



Energy & Utilities Subcommittee

**Tuesday, March 29, 2011
212 Knott Building
8:00 AM – 11:00 AM**

ACTION PACKET

**Dean Cannon
Speaker**

**Clay Ford
Chair**

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

Summary:

Energy & Utilities Subcommittee

Tuesday March 29, 2011 08:00 am

HB 1281 Favorable With Committee Substitute Yeas: 15 Nays: 0
Amendment 1 Adopted Without Objection
Strike-all-Rep. Rep. Rehwinkel Vasilinda , sponsor.

PCB ENUS 11-01 Favorable Yeas: 15 Nays: 0
Amendment 1 Withdrawn
Line 500-1888-Rep. Clemens, sponsor
Amendment 2 Withdrawn
Lines 500-1888-Rep. Clemens, sponsor.
Amendment 3 Withdrawn
Lines 307-456-Rep Albrittion, sponsor.
Amendment 4 Not Considered
Lines 333-335 (hand written)-Rep. Albrittion,
sponsor.

PCB ENUS 11-02 Favorable Yeas: 15 Nays: 0
Amendment 1 Failed to Adopt
Lines 59-90, lines 103 & lines 525-594-Rep. A.
Williams, sponsor.

Committee meeting was reported out: Tuesday, March 29, 2011 3:30:25PM

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Clay Ford (Chair)	X		
Ben Albritton	X		
Charles Chestnut IV	X		
Jeff Clemens	X		
Janet Cruz	X		
Daniel Davis	X		
Shawn Harrison	X		
Clay Ingram	X		
George Moraitis, Jr.	X		
Peter Nehr	X		
Kathleen Passidomo	X		
Elizabeth Porter	X		
Michelle Rehwinkel Vasilinda	X		
W. Gregory Steube	X		
Alan Williams	X		
Totals:	15	0	0

Committee meeting was reported out: Tuesday, March 29, 2011 3:30:25PM

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

HB 1281 : Energy Conservation

Favorable With Committee Substitute

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Charles Chestnut IV	X				
Jeff Clemens	X				
Janet Cruz	X				
Daniel Davis	X				
Shawn Harrison	X				
Clay Ingram	X				
George Moraitis, Jr.	X				
Peter Nehr	X				
Kathleen Passidomo	X				
Elizabeth Porter	X				
Michelle Rehwinkel Vasilinda	X				
W. Gregory Steube	X				
Alan Williams	X				
Clay Ford (Chair)	X				
Total Yeas: 15		Total Nays: 0			

HB 1281 Amendments

Amendment 1 - Strike-all-Rep. Rep. Rehwinkel Vasilinda , sponsor.

Adopted Without Objection

Appearances:

David Cullen (Lobbyist) - Proponent

Sierra Club Florida
820 E Call Street
Tallahassee Florida 32301
Phone: 941-323-2404

Steven Webster (Lobbyist) - Proponent

MW Consulting/Florida Feedstock Growers Association
122 S Calhoun Street
Tallahassee Florida 32301
Phone: 850-391-7674

Stephen Comley - Information Only

We the People, Inc. of the United States
1518 Piper Dunes Place
Fernandina Beach Florida 32034-6610
Phone: 904-206-3114

Committee meeting was reported out: Tuesday, March 29, 2011 3:30:25PM

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

PCB ENUS 11-01 : Energy Incentives and Initiatives

Favorable

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Charles Chestnut IV	X				
Jeff Clemens	X				
Janet Cruz	X				
Daniel Davis	X				
Shawn Harrison	X				
Clay Ingram	X				
George Moraitis, Jr.	X				
Peter Nehr	X				
Kathleen Passidomo	X				
Elizabeth Porter	X				
Michelle Rehwinkel Vasilinda	X				
W. Gregory Steube	X				
Alan Williams	X				
Clay Ford (Chair)	X				
Total Yeas: 15		Total Nays: 0			

PCB ENUS 11-01 Amendments

Amendment 1 - Line 500-1888-Rep. Clemens, sponsor

Withdrawn

Amendment 2 - Lines 500-1888-Rep. Clemens, sponsor.

Withdrawn

Amendment 3 - Lines 307-456-Rep Albritton, sponsor.

Withdrawn

Amendment 4 - Lines 333-335 (hand written)-Rep. Albritton, sponsor.

