

By Senator Wise

6-1205-02

See HB 305

1 A bill to be entitled
2 An act relating to generation and distribution
3 of electricity; creating the "Florida Renewable
4 Energy Act"; providing legislative findings and
5 declarations; providing definitions; providing
6 for authorized operation of cogeneration
7 facilities under certain circumstances;
8 requiring electric service providers to provide
9 alternative metering to certain customers;
10 providing for agreements and fees for
11 alternative metering; providing requirements
12 and limitations on such fees; specifying
13 alternative measurements and pricings of energy
14 flow through such metering; providing criteria
15 for purchases of electricity by service
16 providers; specifying requirements for
17 distributed generation facilities; authorizing
18 the Florida Public Service Commission to adopt
19 rules specifying additional standards and
20 operational criteria; providing a limitation;
21 specifying absence of liability for electric
22 service providers and electric service
23 suppliers for certain interconnected
24 facilities; providing an effective date.

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

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28 Section 1. This act may be cited as the "Florida
29 Renewable Energy Act."

30 Section 2. (1) The Legislature finds that it is in
31 the public interest to:

1 (a) Encourage private investment in renewable energy
2 resources to expand environmentally friendly methods of
3 generating electricity.

4 (b) Stimulate the economic growth of this state.

5 (c) Enhance the continued diversification of the
6 energy resources used in this state.

7 (2) The Legislature further finds and declares that a
8 program to provide distributed generation for eligible
9 cogenerators is a way to encourage private investment in
10 renewable energy resources, stimulate in-state economic
11 growth, enhance the continued diversification of this state's
12 energy resource mix, and reduce interconnection and
13 administrative costs.

14 Section 3. As used in this act, the term:

15 (1) "Bidirectional metering" means measuring the
16 amount of electricity supplied by an electric service provider
17 to a customer and the amount fed back to the electric service
18 provider by the customer's distributed generation facility
19 using the same meter.

20 (2) "Cogeneration facility" means a facility, other
21 than a distributed generation facility, which produces
22 electric energy, steam, heat, or other forms of useful energy
23 which are used for industrial, commercial, heating, or cooling
24 purposes.

25 (3) "Commission" means the Florida Public Service
26 Commission.

27 (4) "Customer generator" means the owner and operator
28 of a distributed generation facility.

29 (5) "Distributed generation facility" means a facility
30 owned and operated by a customer of an electric service
31 provider for the production of electrical energy that:

- 1 (a) Uses a solar photovoltaic system, fuel cell, or
2 wind turbine;
- 3 (b) Has a peak generating capacity of not more than
4 10kW for a residential application and 100kW for a commercial
5 application;
- 6 (c) Is located on the customer's premises;
- 7 (d) Operates in parallel with the electric service
8 provider's distribution facilities;
- 9 (e) Is connected to the electric service provider's
10 distribution system on either side of the electric service
11 provider's meter; and
- 12 (f) Is intended primarily to offset part or all of the
13 customer generator's requirements for electricity.
- 14 (6) "Electric service provider" means any electric
15 utility, electric membership corporation, or municipal
16 electric utility engaged in the business of distributing
17 electricity to retail electric customers in this state.
- 18 (7) "Electric service supplier" means any electric
19 utility furnishing wholesale electric service, any municipal
20 electric utility, or cooperative.
- 21 (8) "Electric utility" means any retail supplier of
22 electricity whose rates are fixed by the commission.
- 23 (9) "Municipal electric utility" means a city or town
24 that owns or operates an electric utility.
- 25 (10) "Person" means a natural person, corporation,
26 trust, partnership, incorporated or unincorporated
27 association, or any other legal entity.
- 28 (11) "Renewable energy sources" means energy supplied
29 from technologies, including, but not limited to, photovoltaic
30 devices, biomass, fuel cells, geothermal, wind, methane from
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1 wastewater treatment, and other sources as may be approved
2 pursuant to a Florida Green Pricing Accreditation Program.

3 Section 4. (1) Any person may operate a cogeneration
4 facility without being subject to the jurisdiction or
5 regulation of the commission if such person uses all of the
6 electric energy, steam, or other form of useful energy
7 produced at such cogeneration facility. The electric energy
8 shall not be sold to any other person except as provided in
9 subsection (2).

10 (2) Any person may operate a cogeneration facility and
11 sell any excess electric energy to an electric service
12 supplier without being subject to the jurisdiction or
13 regulation of the commission, provided, nothing in this act
14 shall exempt a person from compliance with federal law.

15 Section 5. (1) An electric service provider shall:

16 (a) Make bidirectional metering or single directional
17 metering available to customer generators depending on how the
18 distributed generation facility is connected to the
19 distribution system of the electric service provider.

