

Section 1. Section 377.808, Florida Statutes, is created to read:

- 377.808 Florida Green Government Grants Act.--
- (1) This section may be cited as the "Florida Green Government Grants Act."
- (2) The commission shall use funds specifically appropriated to award grants under this section to assist local governments, including municipalities, counties and school districts, in the development of programs that achieve green standards. Those standards are to be determined by the commission and must provide for cost-efficient solutions, reducing greenhouse gas emissions, improving quality of life and strengthening Florida's economy.
- (3) (a) The commission shall adopt rules pursuant to Chapter 120 to administer the grants provided for in this section. In accordance with the rules adopted by the commission under this section, the commission may provide grants, from funds specifically appropriated for this purpose to local governments for the costs of achieving green standards, including necessary administrative expenses.
 - (b) The rules of the commission must:
- 1. Designate one or more suitable green government standards framework from which local governments may develop a greening government initiative, and from which projects may be eligible for funding pursuant to this statute.
- 2. Require that projects that plan, design, construct, upgrade, or replace facilities be cost-effective, environmentally sound, reduce greenhouse gas emissions, and be

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permittable and implementable.

- 3. Require local governments to match state funds with direct project cost share or in-kind services.
- 4. Provide for a scale of matching requirements for local governments on the basis of population in order to assist rural and undeveloped areas of the state with any financial burden of addressing climate change impacts.
- 5. Require grant applications to be submitted on appropriate forms developed and adopted by the commission with appropriate supporting documentation, and require records to be maintained.
- 6. Establish a system to determine the relative priority of grant applications. The system must consider greenhouse gas reductions, energy savings and efficiencies and proven technologies.
- 7. Establish requirements for competitive procurement of engineering and construction services, materials and equipment.
- 8. Provide for termination of grants when program requirements are not met.
- 9. Each local government is limited to not more than two grant applications during each application period announced by the commission. However, a local government may not have more than three active projects expending grant funds during any state fiscal year.
- (c) The commission must perform adequate overview of each grant, which may include technical review, site inspections, disbursement approvals, and auditing to successfully implement this section.

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(d) The commission may use up to 2 percent of the grant funds made available each year for the costs of program administration.

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L – Public Employee Telecommuting Programs

Section 1. Creates s. 112.219, F.S. - Public Employee Telecommuting Programs

The bill expands the current telecommuting program from state employees to "public employing entities." The term "public employing entity" is defined as any state government administrative unit listed in Chapter 20 of the State Constitution and also includes water management districts, the Florida State Court System, the state universities, the community colleges, or any other agency, commission, council, office, board, authority, department, or official of state government.

The bill provides for several new definitions relating to telecommuting. The bill defines "qualified telecommuting employee," "telecommuting schedule," "telecommuting sites," and "on-site location."

The bill requires public employing entities to:

- Establish, coordinate and administer the telecommuting program for its own employees;
- Appoint a telecommuting coordinator to promote the program and provide technical assistance; and
- Identify telecommuting employees and their job classifications through personnel and payroll information management systems.

The bill further provides that each employing public entity must complete a Telecommuting Plan by September 30, 2009, that includes current listings of job classifications and positions the entity considers appropriate for telecommuting. The proposed plan must give equal consideration to civil service and exempt positions when selecting employees to participate. The Telecommuting Plan is required to:

- Provide measurable financial benefits associated with reduced office space requirements, reductions in energy consumption, and reductions in associated emissions of greenhouse gases resulting from telecommuting. Employing public entities operating in office space owned and/or managed by the Department of Management Services (DMS) is required to consult with the facilities program to ensure its consistency with the strategic leasing plan required under s. 255.249 (3)(b), F.S.
- Provide that participation in the program will not adversely affect eligibility for advancement, employment rights, or benefits.
- Provide that participation in the program is voluntary, and that the employee may cease to participate at any time.
- Adopt provisions to allow for the termination of an employee's participation in the program if it is not in the best interests of the public employing entity.
- Provide that the employee is not under a performance improvement plan in order to participate in the program.