Not Considered

Appearances:

Jon Moyle (Lobbyist) - Opponent
Florida Industrial Power Users Group
118 N. Gadsen Street
Tallahassee Florida 32301
Phone: 850-681-3828

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COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

Bruce Kershner (Lobbyist) - Proponent
Florida Solar Energy Industries Association
231 West Bay Avenue
Longwood Florida 32750
Phone: 407-339-2010

Rep. Albritton's Amendment
Kent Crook (General Public) - Proponent
Tko Investments Inc
12201 SW 128th Court, Suite 101
Miami Florida 33186
Phone: 305-378-4011

Heather Beaven - Proponent
Operation Free-The Truman Project
203 London Drive
Palm Coast Florida 32137
Phone: 386-445-3811

Dan Holladay - Proponent
SEMATECH
2706 Montopolis Drive
Austin Texas 78704
Phone: 512-356-3564

Josh Kellam - Proponent
Global Energy United LLC
3333 Virginia Beach Blvd.
Virginia Beach Virginia 23452
Phone: 757-286-4183

Tony Shay - Proponent
Petra Solar
1717 Azure Drive
Wall New Jersey 07753
Phone: 908-692-2514

Jack Sullivan - Proponent
Florida Research ConsortiumFL Solar Energy Center
150 S. Monroe Street, Suite 300
Tallahassee Florida 32301
Phone: 850-425-52223

Rudy Magasrevy - Proponent
Hypower, Inc.
5913 NW 31st Avenue
Ft. Lauderdale Florida 33309
Phone: 954-609-1575

Jose Gonzalez (Lobbyist) - Proponent
Associated Industries of Florida
576 N. Adams
Tallahassee Florida 32301
Phone: 850-224-7173

Committee meeting was reported out: Tuesday, March 29, 2011 3:30:25PM

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

Donald Ryan - Opponent
Solar Impact
4509 NW 23rd Avenue
Gainesville Florida 32606
Phone: 352-338-8221

Susan Glickman (Lobbyist) - Proponent
Southern Alliance for Clean Energy
Post Office Box 310
Indian Rocks Beach Florida 33785
Phone: 727-595-7314

Michelle Curtis (Lobbyist) - Information Only
Buckeye
One Buckeye Drive
Perry Florida 32347
Phone: 850-584-1218

Rep. Albritton's Amendment
Charles Hinson (Lobbyist) - Information Only
Tampa Electric Company
106 E. College Avenue
Tallahassee Florida 32301
Phone: 850-508-0758

Rep. Albritton's Amendment
Terry Deason (Lobbyist) - Opponent
FPL, TECO, Gulf Power, Progress Energy
301 S. Bronough
Tallahassee FL 32301
Phone: 850-425-6654

Rep. Albritton's Amendment
Bill Johnson - Proponent
Brilliant Harvest, LLC
3455 West Forest Lakes Drive
Sarasota Florida 34232
Phone: 941-345-7652

Rep. Albritton's Amendment
Richard Pinsky (Lobbyist) - Proponent
FL Alliance for Renewable Energy
106 E. College, Suite 1200
Tallahassee Florida 32301
Phone: 850-224-9634

Rep. Albritton's Amendment
David Cullen (Lobbyist) - Proponent
Sierra Club Florida
820 E. Call Street
Tallahassee Florida 32301
Phone: 941-323-2404

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COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

Rep. Albritton's Amendment

Dani Torcolacci - Proponent

Hurricane Wind

407 Lincoln road

Miami Beach Florida 33139

Phone: 248-217-4805

Rep. Albritton's Amendment

Scott McIntyre - Proponent

Solar Energy Management

1058 42nd Avenue North-East

St. Petersburg Florida 33703

Phone: 727-430-3043

Rep. Albritton's Amendment

Monica Kennedy - Proponent

Elite Solar

4726 E. Trails Drive

Sarasota Florida 34232

Phone: 941-915-9911

Rep. Albritton's Amendment

Wolfgang Beaugrand - Proponent

Solar Dealers

4477 Sabrina Terrace

Port Charlotte Florida 34286

Phone: 941-312-1221

Elaine Brown - Proponent

Advanced Roofing

212 Canal Street

Ponte Vedra Florida 32082

Phone: 904-318-5904

Eric Draper - Information Only

Audubon of Florida

Eric Draper - Proponent

Audubon of Florida

308 N Monroe Street

Tallahassee Florida 32312

Phone: 850-227-7571

Committee meeting was reported out: Tuesday, March 29, 2011 3:30:25PM

House

#3

LEGISLATIVE ACTION

Senate

House

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~~Energy + Utilities Subcommittee~~

The ~~Committee on Communications, Energy, and Public Utilities~~
(~~Altman~~) recommended the following: *Rep. Albritten*

~~Senate Amendment (with title amendment)~~

307 - 456

Delete lines ~~146 - 251~~

and insert:

(3) Subject to the provisions of this subsection, in order to provide for the most cost-effective development and deployment of renewable energy resources in this state, the commission shall provide for the full cost recovery under the environmental cost-recovery clause of all reasonable and prudent costs incurred by a provider to produce or purchase, pursuant to the provisions of this section, renewable energy for the purposes of supplying electrical energy to its retail customers.

13 (a) Each provider shall purchase renewable energy pursuant
14 to a standard form contract for the purchase of renewable energy
15 from different types of renewable energy facilities located in
16 Florida.

17 1. The price to be paid for renewable energy purchased
18 through a standard form contract shall be expressed in a
19 levelized, or constant, price per kilowatt hour for the term of
20 the contract. The price shall be determined by a competitive
21 auction conducted by an independent auction administrator
22 engaged by the commission to ensure the objectivity and fairness
23 of the auction. The provider shall reimburse the commission for
24 the cost for the independent auction administrator, and the cost
25 is recoverable by the provider through the environmental cost-
26 recovery clause.

