

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2020

SPONSOR: Committee on Regulated Industries and Senator Lee

SUBJECT: Electric Utilities/Study Commission

DATE: April 14, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Guthrie	RI	Favorable/CS
2.			GO	
3.				
4.				
5.				

I. Summary:

The bill creates the Energy 2020 Study Commission, a 27-member committee appointed to determine what Florida's electrical energy needs will be in 20 years and how best to supply those needs in an efficient, affordable, and reliable manner that will ensure adequate electric reserves. Based on these findings, the commission is to recommend appropriate electric energy policies for the state, including statutory changes, if necessary.

The bill appropriates \$250,000 from the Florida Public Service Commission to administer the commission.

II. Present Situation:

Florida's population is increasing rapidly, and the demand for electricity is increasing with it. There is concern over the adequacy and reliability of the electricity supply, and over the ability to meet rising demand. Additionally, some electricity consumers think prices are too high. Similar concerns have caused other states to examine and, in some instances, revise their systems for electricity generation, transmission, and distribution.

The federal government is taking steps to encourage competition and the creation of regional transmission organizations for more open and reliable transmission of electricity. This will also impact Florida electricity systems.

III. Effect of Proposed Changes:

The bill creates the Energy 2020 Study Commission. The commission is to determine what Florida's electric energy needs will be in 20 years and how best to supply those needs in an efficient, affordable, and reliable manner that will ensure adequate electric reserves. Based on these findings, the commission will recommend appropriate electric energy policies for this state, including statutory changes, if necessary. In making its determinations, the commission will consider all relevant topics, including, but not limited to, a list of specified topics.

The commission will have 27 members: thirteen appointed by the Governor, six appointed by the President of the Senate, and six appointed by the Speaker of the House of Representatives. The remaining two members are the Chairman of the Public Service Commission and the Public Counsel.

The Governor's appointments will include a representative from the Department of Environmental Protection, a representative from the Department of Community Affairs, a representative from an environmental group, a representative from the International Brotherhood of Electrical Workers, a representative of a natural gas pipeline industry, a representative of a natural gas distribution system, a representative from the Florida Solar Energy Research and Education Foundation, and two appointments from each of the following categories of interests:

- a. Florida Power and Light, Florida Power Corporation, Tampa Electric Company, and Gulf Power.
- b. A municipal utility, a cooperative utility, an electric co-generator, and a merchant plant developer.
- c. An industrial-class electric consumer, a commercial-class electric consumer, and a small-business electric consumer, and 3 residential electricity consumers including one senior citizen from the American Association of Retired Persons.

The President of the Senate and the Speaker of the House of Representatives each will select one member from category a., one member from category b., and two members from category c. There must be at least one representative appointed from each of the interests specified in these categories. Additionally, the President will appoint two Senators and the Speaker will appoint two members of the House of Representatives.

The appointments will be made by July 1, 2000, and the first meeting of the commission will occur no later than August 1, 2000. The chairman of the commission will be elected by the majority of the membership at its first meeting. Any vacancy occurring in the membership of the commission will be filled in the same manner as the original appointment.

The Commission may establish and appoint any necessary technical advisory committees. Commission members and the members of any technical advisory committee are not to receive remuneration for their services, but members other than public officers and employees are entitled to reimbursement by the Florida Public Service Commission for travel or per diem expenses in accordance with chapter 112, Florida Statutes. Public officers and employees will be reimbursed by their respective agencies in accordance with ch. 112, F.S.

An executive director will be selected by the Governor, subject to approval by the commission. The executive director serves at the pleasure of and reports to the commission. The Public Service Commission, the Department of Environmental Protection, and the Department of Community Affairs are to provide other staff and consultants after consultation with the commission. Funding for expenses will be provided through the Florida Public Service Commission. Additionally, all agencies under the control of the Governor are directed, and all other agencies are requested, to render assistance and cooperation to the commission.

Each member of the commission is entitled to one vote, and action of the commission is not binding unless taken by a majority vote of the entire membership of the commission.

The commission must, by December 1, 2001, provide the Legislature and Governor a written report containing specific recommendations for electric energy policies for this state, including legislative recommendations. The commission will continue in existence until its objectives are achieved, but not later than December 1, 2001.

The sum of \$250,000 is appropriated from the Public Service Commission Regulatory Trust Fund to the Florida Public Service Commission to implement the provisions of the act.

The bill takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There is no direct private sector impact, but the commission may recommend changes in the regulation of electric utilities that would affect producers and consumers.

C. Government Sector Impact:

The sum of \$250,000 is appropriated from the Public Service Commission Regulatory Trust Fund to the Florida Public Service Commission to implement the provisions of the act.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