- Ensure that employees participating in the program are subject to the same rules regarding attendance, leave, performance reviews, and separation action as other employees.
- Establish reasonable conditions to ensure the appropriate use and maintenance of any equipment provided for use by the participating employee at the participating employee's telecommunicating site, which is to include installation and maintenance of telephone equipment and ongoing communications costs to be used for official use only.
- Prohibit maintenance of an employee's personal equipment used in telecommuting, including liability for equipment and costs for personal utility expenses used in telecommuting.
- Describe security controls the entity considers appropriate for use at the telecommuting site.
- Provide that qualified telecommuting employees are covered by workers' compensation under chapter 440, when performing official duties at an alternate worksite, such as the home.
- Prohibit employees engaged in the program from conducting face-to-face state business at the telecommuting site.
- Require a written agreement, signed and agreed to by the telecommuter and the supervisor, that specifies the terms and conditions of telecommuting, including verification by the employee that the home office provides work space that is free of safety and fire hazards, together with an agreement that holds the state harmless against all claims, excluding workers' compensation claims, resulting from working in the home office.

The bill requires the Telecommuting Plan to be posted on the employing entity's website to allow access by employees and the public.

Section 2. Amends s. 255.249, F.S. - Department of Management Services; responsibility; department rules

The bill includes telecommuting plans in the requirement that by June 30 of each year, each state agency shall annually provide to DMS all information regarding agency programs that fall under the responsibility of DMS.

Section 1. Section 112.219, Florida Statues is created to read:

- 112.219 Public employee telecommuting programs. --
- (1) As used in this section, the term:
- (a) "Public employing entity" or "entity" means any state government administrative unit listed in chapter 20 or the Constitution of the State of Florida and also includes water management districts, the Florida State Court System, the state universities, the community colleges, or any other agency, commission, council, office, board, authority, department or official of state government.
- (b) "Telecommuting" means a work arrangement whereby selected public employees are allowed to perform the normal duties and responsibilities of their positions, through the use of computers or telecommunications, at home or another place apart from the employees' usual place of work.
- (c) "Qualified telecommuting employee" means an employee selected for the telecommuting program, based on the requirements of his or her employment position and his or her ability to perform assigned work at an offsite location, who meets the following criteria:
- 1. The employee has demonstrated an ability to complete his or her assigned work with minimal supervision;
- 2. The job classification, workload characteristics or position of the employee has been identified by the public employing entity as appropriate for telecommuting;
- 3. The employee is not under a performance improvement plan or disciplinary action that indicates a need for close

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supervision of his or her assigned work.

- (d) "Telecommuting schedule" means the work schedule of a qualified telecommuting employee, indicating the days each week, or weeks each month, that the employee will be telecommuting and those days or weeks the employee will be in the on-site work location. The schedule must be composed in such a way that the employee's work location for any given day is readily ascertainable. Occasional variations from the schedule are acceptable given the needs of the entity and the ability of the employee to accomplish assigned state business.
- (e) "Telecommuting site" means the location of the qualified telecommuting employee during the hours his or her telecommuting schedule indicates he or she is telecommuting.
- (f) "On-site work location" means the office or location that an employing entity normally provides for its qualified telecommuting employee.
 - (2) Each public employing entity shall:
- (a) Establish and coordinate the public employee telecommuting program and administer this section for its own employees.
- (b) Appoint an organization wide telecommuting coordinator to promote telecommuting and provide technical assistance within the entity.
- (c) Identify employees who are participating in a telecommuting program and their job classifications through its respective personnel or payroll information management system.
- (3) By September 30, 2009, each employing public entity shall complete a Telecommuting Plan to include a current listing

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of the job classifications and positions that the entity considers appropriate for telecommuting. The proposed telecommuting plan must give equal consideration to civil service and exempt positions in their selection of employees to participate in the telecommuting program. The Telecommuting Plan must also:

- (a) Provide measurable financial benefits associated with reduced office space requirements, reductions in energy consumption, and reductions in associated emissions of greenhouse gases resulting from telecommuting. Employing public entities operating in office space owned and/or managed by the Department of Management Services shall consult the facilities program to ensure its consistency with the strategic leasing plan required under s. 255.249(3)(b).
- (b) Provide that an employee's participation in a telecommuting program will not adversely affect eligibility for advancement or any other employment rights or benefits.
- (c) Provide that participation by an employee in a telecommuting program is voluntary, and that the employee may elect to cease to participate in a telecommuting program at any time.
- (d) Adopt provisions to allow for the termination of an employee's participation in the program if the employee's continued participation would not be in the best interests of the employing public entity.
- (e) Provide that an employee is not currently under a performance improvement plan in order to participate in the program.