27 2. The terms and conditions of the standard form contract
28 shall be determined pursuant to the hearing conducted by the
29 commission before the issuance of such contract and the conduct
30 of the auction provided for in this paragraph.

31 3. For a renewable electric generating facility to be
32 eligible to participate in the auction, the renewable energy
33 supplier's facility must be located in Florida.

34 4. A contract shall be for a minimum term of 20 years and a
35 maximum term of 30 years, with the term in years to be among the
36 terms and conditions to be established by the commission
37 pursuant to the hearing provided for in this paragraph.

38 (b) Each provider must offer, as its minimum, a standard
39 form contract for each of the following types and size classes
40 of renewable energy technologies:

41 1. Large (greater than 1,000 kilowatts), medium (greater

42 than 100 kilowatts but less than or equal to 999 kilowatts), and
43 small (less than or equal to 100 kilowatts) solar electric
44 technologies, including photovoltaic, solar thermoelectric, and
45 solar thermal generating technologies, as well as other electric
46 production technologies that convert solar energy into
47 electricity, and also including fuel cells that are fueled by
48 hydrogen produced from hydrolysis of water using electricity
49 produced by solar technologies;

50 2. Large (greater than 100 kilowatts) and small (less than
51 or equal to 100 kilowatts) wind technologies;

52 3. Large (greater than 100 kilowatts) and small (less than
53 or equal to 100 kilowatts) hydroelectric technologies, including
54 technologies that utilize the energy in waves, ocean currents,
55 and thermal energy differentials;

56 4. Large (greater than or equal to 10 megawatts), medium
57 (greater than 100 kilowatts but less than 10 megawatts), and
58 small (less than or equal to 100 kilowatts) biomass
59 technologies; and

60 5 Large (greater than 100 kilowatts) and small (less than
61 or equal to 100 kilowatts) waste heat technologies.

62 (c) Each provider may expend in 2011 and in each calendar
63 year thereafter 2 percent of the provider's total retail
64 revenues for renewable energy. The purchase is in addition to
65 the provider's avoided as-available energy cost for the energy
66 purchased. The provider's total retail revenues include all cost
67 adjustment, cost recovery, and similar add-on charges collected
68 by the provider in the preceding calendar year. However, the
69 total retail revenues exclude only franchise fee revenues. Ten
70 percent of the amount designated for each technology type shall

71 be reserved for small renewable energy production facilities of
72 the respective technology. A provider may expend in any year up
73 to an additional 1 percent above the minimum amounts required in
74 this subsection of the provider's total retail revenues,
75 including all cost adjustment, cost recovery, and similar add-on
76 charges, collected by the provider in the preceding calendar
77 year, excluding only franchise fee revenues.

78 (d)1. The commission shall require that a minimum of 25
79 percent of the total funding to be expended by each provider on
80 the purchase of solar energy. Each utility shall make available
81 a minimum of 10 percent of the utility's applicable amount for
82 small solar suppliers and a minimum of 20 percent of the
83 utility's applicable amount for medium solar suppliers. The
84 commission may establish minimum percentages of the funding that
85 is to be expended for renewable energy for wind energy and other
86 renewable energy technologies.

87 2. If the bids received from the auction are insufficient
88 to expend the total amount of funds available, the residual
89 funds are available for either technologies other than the
90 under-subscribed technologies or to be carried forward and
91 expended on a pro rata basis over the succeeding 4 years.

92 (e) Each provider may elect to provide up to, but no more
93 than, 25 percent of the total amount of renewable energy to be
94 purchased for each technology type listed in paragraph (b). If
95 the provider elects this option, the provider's cost recovery
96 shall be limited to the lowest price bid by any respondent in
97 the auction for supplying renewable energy of the respective
98 technology type for the life of the commitment.

99 (f) After a contract is executed or the provider has

100 elected to provide a portion of the renewable energy under
101 paragraph (c), the provider may not recover costs any greater
102 than the contract price or the price determined under paragraph
103 (c).

104 (g) Each provider may recover through the environmental
105 cost-recovery clause an amount equal to 0.005 percent of all
106 moneys paid to unaffiliated renewable energy producers to
107 purchase renewable energy.

108 (h) A provider may recover only the costs for new
109 construction or conversion projects for which construction
110 commenced on or after July 1, 2011, and for purchases made on or
111 after that date. All renewable energy projects for which costs
112 are approved by the commission for recovery through the
113 environmental cost-recovery clause before July 1, 2011, are not
114 subject to or included in the calculation pursuant to paragraph
115 (c).

116 (i) In a proceeding to recover costs, a provider must
117 provide to the commission all cost information, hourly energy
118 production information, and other information deemed relevant by
119 the commission with respect to each project.

120 (j) If a provider purchases renewable energy at a cost in
121 excess of its full avoided cost, the seller must surrender to
122 the provider all renewable attributes of the renewable energy
123 purchased.

