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LEGISLATIVE ACTION

Senate

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House

The Committee on Regulated Industries (DiCeglie) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (9) of section 366.91, Florida
Statutes, is amended, and subsections (10) and (11) are added to
that section, to read:

366.91 Renewable energy.—

(9) A public utility's ~~The commission may approve cost~~
~~recovery by a gas public utility for~~ contracts for the purchase



973390

of renewable natural gas and hydrogen-based fuel in which the pricing provisions exceed the current market price of natural gas are eligible for cost recovery, but only if ~~which are otherwise deemed reasonable and prudent by the commission finds that the contract meets the overall goals of subsection (1) by promoting the development or use of renewable energy resources in this state and providing fuel diversification and that the contract is otherwise reasonable.~~

(10) A public utility may recover, through an appropriate cost-recovery mechanism administered by the commission, prudently incurred costs for renewable natural gas or hydrogen-based fuel infrastructure projects. If the commission determines that such costs were reasonable, that the incremental bill impact will not result in an undue hardship to customers, and that the project will facilitate achieving the goals of subsection (1), those costs are not subject to disallowance or further prudence review except for fraud, perjury, or intentional withholding of key information by the public utility. For purposes of utility cost recovery pursuant to this subsection only, renewable natural gas may include a mixture of natural gas and renewable natural gas. Eligible renewable natural gas and hydrogen-based fuel infrastructure projects must be located in this state. Types of costs eligible for cost recovery include, but are not limited to, capital investment in projects necessary to prepare or produce renewable natural gas and hydrogen-based fuel for pipeline distribution and usage; capital investment in facilities, including pipelines, necessary to inject and deliver renewable natural gas and hydrogen-based fuel; renewable natural gas and hydrogen-based fuel storage



973390

facilities; operation and maintenance expenses associated with
any such renewable natural gas and hydrogen-based fuel
infrastructure projects; and an appropriate return on investment
consistent with that allowed for other utility plants that
provide service to customers.

(11) Cost recovery for any renewable natural gas or
hydrogen-based fuel infrastructure project sought pursuant to
this section must be approved by the commission.

(a) In assessing whether cost recovery for any renewable
natural gas or hydrogen-based-based fuel infrastructure projects
is appropriate, the commission shall consider whether the
projected costs for such renewable natural gas or hydrogen-based
fuel infrastructure projects are reasonable and consistent with
subsection (10).

(b) Recovery of costs incurred by a public utility for a
renewable natural gas or hydrogen-based fuel infrastructure
project approved for cost recovery under this section may not be
allowed until such facility is placed in service. Upon approval
of cost recovery by the commission, costs incurred before the
facility is placed in service may be deferred on the public
utility's books for recovery once the facility is in service.
This does not preclude application of any other regulatory
accounting rules that are otherwise deemed appropriate,
including, but not limited to, normal recovery of costs for
construction work in progress.

Section 2. This act shall take effect July 1, 2023.

===== T I T L E A M E N D M E N T =====
And the title is amended as follows:



973390

69 Delete everything before the enacting clause
70 and insert:

71 A bill to be entitled
72 An act relating to renewable energy cost recovery;
73 amending s. 366.91, F.S.; revising the types of
74 contracts which are eligible for cost recovery by a
75 public utility under certain circumstances;
76 authorizing a public utility to recover prudently
77 incurred renewable natural gas or hydrogen-based fuel
78 infrastructure project costs through an appropriate
79 Florida Public Service Commission cost-recovery
80 mechanism; providing that such costs are not subject
81 to further actions except under certain circumstances;
82 specifying eligible renewable natural gas and
83 hydrogen-based fuel infrastructure projects; requiring
84 that cost recovery for such projects be approved by
85 the commission; providing requirements for the
86 approval determination; prohibiting cost recovery
87 until a facility is placed in service; providing that
88 certain other regulatory accounting rules may apply to
89 such cost recovery; providing an effective date.