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- (f) Ensure that employees participating in the program are subject to the same rules regarding attendance, leave, performance reviews, and separation action as are other employees.
- (g) Establish the reasonable conditions that the employing public entity will impose in order to ensure the appropriate use and maintenance of any equipment or items provided for use at a qualified telecommuting employee's telecommuting site including the installation and maintenance of any telephone equipment and ongoing communications costs at the telecommuting site which is to be used for official use only.
- (h) Prohibit public maintenance of an employee's personal equipment used in telecommuting, including any liability for personal equipment and costs for personal utility expenses associated with telecommuting.
- (i) Describe the security controls that the entity considers appropriate for use at the telecommuting site.
- (j) Provide that qualified telecommuting employees are covered by workers' compensation under chapter 440, when performing official duties at an alternate worksite, such as the home.
- (k) Prohibit employees engaged in a telecommuting program from conducting face-to-face state business at the telecommuting site.
- (1) Require a written agreement that specifies the terms and conditions of telecommuting, which includes verification by the employee that the home office provides work space that is free of safety and fire hazards, together with an agreement

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which holds the state harmless against any and all claims, excluding workers' compensation claims, resulting from an employee working in the home office, and which must be signed and agreed to by the telecommuter and the supervisor.

- (4) The Telecommuting Plan for each employing public entity, and pertinent supporting documents, shall be posted on the entity's website to allow access by employees and the public.
- Section 2. Paragraph (d) of subsection (3) of section 255.249, Florida Statutes, is amended to read:
- 255.249 Department of Management Services; responsibility; department rules.--
- (3) (a) The department shall, to the extent feasible, coordinate the vacation of privately owned leased space with the expiration of the lease on that space and, when a lease is terminated before expiration of its base term, will make a reasonable effort to place another state agency in the space vacated. Any state agency may lease the space in any building that was subject to a lease terminated by a state agency for a period of time equal to the remainder of the base term without the requirement of competitive solicitation.
- (b) The department shall develop and implement a strategic leasing plan. The strategic leasing plan shall forecast space needs for all state agencies and identify opportunities for reducing costs through consolidation, relocation, reconfiguration, capital investment, and the building or acquisition of state-owned space.
 - (c) The department shall annually publish a master leasing

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report. The department shall furnish the master leasing report to the Executive Office of the Governor and the Legislature by September 15 of each year which provides the following information:

- 1. A list, by agency and by geographic market, of all leases that are due to expire within 24 months.
- 2. Details of each lease, including location, size, cost per leased square foot, lease-expiration date, and a determination of whether sufficient state-owned office space will be available at the expiration of the lease to accommodate affected employees.
- 3. A list of amendments and supplements to and waivers of terms and conditions in lease agreements that have been approved pursuant to s. 255.25(2)(a) during the previous 12 months and an associated comprehensive analysis, including financial implications, showing that any amendment, supplement, or waiver is in the state's long-term best interest.
- 4. Financial impacts to the pool rental rate due to the sale, removal, acquisition, or construction of pool facilities.
- 5. Changes in occupancy rate, maintenance costs, and efficiency costs of leases in the state portfolio. Changes to occupancy costs in leased space by market and changes to space consumption by agency and by market.
 - 6. An analysis of portfolio supply and demand.
- 7. Cost-benefit analyses of acquisition, build, and consolidation opportunities, recommendations for strategic consolidation, and strategic recommendations for disposition, acquisition, and building.

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- 8. The updated plan required by s. 255.25(4)(c).
- (d) By June 30 of each year, each state agency shall annually provide to the department all information regarding agency programs affecting the need for or use of space by that agency, reviews of lease-expiration schedules for each geographic area, active and planned full-time equivalent data, business case analyses related to consolidation plans by an agency, telecommuting plans, and current occupancy and relocation costs, inclusive of furnishings, fixtures and equipment, data, and communications.

