1

A bill to be entitled

2 An act relating to hydrogen energy technology; creating s. 377.801, F.S.; creating the Hydrogen Energy Technologies 3 4 Act; providing a popular name; creating s. 377.802, F.S.; 5 providing legislative findings and intent; creating s. 6 377.803, F.S.; providing legislative purpose; creating s. 7 377.804, F.S.; providing definitions; creating s. 377.805, F.S.; creating the Hydrogen Energy Technologies Grants 8 Program in the Department of Environmental Protection to 9 10 provide grants for demonstration, commercialization, 11 research, and development projects relating to hydrogen energy technologies; providing requirements and procedures 12 therefor; providing rulemaking authority; amending s. 13 14 212.08, F.S.; creating a sales tax exemption for certain hydrogen energy technology projects; providing 15 requirements and procedures therefor; requiring the 16 Department of Environmental Protection to make 17 determinations relating to certain projects; authorizing 18 the Department of Revenue to adopt rules for tax exempt 19 purchases; providing for future repeal of the exemption; 20 21 amending s. 213.053, F.S.; providing for information sharing between the Department of Revenue and the 22 23 Department of Environmental Protection; amending s. 220.02, F.S.; providing for the addition of tax credits 24 relating to hydrogen energy technologies in the priority 25 order of tax credits; creating s. 220.192, F.S.; creating 26 a hydrogen energy technologies investment tax credit; 27 28 providing definitions; providing requirements and Page 1 of 21

CODING: Words stricken are deletions; words underlined are additions.

hb1597-03-e1

29 procedures therefor; authorizing the Department of Revenue to perform certain audits and investigations; requiring 30 the Department of Environmental Protection to provide 31 32 technical assistance in certain audits and investigations; providing for revocation or modification of credits; 33 providing for payment of tax and interest under certain 34 35 circumstances; providing rulemaking authority; providing 36 for future repeal of the credit; amending s. 220.13, F.S.; revising the definition of the term "adjusted federal 37 income" to include the amount taken as a credit for 38 39 expenses related to hydrogen energy technologies; amending s. 366.075, F.S.; authorizing the Florida Public Service 40 Commission to approve experimental or transitional rates 41 42 to encourage the use of renewable energy; amending s. 366.8255, F.S.; revising the definition of the term 43 44 "environmental compliance costs" to include costs related to the deployment of hydrogen energy technologies; 45 providing for cost recovery of utility investment in 46 hydrogen energy technologies; amending s. 633.022, F.S.; 47 authorizing the State Fire Marshal to adopt uniform 48 standards for hydrogen fueling, storage, and production 49 50 facilities; providing rulemaking authority; providing an effective date. 51 52 Be It Enacted by the Legislature of the State of Florida: 53 54 55 Section 1. Section 377.801, Florida Statutes, is created 56 to read:

Page 2 of 21

CODING: Words stricken are deletions; words underlined are additions.

57	377.801 Popular nameSections 377.801-377.805 may be
58	cited as the "Hydrogen Energy Technologies Act."
59	Section 2. Section 377.802, Florida Statutes, is created
60	to read:
61	377.802 Legislative findings and intentThe Legislature
62	finds that advancing the development of clean and efficient
63	energy technologies is important for the state's future, energy
64	stability, and protection of its citizens' public health and its
65	environment. The Legislature finds that hydrogen can be used as
66	a clean and efficient energy carrier and that the development of
67	hydrogen energy technologies in the state will help to reduce
68	pollution, reduce demand on foreign fuels, promote energy
69	diversity, enhance system reliability, educate the public on the
70	promise of alternative energy technologies, and promote economic
71	growth. The Legislature finds that the promotion of hydrogen
72	energy technologies will also promote the development of
73	associated energy technologies, including fuel cells and solar
74	technologies. The Legislature finds that there is a need to
75	assist in the development of early market demand that will
76	advance the commercialization and widespread application of
77	hydrogen energy technologies. The Legislature further finds that
78	the state is ideally positioned to stimulate economic
79	development through such advanced energy technologies due to its
80	ongoing and successful research and development track record in
81	this area, an abundance of natural and renewable energy sources,
82	an ability to attract significant research and development
83	federal dollars, and the need to find and secure clean energy

Page 3 of 21

CODING: Words stricken are deletions; words underlined are additions.