124 (k) Revenues derived from any renewable energy credit,
125 carbon credit, green tag credit, renewable energy attribute, or
126 any other mechanism that attributes value to the production of
127 renewable energy, either existing or hereafter devised, and
128 received by a provider by virtue of the production or purchase

129 of renewable energy for which cost recovery is approved, shall
130 be shared with the provider's ratepayers such that the
131 ratepayers are credited at least 90 percent of such revenues.
132 However, the provider is not required to share with its
133 ratepayers any value derived from credits received by the
134 provider by virtue of the purchase of renewable energy from a
135 third-party generating facility in the state which does not
136 exceed 2 megawatts in capacity and is not a regulated utility or
137 its unregulated affiliate.

138 (1) A renewable energy generating facility that is
139 constructed by a renewable energy supplier or by a provider to
140 provide renewable energy is not subject to s. 403.519. The
141 commission is not required to submit a report for the project
142 pursuant to s. 403.507(4) (a).

143 (4) Each provider shall, in its 10-year site plan submitted
144 to the commission, provide the following information:

145 (a) The amount of renewable energy resources the provider
146 produces or purchases.

147 (b) The amount of renewable energy resources the provider
148 plans to produce or purchase over the 10-year planning horizon
149 and the means by which such production or purchases will be
150 achieved.

151 (c) A statement indicating how the production and purchase
152 of renewable energy resources impact the provider's present and
153 future capacity and energy needs.

154
155 ===== T I T L E A M E N D M E N T =====

156 And the title is amended as follows:

157 Delete line 17

158 and insert:
159 conditions; requiring providers to submit certain
160 information to the commission in its 10-year site
161 plan;



Council/Committee/Subcommittee on _____

Date _____

XX

Action _____

HOUSE AMENDMENT FOR DRAFTING PURPOSES ONLY

(may be used in Council/Committee/Subcommittee, but not on House Floor)

Amendment No. _____

Bill No. PCB ENVUS 11-01

(For filing with the Clerk, Council, Committee and Member Amendments must be prepared by House Bill Drafting Services (Rule 12.1))

Representative(s)/The Council/Committee/Subcommittee on ENERGY + UTILS SB

~~ALABAMA~~ REP. ALARITTON

offered the following amendment:

Amendment

on page 12, line(s) 333-335,

+ insert

Subject to the cost cap in paragraph (c).
The provider must procure renewable
energy eligible for cost recovery
under this section through a competitive
process administered by an independent
third party. The Florida Public Service
Commission is authorized to adopt
rules necessary to implement the
competitive procurement process
required herein. However, at
least 20



Monday, January 31, 2011

The Honorable Rick Scott
Office of the Governor
State of Florida
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399-0001

Dear Governor Scott,

Attached you will find a position paper by the Florida Research Consortium that asks state leaders to allow utilities to earn a return on voluntary investments in renewable energy projects. We believe this is an essential step in the formation of a renewable energy cluster in Florida.

The Washington Economic Group and Citizens for Clean Energy, among others, are rightly focused on job creation that will result from this small step. Our purposes are first, to validate their projections by providing you with what the capital markets are saying about the potential for this industry and second, to tell you why we believe it is essential for Florida to do this now.

As a highly successful businessman in a highly regulated industry, you recognize that earning a fair return is the essential element in the decision to place capital. That is what is being asked for, nothing more, nothing less. Over the long haul, we believe this step will in fact save consumers additional dollars in fuel surcharges, result in greater consumer choice and help diversify fuel sources beyond price and supply volatile fossil fuels.

We are taking this position because the Florida Research Consortium Board is the state's most focused yet widest ranging advocate for knowledge based economic development. Members include SUS research universities, three private research universities, five private research institutes, Fortune 500 companies, FP&L Group, AT&T, IBM and a dozen other private sector members from startup Nanotherapeutics to the Lake Nona Science and Technology Park.

We assisted with the development and implementation of programs like Centers of Excellence, the 21st Century World Class Scholar's program, the Innovation Fund, the State University Research Commercialization Grant Program, the Institute for the Commercialization of Public Research, Economic Gardening and the Florida Opportunity Fund.

We recognize that without a private sector taking up the fruits of Florida's research enterprises, our efforts are devalued. We advocate for this now as an essential piece for your job creation plans and Florida's bright future.

Best Regards,

Jack Sullivan, Jr.
President/CEO

Florida Poised to Lead in Renewable Energy

The Opportunity

According to Merrill Lynch Cleantech Strategist, Steven Milunovich, the sixth technology revolution will be driven by clean technology and biotech. *"History shows that technology revolutions occur every 50 years. We believe cleantech is at the beginning of a high-growth period much like computing was in the early 1970s. The application of technology to resource problems should cause profound changes in the energy, utility, and automotive industries,"* said Milunovich.ⁱ This opinion is supported by changes in the flow of venture capital. As noted in Table 1, investments in "Clean Energy" companies in the US increased 20 fold from 6/10^{ths} of a percent to almost 12% of total venture investment from 2000 to 2008.