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M – Wind Energy and Wind Turbines Sales Tax Exemption and Corporate Investment Tax Credit

Section 1. Amends s. 212.08, F.S. – Sales, Rental, Use, Consumption, Distribution, and Storage Tax; Specified Exemptions

- Adds a definition for "wind energy" or "wind turbines," to mean "rotary mechanical equipment that uses wind to produce at least 10 kilowatts of electrical energy."
- Revises the definition of "ethanol" to mean anhydrous denatured alcohol produced by the *conversion of carbohydrates* rather than produced by the *fermentation of plant sugars*.
- Exempts wind turbines from the state sales or use tax, up to \$1 million in tax each fiscal year.
- Specifies that eligible items for the sales tax exemption are limited to one refund and requires a purchaser who receives a refund to notify a subsequent purchaser that the item is no longer eligible for a tax refund.
- Provides that the tax exemption for wind turbines expires on July 1, 2012.
- Grants rule-making authority to the Department of Environmental Protection for certificate requirements.

Section 2. Amends s. 220.192, F.S. – Renewable Energy Technologies Investment Tax Credit

- Provides a corporate income tax credit for 75 percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2008, and June 30, 2012, up to \$9 million per fiscal year, in connection with an investment in the production of wind energy.
- Provides that if credit is not fully used in one tax year because of the corporation's insufficient tax liability, the unused amount may be carried forward. The credit carryover expires on December 31, 2014.
- Provides that taxpayers filing a consolidated return may be allowed the credit on a consolidated return basis up to the amount of tax imposed upon the consolidated group.
- Authorizes tax credits to be transferred to underlying partners, members, and owners, or to any taxpayer by written agreement.
- Grants rule-making authority to the Department of Revenue relating to prescribing forms, reporting requirements, and procedures necessary to transfer a tax credit.

Section 1. Section 212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

- MISCELLANEOUS EXEMPTIONS. -- Exemptions provided to any (7)entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity obtains or provides other documentation as required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.
- (ccc) Equipment, machinery, and other materials for renewable energy technologies.--

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- 1. As used in this paragraph, the term:
- a. "Biodiesel" means the mono-alkyl esters of long-chain fatty acids derived from plant or animal matter for use as a source of energy and meeting the specifications for biodiesel and biodiesel blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Biodiesel may refer to biodiesel blends designated BXX, where XX represents the volume percentage of biodiesel fuel in the blend.
- b. "Ethanol" means an nominally anhydrous denatured alcohol produced by the conversion of carbohydrates fermentation of plant sugars meeting the specifications for fuel ethanol and fuel ethanol blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Ethanol may refer to fuel ethanol blends designated EXX, where XX represents the volume percentage of fuel ethanol in the blend.
- c. "Hydrogen fuel cells" means equipment using hydrogen or a hydrogen-rich fuel in an electrochemical process to generate energy, electricity, or the transfer of heat.
- d. "Wind energy" or "wind turbines" means rotary mechanical equipment that uses wind to produce at least 10 kilowatts of electrical energy.
- 2. The sale or use of the following in the state is exempt from the tax imposed by this chapter:
- a. Hydrogen-powered vehicles, materials incorporated into hydrogen-powered vehicles, and hydrogen-fueling stations, up to a limit of \$2 million in tax each state fiscal year for all taxpayers.
 - b. Commercial stationary hydrogen fuel cells, up to a

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limit of \$1 million in tax each state fiscal year for all taxpayers.

- c. Materials used in the distribution of biodiesel (B10-B100) and ethanol (E10-E100), including fueling infrastructure, transportation, and storage, up to a limit of \$1 million in tax each state fiscal year for all taxpayers. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify for the exemption provided in this sub-subparagraph.
- d. Wind turbines, up to a limit of \$1 million in tax each state fiscal year for all taxpayers.
- 3. The Department of Environmental Protection shall provide to the department a list of items eligible for the exemption provided in this paragraph.
- 4.a. The exemption provided in this paragraph shall be available to a purchaser only through a refund of previously paid taxes. Only the initial purchase of an eligible item from the manufacturer is subject to refund. A purchaser who has received a refund on an eligible item must notify any subsequent purchaser of the item that the item is no longer eligible for a refund of tax paid. This notification must be provided to the subsequent purchaser on the sales invoice or other proof of purchase.
- b. To be eligible to receive the exemption provided in this paragraph, a purchaser shall file an application with the Department of Environmental Protection. The application shall be developed by the Department of Environmental Protection, in consultation with the department, and shall require:
 - (I) The name and address of the person claiming the

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refund.

