



Energy & Utilities Subcommittee

**Tuesday, March 8, 2011
212 Knott Building
1:00 PM – 3:00 PM**

ACTION PACKET

**Dean Cannon
Speaker**

**Clay Ford
Chair**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Energy & Utilities Subcommittee

Start Date and Time: Tuesday, March 08, 2011 01:00 pm

End Date and Time: Tuesday, March 08, 2011 03:00 pm

Location: Webster Hall (212 Knott)

Duration: 2.00 hrs

Consideration of the following bill(s):

HB 531 Assessment of Residential Real Property by Frishe
HB 4149 Regulation of Electronic Communications by Porter

Workshop on the following:

Workshop of Energy Policy Issues

NOTICE FINALIZED on 03/04/2011 16:05 by Love.John

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/8/2011 1:00:00PM

Location: Webster Hall (212 Knott)

Summary:

Energy & Utilities Subcommittee

Tuesday March 08, 2011 01:00 pm

HB 531	Favorable With Committee Substitute	Yeas: 14	Nays: 0
	Amendment 1 Adopted Without Objection		
	Technical Amendment		

HB 4149	Favorable	Yeas: 14	Nays: 0
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Committee meeting was reported out: Tuesday, March 08, 2011 6:04:35PM

COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/8/2011 1:00:00PM

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

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COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/8/2011 1:00:00PM

Location: Webster Hall (212 Knott)

HB 531 : Assessment of Residential Real Property

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: 14		Total Nays: 0			

HB 531 Amendments

Amendment 1 - Technical Amendment

Adopted Without Objection

Appearances:

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

Doug Buck (Lobbyist) - Waive In Support
Florida Home Builders Association
P.O. Box 1259
Tallahassee FL 32301
Phone: 850-224-4316

Kari Hebrank (Lobbyist) - Waive In Support
Florida Building Material Association, Inc
7711 Deepwood Trail
Tallahassee Florida 32311
Phone: 850-566-7824

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COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/8/2011 1:00:00PM

Location: Webster Hall (212 Knott)

David Cullen (Lobbyist) - Waive In Support

Sierra Club

820 E Call Street

Tallahassee Florida 32301

Phone: 941-323-2404

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Print Date: 3/8/2011 6:04 pm

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COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/8/2011 1:00:00PM

Location: Webster Hall (212 Knott)

HB 4149 : Regulation of Electronic Communications

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: 14		Total Nays: 0			

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COMMITTEE MEETING REPORT

Energy & Utilities Subcommittee

3/8/2011 1:00:00PM

Location: Webster Hall (212 Knott)

Workshop

Workshop of Energy Policy Issues

Appearances:

Bob Trapp (State Employee) (At Request Of Chair) - Information Only

Workshop of Energy Policy

Florida Public Service Commission

2540 Shumard Oak Blvd

Tallahassee Florida 32303

Phone: 850-413-6632

Michele Curtis (Lobbyist) - Information Only

Workshop of Energy Policy

Buckeye

One Buckeye Drive

Perry Florida 32347

Phone: 850-584-1218

Peggy Mathews (Lobbyist) - Information Only

Workshop of Energy Policy (Biodiesel)

Mathews Webster Consulting

122 S Calhoun Street

Tallahassee Florida 32301

Phone: 850-566-6778

Steven Webster (Lobbyist) - Information Only

Workshop of Energy Policy (Biodiesel and feedstock farming)

US Crude Jatropha Oil

122 S Calhoun Street

Tallahassee Florida 32301

Phone: 850-391-7674

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Peggy H. Mathews

CEO

MW Consulting, Inc

850-877-3848

pmathews@mathews-webster.com



A native Floridian with a BS in Marine Biology, Peggy has 25 years of experience as a government relations and environmental consultant.

She is co-founder and President of MW Consulting, where she has achieved several notable successes:

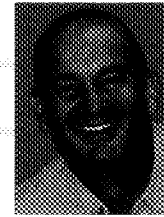
- Authored and was awarded three state grants totaling \$9 million for Agri-Source Fuels, a Florida biodiesel company. She also directed Agri-Source through Florida's complicated environmental permit review process.
- Wrote and passed the biodiesel use language in the 2007 Florida Energy Legislation.



