By Representative Paul

A bill to be entitled

An act relating to generation and distribution of electricity; creating the "Florida Renewable Energy Act of 2002"; providing legislative findings and declarations; providing definitions; providing for authorized operation of cogeneration facilities under certain circumstances; requiring electric service providers to provide alternative metering to certain customers; providing for agreements and fees for alternative metering; providing requirements and limitations on such fees; specifying alternative measurements and pricings of energy flow through such metering; providing criteria for purchases of electricity by service providers; specifying requirements for distributed generation facilities; authorizing the Florida Public Service Commission to adopt rules specifying additional standards and operational criteria; providing a limitation; specifying absence of liability for electric service providers and electric service suppliers for certain interconnected facilities; providing an effective date.

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

Section 1. This act may be cited as the "Florida Renewable Energy Act of 2002."

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

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

(b) Stimulate the economic growth of this state.

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

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

Section 3. As used in this act:

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

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

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

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

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

(a) Uses a solar photovoltaic system, fuel cell, or wind turbine.

(b) Has a peak generating capacity of not more than 10kW for a residential application and 100kW for a commercial application.

(c) Is located on the customer's premises.

(d) Operates in parallel with the electric service provider's distribution facilities.

(e) Is connected to the electric service provider's distribution system on either side of the electric service provider's meter.

(f) Is intended primarily to offset part or all of the customer generator's requirements for electricity.

(6) "Electric service provider" means any electric utility, electric membership corporation, or municipal electric utility engaged in the business of distributing electricity to retail electric customers in this state.

(7) "Electric service supplier" means any electric utility furnishing wholesale electric service, any municipal electric utility, or cooperative.

(8) "Electric utility" means any retail supplier of electricity whose rates are fixed by the commission.

(9) "Municipal electric utility" means a city or town that owns or operates an electric utility.

(10) "Person" means a natural person, corporation, trust, partnership, incorporated or unincorporated association, or any other legal entity.

(11) "Renewable energy sources" means energy supplied from technologies, including, but not limited to, photovoltaic devices, biomass, fuel cells, geothermal, wind, methane from

wastewater treatment, and other sources as may be approved pursuant to a Florida Green Pricing Accreditation Program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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HOUSE SUMMARY

Creates the Florida Renewable Energy Act of 2002 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.