- (II) A specific description of the purchase for which a refund is sought, including, when applicable, a serial number or other permanent identification number.
- (III) The sales invoice or other proof of purchase showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the property was purchased.
- (IV) A sworn statement that the information provided is accurate and that the requirements of this paragraph have been met.
- c. Within 30 days after receipt of an application, the Department of Environmental Protection shall review the application and shall notify the applicant of any deficiencies. Upon receipt of a completed application, the Department of Environmental Protection shall evaluate the application for exemption and issue a written certification that the applicant is eligible for a refund or issue a written denial of such certification within 60 days after receipt of the application. The Department of Environmental Protection shall provide the department with a copy of each certification issued upon approval of an application.
- d. Each certified applicant shall be responsible for forwarding a certified copy of the application and copies of all required documentation to the department within 6 months after certification by the Department of Environmental Protection.
- e. The provisions of s. 212.095 do not apply to any refund application made pursuant to this paragraph. A refund approved

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pursuant to this paragraph shall be made within 30 days after formal approval by the department.

- f. The Department of Environmental Protection may adopt the form for the application for a certificate, requirements for the content and format of information submitted to the Department of Environmental Protection in support of the application, other procedural requirements, and criteria by which the application will be determined by rule. The department may adopt all other rules pursuant to ss. 120.536(1) and 120.54 to administer this paragraph, including rules establishing additional forms and procedures for claiming this exemption.
- g. The Department of Environmental Protection shall be responsible for ensuring that the total amounts of the exemptions authorized do not exceed the limits as specified in subparagraph 2.
- 5. The Department of Environmental Protection shall determine and publish on a regular basis the amount of sales tax funds remaining in each fiscal year.
- 6. This paragraph expires July 1, 2010, except as it relates to wind turbines. The remainder of the paragraph relating to wind turbines expires on July 1, 2012.
- Section 2. Section 220.192, Florida Statutes, is amended to read:
- 220.192 Renewable energy technologies investment tax credit.--
 - (1) DEFINITIONS. -- For purposes of this section, the term:
- (a) "Biodiesel" means biodiesel as defined in s.
- 140 212.08(7)(ccc).

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- (b) "Eligible costs" means:
- 1. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$3 million per state fiscal year for all taxpayers, in connection with an investment in hydrogen-powered vehicles and hydrogen vehicle fueling stations in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
- 2. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$1.5 million per state fiscal year for all taxpayers, and limited to a maximum of \$12,000 per fuel cell, in connection with an investment in commercial stationary hydrogen fuel cells in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
- 3. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$6.5 million per state fiscal year for all taxpayers, in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100) and ethanol (E10-E100) in the state, including the costs of constructing, installing, and equipping such technologies in the state. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify as an eligible cost under this subparagraph.

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- 4. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2008, and June 30, 2012, up to a limit of \$9 million per state fiscal year for all taxpayers, in connection with an investment in the production of wind energy.
- (c) "Ethanol" means ethanol as defined in s.
 212.08(7)(ccc).
- (d) "Hydrogen fuel cell" means hydrogen fuel cell as defined in s. 212.08(7)(ccc).
- (e) "Wind energy" or "wind turbine" has the same meaning as defined in s. 212.08(7)(ccc).
- TAX CREDIT. -- For tax years beginning on or after (2)(a) January 1, 2007, a credit against the tax imposed by this chapter shall be granted in an amount equal to the eligible costs. Credits may be used in tax years beginning January 1, 2007, and ending December 31, 2010, after which the credit shall expire. If the credit is not fully used in any one tax year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2007, and ending December 31, 2012, after which the credit carryover expires and may not be used. A taxpayer that files a consolidated return in this state as a member of an affiliated group under s. 220.131(1) may be allowed the credit on a consolidated return basis up to the amount of tax imposed upon the consolidated group. Any eligible cost for which a credit is claimed and which is deducted or otherwise reduces federal taxable income shall be added back in computing adjusted federal income under s. 220.13.