With Agriculture Commissioner Charles Bronson and grant recipient Rick Higdon.

She served ten years in Florida's Department of Environmental Protection before launching her own business in 1995, leading legislative and government relations efforts for groups such as Personal Watercraft Industry Association, American Watercraft Association, Citizens For Florida's Waterways, Florida Marine Contractors Association and as a governor's appointee to the Florida Boating Advisory Council.

She is a founding officer of the Florida Feedstock Growers Association (FFGA) and co-founder of the Marine Construction Industry Alliance, in partnership with Citizens For Florida's Waterways. She is a member of Associated Industries of Florida's Energy Council, Florida Great Northwest Renewable Energy Committee, Florida Biofuels Association and Gulf Coast Energy Network.



Steven E. Webster

President

MW Consulting, Inc.

850-877-3848

swebster@mathews-webster.com

A highly regarded marketing communications professional with extensive experience in emerging technologies, journalism and association management.

A graduate of Northwestern University, he is co-founder of one of the original "dot-coms," Worldscan, Ltd., co-founder of MW Consulting, and founding president of Florida Feedstock Growers Association.

His accomplishments in the marine, boating and construction industries are well-known:

- Passed legislation in 2010 that simplified construction permitting
- Ended an illegal Federal moratorium on dock-building
- Slashed workers comp insurance rates and created a new class code based on measurable data and reasonable rates
- Won approval of a new marine construction state license
- Launched the 'Green Marine Summit' to establish Leadership in Energy & Environmental & Design standards for marine products, consulting, management, and construction
- Created a unique series of permitting workshops for Florida's Department of Environmental Protection to help regulators and applicants avoid conflicts in the construction permitting process. The program has been extremely successful: permits are issued more rapidly, resulting in substantial cost savings and speedier project completion.

He previously served as Executive Creative Director for Ogilvy & Mather / Chicago, directing the company's public relations Retail Group, introducing concepts such as integrated marketing, Point-of-Sales rewards programs, and event marketing.

He is Chair of Florida Biofuels Association's Leadership Advisory Board, and serves on many Federal, Florida and county committees and councils. He is past president of Citizens For Florida's Waterways.

MW Consulting in 2010

In a tough economy, MW Consulting has helped clients take major strides forward

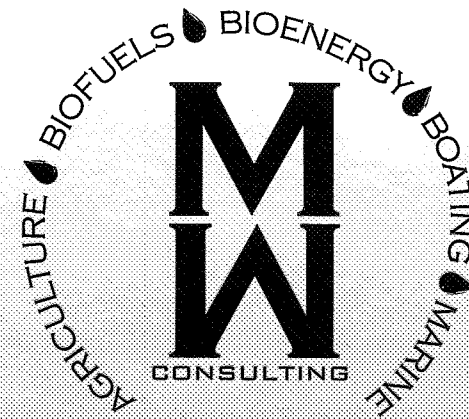
- Launched the Florida Feedstock Growers Association (FFGA), whose mission is to transform Florida into the nation's leading grower of biofuel and biomass crops within the decade.
- Demonstrated oil-absorbent Florida-grown kenaf boom to agencies struggling to combat oil spewing from the Deepwater Horizon well. Kenaf boom will soon be deployed at oilspills around the world.



- Highlighted the importance of feedstock farming before dozens of government officials and executives of other associations and media.
- Authored key portions of legislation significantly reducing marine construction permitting and broadening the scope of allowable work. The bill will save jobs in a beleaguered industry.
- Launched the Marine Construction Industry Alliance in partnership with Citizens For Florida's Waterways, providing the marine construction industry with effective representation before Florida government.
- For FFGA, MW Consulting is managing workshops across Florida, demonstrating successful renewable farming techniques to farmers, processors, and government officials.