84	technologies for the benefit of its citizens, visitors, and
85	environment.
86	Section 3. Section 377.803, Florida Statutes, is created
87	to read:
88	377.803 PurposeThis act is intended to provide matching
89	grants to stimulate capital investment in the state and to
90	enhance the market for and promote the statewide utilization of
91	hydrogen energy technologies. The targeted grants program is
92	designed to advance the already growing establishment of
93	hydrogen energy technologies in the state and encourage the use
94	of other incentives such as tax exemptions and regulatory
95	certainty to attract additional hydrogen energy technology
96	producers, developers, and users to the state.
97	Section 4. Section 377.804, Florida Statutes, is created
98	to read:
99	377.804 DefinitionsAs used in this act, the term:
100	(1) "Act" means the Hydrogen Energy Technologies Act.
101	(2) "Balance of plant" means all equipment and components
102	directly involved in the generation, storage, or use of hydrogen
103	for energy production located at the site of hydrogen generation
104	or use.
105	(3) "Department" means the Department of Environmental
106	Protection.
107	(4) "Electrical grid optimization" means the use of
108	hydrogen energy technology to assist in decreasing electrical
109	peak demand.

Page 4 of 21

CODING: Words stricken are deletions; words underlined are additions.

FLORIDA HOUSE OF REPRESENTATIVE	OF REPRESENTAT	IVES
---------------------------------	----------------	------

110	(5) "Fuel cell" means equipment using an electrochemical			
111	process to generate energy, electricity, or the transfer of			
112	heat.			
113	(6) "Hydrogen energy technology" means any technology that			
114	is used primarily for the purpose of generating or using			
115	hydrogen directly as a fuel in the state, including, but not			
116	limited to:			
117	(a) Stationary fuel cell systems, or internal combustion			
118	engine systems fueled with hydrogen, used for power generation,			
119	including prime power, supplemental power, and backup power, and			
120	the balance of the plant;			
121	(b) On-road and off-road vehicles and watercraft powered			
122	by fuel cells or internal combustion engines fueled with			
123	hydrogen;			
124	(c) Fueling systems and supportive infrastructure;			
125	(d) Renewable energy resource systems used to			
126	electrolytically produce hydrogen;			
127	(e) Reformer technologies used to produce hydrogen from			
128	the respective hydrogen carrier, including, but not limited to,			
129	steam-methane, biomass, and chemical technologies;			
130	(f) Electrical grid electrolysis; and			
131	(g) Electrical grid optimization technologies.			
132	(7) "Person" means an individual, partnership, joint			
133	venture, private or public corporation, association, firm,			
134	public service company, or any other entity, public or private,			
135	however organized.			
136	(8) "Renewable energy resource" means any method, process,			
137	or substance, the use of which does not diminish its			
	Page 5 of 21			

CODING: Words stricken are deletions; words underlined are additions.

FLORIDA HOUSE OF REPR	ESENTATIVES
-----------------------	-------------

138	availability or abundance, including, but not limited to, solar
139	energy, wind energy, thermal gradient power, hydroelectric
140	power, and fuels derived from agricultural products. However,
141	the term "renewable energy resource" does not include fossil
142	fuel or nuclear power.
143	Section 5. Section 377.805, Florida Statutes, is created
144	to read:
145	377.805 Hydrogen Energy Technologies Grants Program
146	(1) The Hydrogen Energy Technologies Grants Program is
147	established within the department to provide hydrogen energy
148	matching grants for demonstration, commercialization, research,
149	and development projects relating to hydrogen energy
150	technologies and electrical grid optimization.
151	(2) Matching grants for hydrogen energy demonstration,
152	commercialization, research, and development projects may be
153	made to any of the following based on the criteria in this
154	section:
155	(a) Municipalities and county governments;
156	(b) Established for-profit companies licensed to do
157	business in the state;
158	(c) State universities;
159	(d) Utilities located and operating within the state;
160	(e) Nonprofit organizations; and
161	(f) Qualified persons.
162	(3) The department shall adopt rules to administer the
163	awarding of grants under this program.
164	(4) Factors the department shall consider in awarding
165	grants include, but are not limited to:
	Page 6 of 21

CODING: Words stricken are deletions; words underlined are additions.