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- 1. For tax years beginning on or after January 1, 2009, a credit against the tax imposed by this chapter shall be granted in an amount equal to the eligible costs related to wind energy. Credits may be used in tax years beginning January 1, 2009, and ending December 31, 2012, after which the credit shall expire. If the credit is not fully used in any one tax year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2009, and ending December 31, 2014, after which the credit carryover expires and may not be used. A taxpayer that files a consolidated return in this state as a member of an affiliated group under s. 220.131(1) may be allowed the credit on a consolidated return basis up to the amount of tax imposed upon the consolidated group. Any eligible cost for which a credit is claimed and which is deducted or otherwise reduces federal taxable income shall be added back in computing adjusted federal income under s. 220.13.
- (b) TRANSFERABILITY OF CREDIT. -- Any corporation and any subsequent transferee allowed the tax credit may transfer the tax credit, in whole or in part, to any taxpayer by written agreement, without the requirement of transferring any ownership interest in the property generating the tax credit or any interest in the entity which owns the property. Transferees are entitled to apply the credits against the tax with the same effect as if the transferee had incurred the eligible costs.
- 1. To perfect the transfer, the transferor shall provide a written transfer statement providing notice to the Department of Revenue of the assignor's intent to transfer the tax credits to

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the assignee, the date the transfer is effective, the assignee's name, address, federal taxpayer identification number and tax period, and the amount of tax credits to be transferred. The Department of Revenue shall issue, upon receipt of a transfer statement conforming to the requirements of this section, a certificate to the assignee reflecting the tax credit amounts transferred, a copy of which shall be attached to each tax return by an assignee in which such tax credits are used.

- 2. Tax credits derived by such entities treated as corporations pursuant to this section that are not transferred by such entities to other taxpayers pursuant to this subsection shall be passed through to the taxpayers designated as partners, members, or owners, respectively, in any manner agreed to by such persons, whether or not such persons are allocated or allowed any portion of the federal energy tax credit with respect to the eligible costs.
- (6) RULES.--The Department of Revenue shall have the authority to adopt rules relating to:
- (a) The forms required to claim a tax credit under this section, the requirements and basis for establishing an entitlement to a credit, and the examination and audit procedures required to administer this section.
- (b) The implementation and administration of the provisions allowing a transfer of tax credits, including rules prescribing forms, reporting requirements, and the specific procedures, guidelines, and requirements necessary for a tax credit to be transferred.

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(7) PUBLICATION. -- The Department of Environmental Protection shall determine and publish on a regular basis the amount of available tax credits remaining in each fiscal year.

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N – Net Metering for Public Utilities, Municipal Electric Utilities, and Rural Electric Cooperatives

Section 1. Amends s. 366.91, F.S. – Renewable Energy

- Defines "customer-owned renewable generation" as an electric generating system located on a customer's premises that is primarily intended to offset part or all of the customer's electricity requirements with renewable energy.
- Defines "net metering" as a metering and billing methodology whereby customer-owned renewable generation is allowed to offset the customer's electricity consumption on-site.
- Directs public utilities, municipal electric utilities, and rural electric cooperatives to develop a standardized interconnection agreement and net metering program for customer-owned renewable generation.
 - Requires the standardized interconnection agreement to provide explicit directions for the application and interconnection process, including due dates for action by the utility and the customer, and incorporate nationally recognized standards for interconnection and safety.
 - Requires the net metering program to provide for any excess energy delivered to the grid in one billing period be carried over to the next billing period for up to 12 months.
 - o Provides that any excess energy credits remaining at the end of the calendar year, for customers interconnecting with a public utility, be purchased back from the utility based upon the utility's as-available energy rate.
 - Provides that any excess energy credits remaining at the end of the calendar year, for customers interconnecting with a municipal or cooperative utility, be purchased from the utility at a rate to be determined by the governing body of the municipal utility or cooperative.
 - Requires the electric utilities to file a report by April 1 of each year detailing customer participation in the program, including the number and total capacity of interconnected generating systems and the total energy net metered in the previous year.

Section 1. Section 366.91, Florida Statutes, is amended to read:

366.91 Renewable energy.--

- (1) The Legislature finds that it is in the public interest to promote the development of renewable energy resources in this state. Renewable energy resources have the potential to help diversify fuel types to meet Florida's growing dependency on natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the state, improve environmental conditions, and make Florida a leader in new and innovative technologies.
 - (2) As used in this section, the term:
- (a) "Biomass" means a power source that is comprised of, but not limited to, combustible residues or gases from forest products manufacturing, agricultural and orchard crops, waste products from livestock and poultry operations and food processing, urban wood waste, municipal solid waste, municipal liquid waste treatment operations, and landfill gas.
- (b) "Renewable energy" means electrical energy produced from a method that uses one or more of the following fuels or energy sources: hydrogen produced from sources other than fossil fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, and hydroelectric power. The term includes the alternative energy resource, waste heat, from sulfuric acid manufacturing operations.
- (c) "Customer-owned renewable generation" means an electric generating system located on a customer's premises that is primarily intended to offset part or all of the customer's

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electricity requirements with renewable energy.