In fact, according to the **MoneyTree Report** by PricewaterhouseCoopers and the National Venture Capital Association, by 2010 the percentage of venture money allocated to Cleantech Ventures rose to 17%.ⁱⁱ Risk capital is shouting that renewable energy and cleantech, as the fastest growing investment segments, are poised to form the next high growth business and employment clusters. **The only questions are where and how they develop.**

Clean-Energy Venture Capital Investments in U.S.-Based Companies as Percent of Total			
Year	Total Venture Investment (US \$Billions)	Energy Technology Investments (US \$ Millions)	% of Venture Total
2000	\$105.1	\$599	0.60%
2001	\$40.6	\$584	2.20%
2002	\$22.0	\$483	2.20%
2003	\$19.7	\$446	2.30%
2004	\$22.5	\$663	2.90%
2005	\$23.0	\$1,038	4.50%
2006	\$26.5	\$1,555	5.90%
2007	\$29.4	\$2,665	9.10%
2008	\$28.3	\$3,351	11.84%

Table 1, Source: Clean Energy Trends 2009

Barriers and Timing: Allow Utilities a Return on Voluntary Investments in Renewables Now!

In a January white paper on the subject of the creation of new jobs from renewable energy, Lynda Weatherman, president of the Economic Development Council of Florida's Space Coast, rightly notes: ***"It is important to understand that true and significant industrial clusters are shaped when those industries are being developed. New economies shift and magnets are drawn. Once that occurs, relocation is a non starter and the best other areas can hope for are ancillary sub sets of those national industrial drivers.... This is one time in Florida's economic development history that we have the presence and knowledge prior to the solidification of an industrial cluster. But as in any opportunity, the window opens and closes rapidly. As these emerging companies grow, decisions to locate will be made."***ⁱⁱⁱ

This white paper goes on to say, *"This industry must have the local market present to create the demand necessary, and in effect, the critical mass required to build a manufacturing plant in Florida."* Other states have taken aggressive policy approaches to creating "local market demand", which thus far Florida has eschewed. However, Florida policy makers have demonstrated that local demand is created when the small step of returns on voluntary utility investments in renewables are allowed.

Utilities are conservative and sophisticated business entities that avoid fad or interests beyond those of their stakeholders and customers. With the advent of smart grid technology, distributed generation and new storage options, this regulated industry may be ripe for a transformative shift, akin to that in telecommunications. Should this occur, there will be winners and there will be losers. Greater flexibility with regard to regulated returns on investments in renewable energy alternatives will help to ultimately diversify consumer choice and our energy security. The fact is that Investor Owned Utilities are responsible for 76%^{iv} of the electricity sales in state. They are the sector where sufficient demand can be generated to locate this "new business cluster" in Florida. **We must knock this impeding barrier out of the way!**

ⁱ Merrill Lynch Research Calls Cleantech the Sixth Technology Revolution. Merrill Lynch Newsroom. November 24, 2008.

ⁱⁱ Clean Technology crosses traditional MoneyTree industries and comprises alternative energy, pollution and recycling, power supplies and conservation.

ⁱⁱⁱ <http://www.spacecoastedc.org/LinkClick.aspx?fileticket=VWvq0zfIz7c%3D&tabid=357>

^{iv} http://www.eia.doe.gov/cneaf/electricity/esr/esr_sum.html



VIA FAX AND OVERNIGHT MAIL

Governor Rick Scott
State of Florida
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399-0001

February 1, 2011

Dear Governor Rick Scott,

We are writing to express our strong support for the expedient passage of a sound renewable energy policy in Florida. Such a policy would create significant economic and social opportunities for our state by immediately stimulating the economy and by putting Floridians to work. It would immediately reduce by tens of millions of dollars the unemployment benefits the state is currently paying and providing millions of dollars in new revenue to local governments.

We support a renewable energy policy that will allow utilities to immediately build or purchase diverse forms of renewable energy including large scale solar, biomass, energy from waste (efw), wind, and rooftop solar, with a cost recovery mechanism and cap to protect Florida consumers. This type of progressive policy would establish a sustainable market for renewable energy, and provide market based incentives for companies to relocate to Florida from out of state and overseas. Most importantly, it would create jobs at a time when unemployment in Florida is at a record high and reduce the tremendous burden we all shoulder as taxpayers.