FLORID	A HOU	JSE OF	REPRES	ENTA	TIVES
--------	-------	--------	--------	------	-------

166	(a) The extent to which the project stimulates in-state
167	capital investment and economic development in metropolitan and
168	rural areas, including the creation of jobs and the future
169	development of a commercial market for clean energy
170	technologies;
171	(b) The availability of matching funds from an applicant
172	and the commitment to provide the matching funds;
173	(c) The ability to administer a complete project;
174	(d) Project duration and timeline for expenditures;
175	(e) The geographic area in which the project is to be
176	conducted in relation to other projects;
177	(f) Other in-kind contributions applied to the total
178	project;
179	(g) The extent to which the project incorporates an
180	innovative new technology or an innovative application of an
181	existing technology;
182	(h) The degree to which a project generates thermal or
183	electrical energy by means of a low or zero-emissions generation
184	technology or renewable energy resource that has substantial
185	long-term production potential;
186	(i) The degree to which the project fosters the general
187	public's, a student's, or a specific government or industry
188	sector's overall understanding and appreciation of clean energy
189	technologies; and
190	(j) The degree of public visibility and interaction.
191	(5) Grants awarded to any entity may subsequently be
192	amended by the department upon a determination that sufficient
	Dage 7 of 21

Page 7 of 21

CODING: Words stricken are deletions; words underlined are additions.

193	criteria as provided in subsection (4) are met for the
194	additional funds.
195	(6) The department shall provide a progress report on
196	grants awarded to recipients to the Governor, the President of
197	the Senate, and the Speaker of the House of Representatives. The
198	report shall include:
199	(a) A description of the extent to which the grants
200	program is benefiting the state's environment, public health,
201	and economic development;
202	(b) A list of grant recipients;
203	(c) The amount of each grant;
204	(d) The amount of matching funds provided by recipients;
205	(e) The date of each grant;
206	(f) A description of each project or expansion funded by a
207	grant; and
208	(g) A description of each project's contribution to the
209	state's knowledge and use of hydrogen energy technologies.
210	Section 6. Paragraph (ccc) is added to subsection (7) of
211	section 212.08, Florida Statutes, to read:
212	212.08 Sales, rental, use, consumption, distribution, and
213	storage tax; specified exemptionsThe sale at retail, the
214	rental, the use, the consumption, the distribution, and the
215	storage to be used or consumed in this state of the following
216	are hereby specifically exempt from the tax imposed by this
217	chapter.
218	(7) MISCELLANEOUS EXEMPTIONSExemptions provided to any
219	entity by this chapter do not inure to any transaction that is
220	otherwise taxable under this chapter when payment is made by a Page8of21

CODING: Words stricken are deletions; words underlined are additions.

hb1597-03-e1

221 representative or employee of the entity by any means, 222 including, but not limited to, cash, check, or credit card, even 223 when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by 224 225 this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has 226 227 obtained a sales tax exemption certificate from the department 228 or the entity obtains or provides other documentation as 229 required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this 230 subsection and departmental rules, and any person who makes an 231 232 exempt purchase with a certificate that is not in strict 233 compliance with this subsection and the rules is liable for and 234 shall pay the tax. The department may adopt rules to administer this subsection. 235

236 (ccc) Equipment, machinery, and other materials for 237 hydrogen energy technologies.--