20 (b) Enter into a written agreement with the customer
21 generator to charge the customer generator the rate
22 established by the commission in the case of an electric
23 utility, or the appropriate governing body in the case of any
24 other electric service provider or electric supplier, for
25 metering services.

26 (2) In setting the fees for metering service, the
27 commission, or the appropriate governing body in the case of
28 any other electric service provider or electric service
29 supplier, shall include the direct costs associated with
30 interconnecting or administering metering services or

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1 distributed generation facilities and shall not allocate such
2 costs among the utility's entire customer base.

3 (3) In establishing such a fee for metering services,
4 the electric service provider shall not charge the customer
5 generator any standby, capacity, interconnection, or other fee
6 or charge, other than a monthly service charge, unless agreed
7 to by the customer generator or approved by the commission in
8 the case of an electric utility, or by the appropriate
9 governing body in the case of any other electric service
10 provider or electric service supplier.

11 Section 6. Consistent with the other provisions of
12 this act, energy flow shall be measured and paid for in the
13 following manner:

14 (1) If a distributed generation facility is connected
15 to the electric service provider's distribution system on the
16 customer generator's side of the customer's meter, the
17 electric service provider shall measure the electricity
18 produced or consumed during the billing period, in accordance
19 with normal metering practices using bidirectional metering.

20 (a) If the electricity supplied by the electric
21 service provider exceeds the electricity generated by the
22 customer's distributed generation facility, the excess
23 electricity shall be billed to the customer by the electric
24 service provider, in accordance with tariffs filed with the
25 commission; or

26 (b) If the electricity generated by the customer's
27 distributed generation facility exceeds the electricity
28 supplied to the customer by the electric service provider, the
29 electric service provider shall:

30 1. Bill the customer generator for the appropriate
31 customer charges for that billing period; and

1 2. Credit the customer generator for the excess
2 kilowatt-hours generated during the billing period at an
3 agreed to rate as filed with the commission, with such
4 kilowatt-hour credit appearing on the bill for the billing
5 period.

6 (2)(a) If a distributed generation facility is
7 connected to the electric service provider's distribution
8 system on the electric service provider's side of a customer
9 generator's meter, the electric service provider shall measure
10 the electricity produced or consumed during the billing
11 period, in accordance with normal metering practices using
12 single directional metering and charge the customer generator
13 a minimum monthly fee as established in section 5.

14 (b) If electricity is generated by the customer
15 generator's distributed generation facility for the billing
16 period, the customer generator shall be compensated at an
17 agreed to rate as filed with the commission.

18 Section 7. (1) An electric service provider shall
19 purchase energy from an eligible customer generator as
20 specified in section 6 solely on a first come, first served
21 basis until the cumulative generating capacity of all
22 renewable energy sources equals to 0.2 percent of the
23 utility's annual peak demand in the previous year, provided,
24 no electric service provider shall be required to purchase
25 such energy at a price above avoided energy cost unless that
26 amount of energy has been subscribed under any renewable
27 energy program.

28 (2) Once the capacity is subscribed, an electric
29 service provider may purchase energy from an eligible customer
30 generator at a cost of energy as defined for a utility by the
31 commission in the case of an electric utility, or by the

1 appropriate governing body in the case of any other electric
2 service provider or electric supplier.

3 (3) A distributed generation facility used by a
4 customer generator shall include, at the customer's own
5 expense, all equipment necessary to meet applicable safety,
6 power quality, and interconnection requirements established by
7 the National Electrical Code, National Electrical Safety Code,
8 the Institute of Electrical and Electronics Engineers, and
9 Underwriters Laboratories.

10 (4) The commission in the case of an electric utility,
11 or the appropriate governing body in the case of other
12 electric service providers or electric service suppliers,
13 after appropriate notice and opportunity for comment, may
14 adopt by rule additional safety, power quality, and
15 interconnection requirements for customer generators that the
16 commission or governing body determines are necessary to
17 protect public safety and system reliability.

18 (5) An electric service provider may not require a
19 customer generator whose distributed generation facility meets
20 the standards in subsections (3) and (4) to comply with
21 additional safety or performance standards, perform or pay for
22 additional tests, or purchase additional liability insurance.

23 (6) No electric service provider or electric service
24 supplier shall be liable to any person, directly or
25 indirectly, for loss of property, injury, or death resulting
26 from the interconnection of a cogeneration facility or a
27 distributed generation facility to the electrical system of
28 the provider or supplier.

29 Section 8. This act shall take effect upon becoming a
30 law.

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LEGISLATIVE SUMMARY

Creates the Florida Renewable Energy Act to provide for interconnecting retail electric customers' cogeneration facilities and distributed generation facilities with electric systems of electric service providers and electric service suppliers and for metering and payment of electricity produced by a customer's cogeneration or distributed generation facility. (See bill for details.)