Today, 35 states have renewable energy policies and they are reaping the benefits of a clean energy economy by attracting industries that should be coming to Florida. Other countries, such as China, have positioned themselves to capture existing and future renewable markets with significant manufacturing capabilities and their actions have already led to the creation of over one million clean energy jobs. [New York Times; September 8, 2010 "On Clean Energy, China Skirts Rules" by KEITH BRADSHER]

As you know the Florida Solar Energy Center (FSEC) is part of UCF and at a meeting on October 25, 2010 of their Policy Advisory Board the following resolution was passed:

***“Establishing a Market for Renewable Energy:
Investing in Florida's Future Economic Sustainability***

It is imperative for Florida's economic sustainability that the State of Florida establishes and incentivizes a renewable energy goal that establishes a marketplace for renewable energy. Without a strong renewable energy market in Florida, the high-wage manufacturing, engineering, and research and development jobs for renewable energy products will go elsewhere. Clean energy technologies create jobs, attract new industry investment and diversify fuel types, reducing the state's dependence on imported fossil fuels. From a competitive perspective, 35 other states and the District of Columbia have renewable energy goals - Florida does not. If we do not quickly establish a strong renewable energy market place within Florida, the high paying jobs associated with this industry will likely be lost to Floridians forever.”



This position is not unique to those from the energy industry as represented by FSEC's Advisory Board. A Florida TaxWatch poll (SunSentinel, 11-10/2010) of likely Florida voters revealed that: 80% want elected officials to take action to require more renewable energy production in Florida and 70% said they are willing to pay more in their monthly electric bills for new renewable energy.

There is no more time to lose..... nearly every week there are new announcements of solar and other renewable energy factories being built in other states with progressive, job producing energy policies such as Arizona and Texas. Our time is now. We have the trained workforce, abundant natural resources and a proven track record of being able to develop, build and successfully operate renewable energy projects at very competitive pricing.

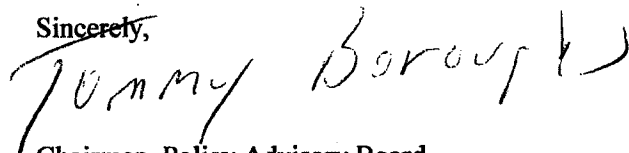
As we did in the 1960's when NASA came to the Space Coast, we have a once in a generation opportunity to put Florida on the world stage, but we need your vision, support and strong leadership. We ask that you please take the time to seriously consider passing renewable energy legislation and help us to rebuild our great state. The stakes for our economy, our workforce and for our future generations has never been greater.

Enclosed are the following:

1. Copy of a letter sent to Senate President Mike Hardopolos on November 12, 2010;
2. Copy of the Resolution passed by the Policy Advisory Board of Florida Energy Center at its meeting on October 20, 2010;
3. "Why should we invest in a Renewable energy future for Floridians?" prepared by Florida Solar Energy Center;
4. "Establishing a Market for Renewable Energy: Investing in Florida's Future Economic Sustainability" also prepared by Florida Solar Energy Center.

In closing we want to thank you again for your support of our competitive Department of Energy proposal to establish an industry lead Photovoltaic Manufacturing Consortium in our state. A renewable energy policy for our state would help accelerate the job growth associated with that project.

Sincerely,



Chairman, Policy Advisory Board
to The Florida Solar Energy Center

cc: M.J. Soileau, VP for Research and Commercialization (w/encs.)
Dan Holsenbeck, VP for University Relations (w/encs.)
John C. Hitt, President, University of Central Florida (w/encs.)



Senate President Mike Haridopolos
420 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399

Dear President Haridopolos,

We are writing to express our strong support for the expedient passage of a sound renewable energy policy in Florida during a special session to take place prior to year's end. Such a policy would create significant economic and social opportunities for our state by immediately stimulating the economy and by putting Floridians to work. It would immediately reduce by tens of millions of dollars the unemployment benefits the state is currently paying and providing millions of dollars in new revenue to local governments. A quick passage of the bill will put companies in a greater position to receive federal grants that will expire December 31, 2010, thereby improving project economics and benefiting Florida consumers.

We support a renewable energy policy that will allow utilities to immediately build or purchase diverse forms of renewable energy including large scale solar, biomass, energy from waste (efw), wind, and rooftop solar, with a cost recovery mechanism and cap to protect Florida consumers. This type of progressive policy would establish a sustainable market for renewable energy, and provide market based incentives for companies to relocate to Florida from out of state and overseas. Most importantly, it would create jobs at a time when unemployment in Florida is at a record high and reduce the tremendous burden we all shoulder as taxpayers.

Today, 35 states have renewable energy policies and they are reaping the benefits of a clean energy economy by attracting industries that should be coming to Florida. Other countries, such as China, have positioned themselves to capture existing and future renewable markets with significant manufacturing capabilities and their actions have already led to the creation of over one million clean energy jobs. [New York Times; September 8, 2010 "On Clean Energy, China Skirts Rules" by KEITH BRADSHER]

As you know the Florida Solar Energy Center (FSEC) is part of UCF and at a meeting on October 25, 2010 of their Policy Advisory Board the following resolution was passed:

***"Establishing a Market for Renewable Energy:
Investing in Florida's Future Economic Sustainability***

It is imperative for Florida's economic sustainability that the State of Florida establishes and incentivizes a renewable energy goal that establishes a marketplace for renewable energy. Without a strong renewable energy market in Florida, the high-wage manufacturing, engineering, and research and development jobs for renewable energy products will go elsewhere. Clean energy technologies create jobs, attract new industry investment and diversify fuel types, reducing the state's dependence on imported fossil fuels. From a competitive perspective, 35 other states and the District of Columbia have renewable energy goals – Florida does not. If we do not quickly establish a strong





FLORIDA SOLAR ENERGY CENTER®

renewable energy market place within Florida, the high paying jobs associated with this industry will likely be lost to Floridians forever."