238 <u>1. The sale or use of hydrogen energy technologies as</u> 239 <u>defined in s. 377.804(6) and materials used in the manufacture</u> 240 <u>of hydrogen energy technologies is exempt from the tax imposed</u> 241 <u>by this chapter.</u>

242 <u>2.a. The Department of Environmental Protection shall</u> 243 <u>provide to the Department of Revenue a list of items considered</u> 244 <u>to meet the definition of hydrogen energy technologies as</u> 245 <u>defined in s. 377.804(6).</u>

246 b. Any person may request a determination from the
 247 Department of Environmental Protection as to whether an item
 248 that is not on the list meets the definition of hydrogen energy
 Page 9 of 21

CODING: Words stricken are deletions; words underlined are additions.

249 technologies as defined in s. 377.804(6). The Department of 250 Environmental Protection shall make a determination and issue a 251 revised list if appropriate. The Department of Environmental Protection is authorized to adopt rules to implement this sub-252 253 subparagraph. 254 The Department of Revenue is authorized to provide by 3. rule procedures for purchasers to make tax-exempt purchases. 255 256 This exemption is repealed July 1, 2009. 4. 257 Section 7. Paragraph (y) is added to subsection (7) of 258 section 213.053, Florida Statutes, to read: 213.053 Confidentiality and information sharing.--259 260 Notwithstanding any other provision of this section, (7)261 the department may provide: 262 (y) Information relative to ss. 212.08(7)(ccc) and 220.192 to the Department of Environmental Protection for use in the 263 conduct of its official business. 264 265 Disclosure of information under this subsection shall be 266 267 pursuant to a written agreement between the executive director 268 and the agency. Such agencies, governmental or nongovernmental, 269 shall be bound by the same requirements of confidentiality as 270 the Department of Revenue. Breach of confidentiality is a 271 misdemeanor of the first degree, punishable as provided by s. 775.082 or s. 775.083. 272 273 Section 8. Subsection (8) of section 220.02, Florida 274 Statutes, is amended to read: 275 220.02 Legislative intent.--

Page 10 of 21

CODING: Words stricken are deletions; words underlined are additions.

276	(0) It is the intert of the Legislature that suggits						
276							
277	against either the corporate income tax or the franchise tax be						
278	applied in the following order: those enumerated in s. 631.828,						
279	those enumerated in s. 220.191, those enumerated in s. 220.181,						
280	those enumerated in s. 220.183, those enumerated in s. 220.182,						
281	those enumerated in s. 220.1895, those enumerated in s. 221.02,						
282	those enumerated in s. 220.184, those enumerated in s. 220.186,						
283	those enumerated in s. 220.1845, those enumerated in s. 220.19,						
284	those enumerated in s. 220.185, and those enumerated in s.						
285	220.187, and those enumerated in s. 220.192.						
286	Section 9. Section 220.192, Florida Statutes, is created						
287	to read:						
288	220.192 Hydrogen energy technologies investment tax						
289	credit						
290	(1) DEFINITIONSFor purposes of this section, the term:						
291	(a) "Eligible costs" means all capital costs, operation						
292	and maintenance costs, and research and development costs						
293	incurred between July 1, 2005, and June 30, 2009, in connection						
294	with an investment in hydrogen energy technologies in the state,						
295	including, but not limited to, the costs of acquiring, leasing,						
296	constructing, installing, equipping, and financing of such						
297	hydrogen energy technologies in the state, and including all						
298	obligations incurred for labor and obligations to contractors,						
299	subcontractors, builders, and materialmen in the state.						
300	(b) "Hydrogen energy technologies" means hydrogen energy						
301	technologies as defined in s. 377.804(6).						
302	(2) TAX CREDITFor tax years beginning on or after						
303	January 1, 2005, a credit against the tax imposed by this						
I	Page 11 of 21						

CODING: Words stricken are deletions; words underlined are additions.

