

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Communications and Public Utilities Committee

BILL: SB 1464

SPONSOR: Senator Constantine

SUBJECT: Renewable Energy

DATE: February 25, 2005 REVISED: 3/15/05

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wiehle</u>	<u>Caldwell</u>	<u>CU</u>	<u>Fav/1 amendment</u>
2.	<u></u>	<u></u>	<u>EP</u>	<u></u>
3.	<u></u>	<u></u>	<u></u>	<u></u>
4.	<u></u>	<u></u>	<u></u>	<u></u>
5.	<u></u>	<u></u>	<u></u>	<u></u>
6.	<u></u>	<u></u>	<u></u>	<u></u>

Please see last section for Summary of Amendments

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

I. Summary:

The bill authorizes the Public Service Commission to approve experimental rates to encourage the use of energy from a renewable energy resource, allowing the commission to limit application of these rates to a limited geographic area and a specific time period. The experimental rates may not result in an increase exceeding one-fourth of 1 percent of base rates.

The bill substantially amends section 366.705 of the Florida Statutes.

II. Present Situation:

Section 366.075, F.S., authorizes the Public Service Commission to approve rates on an experimental or transitional basis for any public utility to encourage energy conservation or to encourage efficiency. The application of these rates may be for limited geographic areas and for a limited period. The commission is authorized to approve the geographic area used in testing experimental rates, and must specify in the order setting those rates the area affected. The commission may extend the period designated for the test if it determines that further testing is necessary to fully evaluate the effectiveness of the experimental rates.

Section 366.02, F.S., defines the term "public utility" to include every person supplying electricity to the public within this state; but expressly excludes a cooperative now or hereafter

organized and existing under the Rural Electric Cooperative Law of the state or a municipality or any agency thereof.

Section 377.703(2)(j), F.S., defines “renewable energy resource” to mean “any method, process, or substance the use of which does not diminish its availability or abundance, including, but not limited to, biomass conversion, geothermal energy, solar energy, wind energy, wood fuels derived from waste, ocean thermal gradient power, hydroelectric power, and fuels derived from agricultural products.”

III. Effect of Proposed Changes:

The bill extends the commission’s authority to approve rates on an experimental or transitional basis to include the purpose of encouraging the use of energy from a renewable energy resource, as that term is defined in s. 377.703(2), F.S. The experimental rates may not result in an increase exceeding one-fourth of 1 percent of base rates. The application of these rates may be for limited geographic areas and for a limited period.

The bill takes effect October 1, 2005.

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:

Indeterminate; due to the limit on the amount of the experimental rate increase, the bill may not provide enough of a financial incentive to stimulate a significant increase in use of energy from a renewable energy resource.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

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The amendment deletes a limitation on the amount of the experimental rate increase.

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