This position is not unique to those from the energy industry as represented by FSEC's Advisory Board. Florida Tax Watch recently release (SunSentinel, 11-10/2010) a poll of likely Florida voters that reveiled:

80% want elected officials to take action to require more renewable energy production in Florida and 70% said they are willing to pay more in their monthly electric bills for new renewable energy.

There is no more time to lose...nearly every week there are new announcements of solar and other renewable energy factories being built in other states with progressive, job producing energy policies such as Arizona and Texas. Our time is now. We have the trained workforce, abundant natural resources and a proven track record of being able to develop, build and successfully operate renewable energy projects at very competitive pricing.

As we did in the 1960's when NASA came to the Space Coast, we have a once in a generation opportunity to put Florida on the world stage, but we need your vision, support and strong leadership. We ask that you please take the time to seriously consider passing renewable energy legislation and help us to rebuild our great state. The stakes for our economy, our workforce and for our future generations has never been greater.

In closing we want to thank you again for your support of our competitive Department of Energy proposal to establish an industry lead Photovoltaic Manufacturing Consortium in our state. A renewable energy policy for our state would help accelerate the job growth associated with that project.

Sincerely,

Tommy Boroughs

Tommy Boroughs
President

Policy Makers Board of The Florida Solar Energy Center

cc: M.J. Soileau, VP for Research and Commercialization
Dan Holsenbeck, VP for University Relations
John C. Hitt, President, University of Central Florida



Resolution that FSEC Policy Advisory Board passed October 2010

Establishing a Market for Renewable Energy: Investing in Florida's Future Economic Sustainability

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Why should we invest in a Renewable energy future for Floridians?

Because energy costs will rise faster if we don't than if we do

- Florida currently exports about \$40 billion in hard-earned capital to other states and countries to pay for fuels – let's keep more of that capital in Florida
- Florida's Public Service Commission projects that average household energy use will decline by 0.2% per year over the next 10 years but the price of energy is projected to rise by 4.7% per year over that same time

Because energy security and economic sustainability are imperatives for Florida

- The solar resource is our only known energy source that is not subject to global politics, outsourcing, government instability, natural disasters, terrorism or fuel escalation
- While the initial cost of solar energy systems may be somewhat greater, fuel costs are zero as far out into the future as we can project
- While the cost of conventional energy systems is rising, the cost of photovoltaic systems is declining.

Because Floridians need jobs

- Recent studies show job creation for photovoltaic technology to range from 15-45 jobs per megawatt (MW) of installed capacity, depending on whether manufacture is local or outsourced.
- A recent study by the Washington Economics Group shows that 40,000 jobs would be created with renewable energy legislation providing for 700 MW of increased PV capacity
- A number of manufacturing and research and development companies have indicated that they would relocate to Florida if renewable energy legislation is passed
- More than 75% of renewable energy jobs are in the manufacturing and construction industries – the exact skill-sets of many who are unemployed in Florida's construction trades
- A strong renewable energy market can result in up to 2.3 new business firms and 25 direct jobs in green manufacturing and construction per MW of production.

Because Floridians and our visitors treasure our pristine environment

- A renewable energy market will significantly reduce Florida's green house gas footprint, improving Florida's air and water quality and allaying future costs of environmental abatement
- Solar PV projects consume no water and generate zero emissions
- Solar technologies will relieve Florida's need for unreliable, risky, polluting and imported conventional fossil fuels
- Florida's pristine environment attracts significant tourism, a source of many jobs and significant economic activity in Florida.

Establishing a Market for Renewable Energy: Investing in Florida's Future Economic Sustainability

The US used 3,870 billion kWh (TWh) of electricity in 2008 and is expected to use 4,785 TWh by 2030.¹ Florida used 217 billion kWh (TWh) of electricity in 2008 and if Florida increases its energy utilization at the same rate as the nation, Florida is expected to use 270 TWh by 2030. The US consumed 21 million barrels of oil/day (importing 62%) in 2008 and is expected to consume 25 million barrels of oil/day (importing 75%) by 2030.² The cost of fossil fuels, level from 1980 until 2000, has increased on average more than 4% per year since 2000.³ The average residential electricity rate (US and Florida rates are approximately equal) has gone from roughly \$0.08 per kWh in the 1980's and 1990's to more than \$0.11 per kWh today. If the out-of-the wall cost continues to increase at the rate of the last seven years, 4.7%,⁴ the nation and Florida will pay \$0.14 in 2015, \$0.17 in 2020, and \$0.28 per kWh in 2030.