MW Consulting
122 S Calhoun Street
Tallahassee, FL 32301

info@mwconsult.us
www.mathews-webster.com
850-391-7674



*Florida's
leading
advocates for
agriculture,
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2011 Renewable Energy Legislation
- Safeguarding Florida's Paper and Pulp Industry & Florida's Forests -

Florida is home to seven long-established paper and wood pulp manufacturing facilities that rely on purpose-grown pine trees as their primary raw material. These facilities provide a manufacturing base that is estimated to have a direct impact of approximately \$3 billion and a total impact of \$7.6 billion. The Florida paper and pulp industry directly employs 3,600 workers. A total of 32,000 direct and indirect jobs are created by the industry in Florida.

Among these facilities is a plant located near Perry, owned by Buckeye Technologies. Using its expertise in polymer chemistry and fiber science, this high-tech facility converts pulp wood into cellulose-based specialty products for customers in 60 countries, for use in goods as diverse as baby wipes, diapers, plastics, pharmaceuticals, and food products.

Despite its key role in Florida's manufacturing base, the paper and pulp industry faces a looming crisis – over the last 10 years, not enough new pine trees have been planted in the state each year to keep up with the annual demands of the industry, largely due to the elimination of federal agricultural incentives and changes in land ownership patterns. Since pine trees take 20 years to mature, this supply chain takes a long time to respond to changing circumstances, and importing wood from other states is not economically viable due to the international competition faced by the paper and pulp industry.

Buckeye and the rest of the industry are aggressively responding to this decline in pine tree plantings. Buckeye is not asking the state to intervene, rather it is asking the state not to make this problem worse by creating regulatory and financial incentives for the start-up of new biomass energy plants that could burn pine trees and accelerate the depletion of this resource.

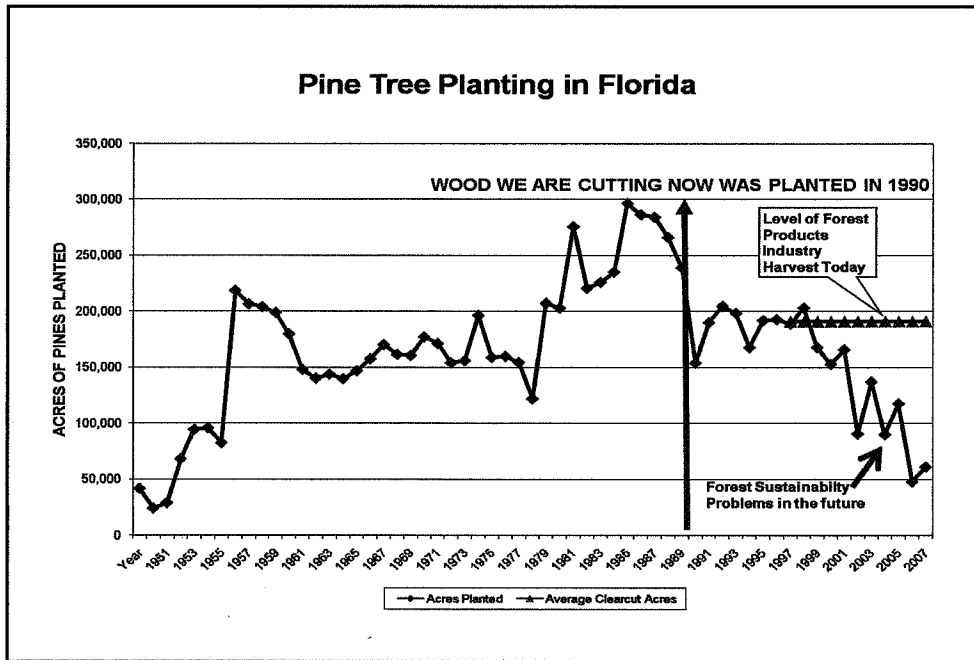
To be clear, Buckeye and the rest of the industry are strong advocates for sustainable “green” energy. In fact, Florida's paper and pulp facilities generate a significant portion of their own electricity. Buckeye's Perry facility is actually poised within the next few months to generate sufficient power to satisfy 95% of its electricity needs with a goal of 100% electrical independence within the next year.