- (d) "Net metering" means a metering and billing methodology whereby customer-owned renewable generation is allowed to offset the customer's electricity consumption on-site.
- On or before January 1, 2006, each public utility must continuously offer a purchase contract to producers of renewable energy. The commission shall establish requirements relating to the purchase of capacity and energy by public utilities from renewable energy producers and may adopt rules to administer this section. The contract shall contain payment provisions for energy and capacity which are based upon the utility's full avoided costs, as defined in s. 366.051; however, capacity payments are not required if, due to the operational characteristics of the renewable energy generator or the anticipated peak and off-peak availability and capacity factor of the utility's avoided unit, the producer is unlikely to provide any capacity value to the utility or the electric grid during the contract term. Each contract must provide a contract term of at least 10 years. Prudent and reasonable costs associated with a renewable energy contract shall be recovered from the ratepayers of the contracting utility, without differentiation among customer classes, through the appropriate cost-recovery clause mechanism administered by the commission.
- (4) On or before January 1, 2006, each municipal electric utility and rural electric cooperative whose annual sales, as of July 1, 1993, to retail customers were greater than 2,000 gigawatt hours must continuously offer a purchase contract to producers of renewable energy containing payment provisions for

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energy and capacity which are based upon the utility's or cooperative's full avoided costs, as determined by the governing body of the municipal utility or cooperative; however, capacity payments are not required if, due to the operational characteristics of the renewable energy generator or the anticipated peak and off-peak availability and capacity factor of the utility's avoided unit, the producer is unlikely to provide any capacity value to the utility or the electric grid during the contract term. Each contract must provide a contract term of at least 10 years.

(5) On or before January 1, 2009, each public utility must develop a standardized interconnection agreement and net metering program for customer-owned renewable generation. The standardized interconnection agreement shall provide explicit directions for the application and interconnection process, detailing specific due dates for action by the public utility and the customer in order to simplify and expedite the interconnection process. The standardized interconnection agreement shall incorporate nationally recognized standards for interconnection and safety. The net metering program shall provide for any excess energy delivered to the electric grid in one billing period be carried over to directly offset the customer's consumption in the next billing period, for a period up to 12 months. Any excess energy credits remaining at the end of the calendar year shall be purchased by the utility based upon the utility's as-available energy rate. By April 1 of each year, each public utility shall file a report with the commission detailing customer participation in the

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interconnection and net metering program, including but not limited to the number and total capacity of interconnected generating systems and the total energy net metered in the previous year. The commission shall establish requirements relating to the expedited interconnection and net metering of customer-owned renewable generation by public utilities and may adopt rules to administer this section.

On or before January 1, 2009, each municipal electric (6) utility and rural electric cooperative must develop a standardized interconnection and net metering program for customer-owned renewable generation. The standardized interconnection agreement shall provide explicit directions for the application and interconnection process, detailing specific due dates for action by the utility and the customer in order to simplify and expedite the interconnection process. standardized interconnection agreement shall incorporate nationally recognized standards for interconnection and safety. The net metering program shall provide for any excess energy delivered to the electric grid in one billing period be carried over to directly offset the customer's consumption in the next billing period, for a period up to 12 months. Any excess energy credits remaining at the end of the calendar year shall be purchased by the utility based upon a rate to be determined by the governing body of the municipal utility or cooperative. requirements established by a municipal or cooperative utility must be consistent with the interconnection and net metering rules adopted by the commission for the public utilities. By April 1 of each year, each municipal electric utility and rural

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electric cooperative utility shall file a report with the
commission detailing customer participation in the
interconnection and net metering program, including but not
limited to the number and total capacity of interconnected
generating systems and the total energy net metered in the
previous year.

 $\underline{(7)}$ (5) A contracting producer of renewable energy must pay the actual costs of its interconnection with the transmission grid or distribution system.

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