304	chapter shall be granted in an amount equal to 75 percent of the
305	eligible costs. Credits may be used in tax years beginning on or
306	after January 1, 2005, and ending on or before December 31,
307	2011, after which the credit expires and may not be used. If the
308	credit under this section is not fully used in any one tax year
309	because of insufficient tax liability on the part of the
310	corporation, the unused amount may be carried forward and
311	utilized in tax years beginning on or after January 1, 2006, and
312	ending on or before December 31, 2011, after which the credit
313	carryover expires and may not be used. A taxpayer that files a
314	consolidated return in this state as a member of an affiliated
315	group under s. 220.131(1) may be allowed the credit on a
316	consolidated return basis up to the amount of tax imposed upon
317	the consolidated group. Any eligible cost for which a credit is
318	claimed and which is deducted or otherwise reduces federal
319	taxable income shall be added back in computing adjusted federal
320	income under s. 220.13.
321	(3) APPLICATION PROCESS Any corporation wishing to
322	obtain tax credits available under this section must submit to
323	the Department of Environmental Protection an application for
324	tax credit that includes a complete description of all eligible
325	costs for which the corporation is seeking a credit and a
326	description of the total amount of credits sought. The
327	Department of Environmental Protection shall make a
328	determination on the eligibility of the applicant for the
329	credits sought and certify the determination to the applicant
330	and the Department of Revenue. The corporation must attach the
331	Department of Environmental Protection's certification to the
·	Page 12 of 21

CODING: Words stricken are deletions; words underlined are additions.

332 tax return on which the credit is claimed. The Department of 333 Environmental Protection is authorized to adopt the necessary 334 rules, guidelines, and application materials for the application 335 process. 336 (4) ADMINISTRATION; AUDIT AUTHORITY; RECAPTURE OF CREDITS; 337 DISPOSITION OR ABANDONMENT OF CREDIT PROPERTY .--338 (a) In addition to its existing audit and investigation 339 authority, the Department of Revenue may perform any additional 340 financial and technical audits and investigations, including 341 examining the accounts, books, and records of the tax credit 342 applicant, that are necessary to verify the eligible costs 343 included in the tax credit return and to ensure compliance with this section. The Department of Environmental Protection shall 344 provide technical assistance when requested by the Department of 345 Revenue on any technical audits or examinations performed 346 347 pursuant to this section. 348 (b) It is grounds for forfeiture of previously claimed and 349 received tax credits if the Department of Revenue determines, as 350 a result of either an audit or examination or from information 351 received from the Department of Environmental Protection, that a 352 taxpayer received tax credits pursuant to this section to which 353 the taxpayer was not entitled. The taxpayer is responsible for 354 returning forfeited tax credits to the Department of Revenue, 355 and such funds shall be paid into the General Revenue Fund of 356 the state. 357 The Department of Environmental Protection may revoke (C) 358 or modify any written decision granting eligibility for tax 359 credits under this section if it is discovered that the tax

Page 13 of 21

CODING: Words stricken are deletions; words underlined are additions.

hb1597-03-e1

360	credit applicant submitted any false statement, representation,							
361	or certification in any application, record, report, plan, or							
362	other document filed in an attempt to receive tax credits under							
363	this section. The Department of Environmental Protection shall							
364	immediately notify the Department of Revenue of any revoked or							
365	modified orders affecting previously granted tax credits.							
366	Additionally, the taxpayer must notify the Department of Revenue							
367	of any change in its tax credit claimed.							
368	(d) The taxpayer shall file with the Department of Revenue							
369	an amended return or such other report as the Department of							
370	Revenue prescribes by rule and shall pay any required tax and							
371	interest within 60 days after the taxpayer receives notification							
372	from the Department of Environmental Protection that previously							
373	approved tax credits have been revoked or modified. If the							
374	revocation or modification order is contested, the taxpayer							
375	shall file as provided in this paragraph within 60 days after a							
376	final order is issued following proceedings.							
377	(e) A notice of deficiency may be issued by the Department							
378	of Revenue at any time within 5 years after the taxpayer							
379	receives formal notification from the Department of							
380	Environmental Protection that previously approved tax credits							
381	have been revoked or modified. If a taxpayer fails to notify the							
382	Department of Revenue of any changes to its tax credit claimed,							
383	a notice of deficiency may be issued at any time.							
384	(f) A taxpayer that receives a credit under this section							
385	for the construction or purchase of structures or the purchase							
386	of equipment shall recapture and repay the amount of credit							
387	attributable to such property in the event that such property is							
	Page 14 of 21							