Unlike wind, solar, and nuclear sources, the commercial generation of electricity from burning pine trees would deplete a natural resource critical to a significant and long-established Florida industry. Since pine trees take 20 years to mature, the supply cannot quickly expand in response to increased demand from new energy producers. A 2010 study by a leading information provider for the global forest products industry, including energy producers, found that an equivalent amount of wood currently generates nine jobs in the forest industry for every one new job that would be created by using that same wood in energy production.

At the same time, there are other biomass crops that grow much more quickly than pine trees and are far more suitable for energy production, e.g., switchgrass, energy cane, eucalyptus, etc. Indeed, the University of Florida's Stan Mayfield Biorefinery Pilot Plant is under construction on the grounds of Buckeye's Perry facility. This plant will be researching the conversion of such alternative biomass energy crops into ethanol and other petroleum replacements.

If the Florida Legislature decides to adopt regulatory and/or financial incentives for biomass energy producers, Buckeye simply asks that Florida policymakers do so in a manner that does not disadvantage existing wood industries and does not make the forest sustainability problem worse.

For More Information call Michele Curtis, Wood Supply Manager, Buckeye Florida, Perry
850-838-7420 or michele_curtis@bkitech.com



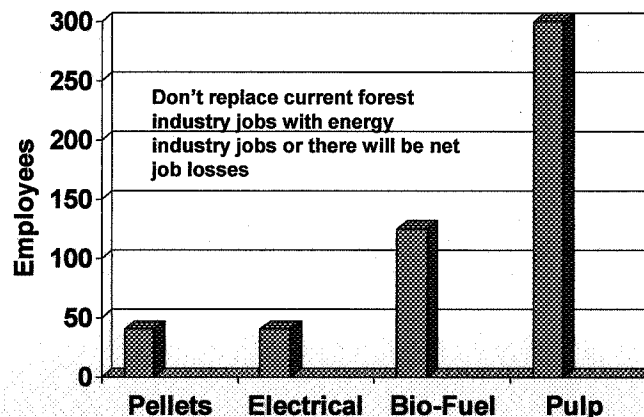
Pine Forest Sustainability in Florida

Data is from the US Forest Service and Florida Division of Forestry

1. In approximately 10 years there will be a serious shortage of pine trees in Florida because landowners are planting fewer trees than they are cutting.
2. Federal tree planting incentives have contributed to favorable tree planting trends in the past (early 1950's & early 1980s).
3. Public ownership of forest land has significantly increased over the past 20 years. Public lands now account for 28% of Florida's forest lands and are generally not available for commercial timber production.
4. Existing forest industry is working to turn this trend around.

Do not create incentives or regulations that make this problem worse and damage the existing industry.

Number of Plant Jobs per Million Tons of Biomass



Source: From Current and Proposed Facilities



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Proposed Biodiesel Bill Fact Sheet

Legislation proposed on behalf of renewable feedstock farmers and biodiesel processing facilities will:

- 1) **Establish a 2% (B2) biodiesel renewable fuel standard under F.S. 206, increasing to 5% (B5) when Florida-origin feedstocks meet a specified threshold. (In addition to renewable crops, waste vegetable oil from Florida sources also qualifies as a Florida-origin feedstock.)**

A 2% standard will create 3200 farm and biodiesel facility jobs, using 250,000 acres of non-food farmland, and generating more than \$160 million in sales. A 5% standard would create 9600 farm and biodiesel facility jobs on 625,000 acres, with a biodiesel sales value of \$400 million annually.

- 2) **Eliminate fuel and pollutant taxes under F.S. 206.874 and 206.9925 that are paid by biodiesel processors (manufacturers), providing these facilities use at least 50% Florida-origin feedstocks.**

This amounts to a 32¢ per gallon savings, lowering the cost of blended diesel sold to consumers to below the cost of petro-diesel, and increasing the competitive advantage of Florida farmers and processors.

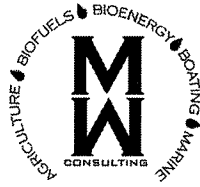
- 3) **Eliminate tax bonding requirements in F.S. 206.02 for manufacturers who use at least 50% Florida-origin feedstocks.**

The bond is especially onerous for new facilities, as it is based on “potential” annual production, which is much higher than actual production, as facilities move through an extensive “start-up and shake-down” phase. The bond is held until a facility closes.