While the cost of fossil fuels can only go up, the cost of solar photovoltaics is going down. The cost of power from rooftop solar panels is projected by the U.S. Department of Energy (DOE) to drop from a mean of \$0.21 per kWh in 2009 to about \$0.10 per kWh in 2015, which is less than the price the nation and Florida pays for electricity out-of-the-wall today (grid parity is reached). Further, the cost of rooftop solar power could drop to as low as **\$0.06 per kWh by 2030**. If only 10% of the 4,785 TWh of electricity used in 2030 comes from photovoltaics (479 TWh for the US and 27 TWh for Florida) this is equivalent to 319,000 MWs of installed PV in the US (18,000 MWs of installed PV in Florida). This 10% of the electricity from PV in 2030 would save residents of the US, **\$105 billion** ($(\$0.28 - \$0.06) \times 479 \times 10^9$) and residents of Florida, **\$5.9 billion** ($(\$0.28 - \$0.06) \times 27 \times 10^9$) per year in electricity costs. If the PV panel equipment is manufactured in the US, 13 US manufacturing jobs and 12 US installation jobs per MW are created.⁵

Since rooftop solar power will be substantially less in cost than conventional electricity from fossil fuels, the US will gain more than 3.8 million installation jobs and Florida will gain more than 216,000 installation jobs. The key question is, will the US (Florida) installers be installing US (Florida)-made panels or will we be trading our imported fossil fuels addiction for imported PV panels. If Florida were to manufacture all of its 18,000 MWs of PV installed by 2030, Florida would have **234,000 manufacturing jobs and 216,000 installation jobs** and save its residents **\$5.9 billion per year in electric bills and all the money spent on the 18,000 MWs of PV would stay in Florida**.

The US has been a leader in the research and development of PV technologies. Florida, through UCF's Florida Solar Energy Center (FSEC) has led the nation in research, development, application and education of PV technologies for thirty-five years. The US and Florida leadership in R&D&A&E has not followed through to leadership in manufacturing, as US-made PV products constitute less than 10% of the world output. Florida's lack of competitiveness can be directly linked to a lack of market in Florida (Florida does not have a renewable energy goal which sets the market) and limitations in manufacturing that lead to PV products that are not technically or economically globally competitive. It is imperative that Florida establish a renewable energy goal so that a market exists for Photovoltaic's Manufactured in Florida. The Photovoltaic Manufacturing Consortium (PVMC), which is being established in Florida, will promote PV manufacturing and its supply chain through focused research and incubation of PV manufacturing entities. If a market is established in Florida, then the PVMC will serve both Florida and the whole nation and Florida will capture manufacturing jobs beyond its own market.

¹ Annual Energy Outlook 2010 with Projections to 2035, U.S. Energy Information Administration Report #:DOE/EIA-0383(2010), May 11, 2010, <http://www.eia.doe.gov/oiaf/aeo/electricity.html>

² Fairey, P., "Drilling, alternative fuels and efficiency: Can the United States wean itself from imported fuels." *Energy Policy*, Vol. 37, Issue 4, pp 1249-1256, Elsevier Press, April 2009.

³ Retail cost of gasoline, and coal and natural gas prices as purchased by utilities taken from U.S. Energy Information Administration <http://www.eia.doe.gov/>, data examined September 2010

⁴ Average Retail Price of Electricity to Ultimate Customers: Total by End-Use Sector, Table 5.3, September 15, 2010, U.S. Energy Information Administration, http://www.eia.doe.gov/cneaf/electricity/epm/table5_3.html EIA data

⁵ Recent studies show job creation for photovoltaic technology to range from 15-45 jobs per megawatt (MW) of installed capacity, depending on whether manufacture is local or outsourced. One such reference: New Energy Finance, 2009

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/29/2011 8:00:00AM

Location: Webster Hall (212 Knott)

PCB ENUS 11-02 : Florida Public Service Commission (PSC)

Favorable

	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Ben Albritton	X				
Charles Chestnut IV	X				
Jeff Clemens	X				
Janet Cruz	X				
Daniel Davis	X				
Shawn Harrison	X				
Clay Ingram	X				
George Moraitis, Jr.	X				
Peter Nehr	X				
Kathleen Passidomo	X				
Elizabeth Porter	X				
Michelle Rehwinkel Vasilinda	X				
W. Gregory Steube	X				
Alan Williams	X				
Clay Ford (Chair)	X				
Total Yeas: 15		Total Nays: 0			

PCB ENUS 11-02 Amendments

Amendment 1 - Lines 59-90, lines 103 & lines 525-594-Rep. A. Williams, sponsor.

Failed to Adopt

Appearances:

Section 10 of PCB ENUS 11-02
Jon Moyle (Lobbyist) - Opponent
FL Industrial Power Users
118 N Gadsden Street
Tallahassee Florida 32301
Phone: 850-681-3828.

J. R. Kelly - Information Only
Office of Public Counsel
111 West Madison Street, Room 812
Tallahassee Florida 32399-1400
Phone: 850-488-9330

Committee meeting was reported out: Tuesday, March 29, 2011 3:30:25PM