CODING: Words $\ensuremath{\underline{\mathsf{stricken}}}$ are deletions; words $\ensuremath{\underline{\mathsf{underlined}}}$ are additions.

388	not utilized by the taxpayer for hydrogen energy technologies						
389	through the warranty period of the complete system or system						
390	components. In the event a warranty is not provided by the						
391	equipment manufacturer, the equipment must be operated for the						
392	useful life of the complete system or system components. No						
393	credit shall be allowed under this section for an eligible cost						
394	associated with an investment in hydrogen energy technologies if						
395	the credit has previously been allowed for such eligible cost.						
396	(5) RULESThe Department of Revenue shall have the						
397	authority to adopt rules relating to the forms required to claim						
398	a tax credit under this section, the requirements and basis for						
399	establishing an entitlement to a credit, and the examination and						
400	audit procedures required to administer this section.						
401	(6) REPEALThe provisions of this section, except the						
402	credit carryover provisions provided in subsection (2), are						
403	repealed on July 1, 2009.						
404	Section 10. Paragraph (a) of subsection (1) of section						
405	220.13, Florida Statutes, is amended to read:						
406	220.13 "Adjusted federal income" defined						
407	(1) The term "adjusted federal income" means an amount						
408	equal to the taxpayer's taxable income as defined in subsection						
409	(2), or such taxable income of more than one taxpayer as						
410	provided in s. 220.131, for the taxable year, adjusted as						
411	follows:						
412	(a) AdditionsThere shall be added to such taxable						
413	income:						
414	1. The amount of any tax upon or measured by income,						
415	excluding taxes based on gross receipts or revenues, paid or Page15of21						

CODING: Words stricken are deletions; words underlined are additions.

416 accrued as a liability to the District of Columbia or any state
417 of the United States which is deductible from gross income in
418 the computation of taxable income for the taxable year.

The amount of interest which is excluded from taxable 419 2. 420 income under s. 103(a) of the Internal Revenue Code or any other 421 federal law, less the associated expenses disallowed in the 422 computation of taxable income under s. 265 of the Internal 423 Revenue Code or any other law, excluding 60 percent of any amounts included in alternative minimum taxable income, as 424 425 defined in s. 55(b)(2) of the Internal Revenue Code, if the 426 taxpayer pays tax under s. 220.11(3).

3. In the case of a regulated investment company or real estate investment trust, an amount equal to the excess of the net long-term capital gain for the taxable year over the amount of the capital gain dividends attributable to the taxable year.

431 4. That portion of the wages or salaries paid or incurred 432 for the taxable year which is equal to the amount of the credit 433 allowable for the taxable year under s. 220.181. The provisions 434 of this subparagraph shall expire and be void on June 30, 2005.

5. That portion of the ad valorem school taxes paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.182. The provisions of this subparagraph shall expire and be void on June 30, 2005.

6. The amount of emergency excise tax paid or accrued as a
liability to this state under chapter 221 which tax is
deductible from gross income in the computation of taxable
income for the taxable year.