- 4) **Exempt renewable feedstocks that are not on the Division of Plant Industry’s list of invasive or noxious species from the crop eradication bond required by F.S. 581.083 and administered by DOACS.**

The bond must cover 150% of the cost to eradicate a biomass crop. The bond applies only to crops used for fuel production. The same crops used for agricultural purposes are exempt.

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Biodiesel Jobs and Income Fact Sheet

5,000 acres of camelina produces sufficient feedstock to operate a million-gallon per year biodiesel processing facility.

- 50 full- and part-time jobs for every 5,000 acres of renewable crops.
- 14 full-time jobs at a typical million-gallon-year biofuel processing facility.

Jobs & Income at B2

50,000,000 gallons / year: the quantity of biodiesel that would need to be processed to fulfill a 2% biodiesel mandate in Florida

- 250,000 acres of non-food farmland would be required to produce 50,000,000 gallons of biodiesel
- 50 biodiesel plants with an annual capacity of one million gallons would be required

700 biodiesel facility jobs and 2500 farm jobs would be directly created.

\$160,000,000+: Minimum cash value of 50,000,000 gallons of biodiesel

Jobs & Income at B5

125,000,000 gallons of biodiesel: production needed to satisfy a Florida B5 mandate, creating 2100 biodiesel facility jobs and 7500 farm jobs on 625,000 acres of non-food farmland.

\$400,000,000: The cash value of 125,000,000 gallons of biodiesel.

Florida's Potential

8,000,000 acres: the approximate number of under-utilized non-food farm acreage in Florida available for renewable feedstock farming

1.6 BILLION gallons of diesel is the maximum production output from 8 million acres

\$5 BILLION: cash value

100,000 biodiesel facility and farm jobs

*Data compiled from: Preparation for the Biomass Crop Assistance Program in Florida,
Developed at the request of the US Farm Service Agency by Steven Webster, MW Consulting
September 23, 2010*



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Talking Points

Biodiesel Production

- chemical reaction with oil or fat and methanol = biodiesel and glycerine
- clean green industry no waste products, waterless process

Biodiesel Facts

- 3.24 units of energy GAINED in biodiesel production
- B-20 reduces green house gases by 30%
- no engine modification required, use in all existing engines including marine engines
- same mileage and performance as No.2 diesel
- higher lubricity, less engine maintenance
- *** biodiesel can be distributed in existing infrastructure: use same tankers, underground storage tanks and pumps as No. 2 diesel, no retrofit cost to get biodiesel into the market****

Florida Diesel and Biodiesel

8 mil/gal/DAY No. 2 Diesel used in FL
Less than 10 mil/gal/YEAR produced

Florida's Climate Change Action Team's #1 recommendation to use biofuels to reduce GHG

Benefits of Biodiesel Industry in Florida

- assist in securing funding for biodiesel projects in Florida
- create jobs and economic development with a clean industry
- stimulate agribusiness
- reduce green house gases
- no cost to the state

Taxes and Other Fees

- 32¢ per gallon in fuel and pollution taxes are currently levied.
- Bonding is a major obstacle for biodiesel manufacturers.
- Biomass Crop Permit bond is 150% of the cost to eradicate a crop grown to produce fuel.

Benefits of eliminating taxes, bonds and permits on biodiesel produced from Florida-origin feedstocks

- Revenue neutral, as virtually no tax is being collected
- Significantly increase crop planting, and subsequent fuel processing
- Provide a competitive advantage to biodiesel processed from Florida-origin feedstock

Potential

- Millions of acres of currently fallow or underutilized non-food farmland could be planted with renewable feedstock crops
- A report prepared for USDA / FSA by MW Consulting on behalf of the Florida Feedstock Growers Association projects thousands of jobs, and hundreds of millions annually in sector revenue, potentially the fourth largest agriculture sector, after timber, citrus and cattle.