Page 16 of 21

CODING: Words stricken are deletions; words underlined are additions.

 association incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year. 8. In the case of a nonprofit corporation which holds a pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year. 9. The amount taken as a credit for the taxable year under s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.187. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.192. Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; Dave 170(2) 	444	7. That portion of assessments to fund a guaranty
 8. In the case of a nonprofit corporation which holds a pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year. 9. The amount taken as a credit for the taxable year under s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.187. 13. The amount taken as a credit for the taxable year under s. 220.187. 14. The amount taken as a credit for the taxable year under s. 220.192. 13. Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery 44. (1) As used in this section, the term: 45. (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	445	association incurred for the taxable year which is equal to the
 pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year. 9. The amount taken as a credit for the taxable year under s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.192. Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	446	amount of the credit allowable for the taxable year.
 as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year. 9. The amount taken as a credit for the taxable year under s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.192. Section 11. Paragraph (d) of subsection (1) of section 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	447	8. In the case of a nonprofit corporation which holds a
 gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year. 9. The amount taken as a credit for the taxable year under s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.187. 13. The amount taken as a credit for the taxable year under s. 220.187. 14. The amount taken as a credit for the taxable year under s. 220.192. 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	448	pari-mutuel permit and which is exempt from federal income tax
 attributable expenses for the taxable year. 9. The amount taken as a credit for the taxable year under s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. <u>12. The amount taken as a credit for the taxable year</u> <u>under s. 220.192.</u> Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: <u>366.8255</u> Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> <u>energy technologies, as provided in subparagraph 8., including,</u> but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	449	as a farmers' cooperative, an amount equal to the excess of the
 452 9. The amount taken as a credit for the taxable year under 453 s. 220.1895. 454 10. Up to nine percent of the eligible basis of any 455 456 designated project which is equal to the credit allowable for 456 the taxable year under s. 220.185. 457 11. The amount taken as a credit for the taxable year 458 under s. 220.187. 459 12. The amount taken as a credit for the taxable year 460 under s. 220.192. 461 Section 11. Paragraph (d) of subsection (1) of section 462 366.8255, Florida Statutes, is amended to read: 463 366.8255 Environmental cost recovery 464 (1) As used in this section, the term: 465 (d) "Environmental compliance costs" includes all costs or 466 expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon; 	450	gross income attributable to the pari-mutuel operations over the
 s. 220.1895. 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.192. Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	451	attributable expenses for the taxable year.
 10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year under s. 220.192. Section 11. Paragraph (d) of subsection (1) of section 366.8255. Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, or in deploying hydrogen energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	452	9. The amount taken as a credit for the taxable year under
 designated project which is equal to the credit allowable for the taxable year under s. 220.185. 11. The amount taken as a credit for the taxable year under s. 220.187. 12. The amount taken as a credit for the taxable year <u>under s. 220.192.</u> Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> energy technologies, as provided in subparagraph 8., including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	453	s. 220.1895.
456 the taxable year under s. 220.185. 457 11. The amount taken as a credit for the taxable year 458 under s. 220.187. 459 <u>12. The amount taken as a credit for the taxable year</u> 460 <u>under s. 220.192.</u> 461 Section 11. Paragraph (d) of subsection (1) of section 462 366.8255, Florida Statutes, is amended to read: 463 366.8255 Environmental cost recovery 464 (1) As used in this section, the term: 465 (d) "Environmental compliance costs" includes all costs or 466 expenses incurred by an electric utility in complying with 467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.,</u> including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon;	454	10. Up to nine percent of the eligible basis of any
 11. The amount taken as a credit for the taxable year under s. 220.187. <u>12. The amount taken as a credit for the taxable year</u> <u>under s. 220.192.</u> Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: <u>366.8255</u> Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> <u>energy technologies, as provided in subparagraph 8.</u>, including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	455	designated project which is equal to the credit allowable for
 under s. 220.187. <u>12. The amount taken as a credit for the taxable year</u> <u>under s. 220.192.</u> Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> <u>energy technologies, as provided in subparagraph 8.</u>, including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	456	the taxable year under s. 220.185.
 12. The amount taken as a credit for the taxable year under s. 220.192. Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	457	11. The amount taken as a credit for the taxable year
460 under s. 220.192. 461 Section 11. Paragraph (d) of subsection (1) of section 462 366.8255, Florida Statutes, is amended to read: 463 366.8255 Environmental cost recovery 464 (1) As used in this section, the term: 465 (d) "Environmental compliance costs" includes all costs or 466 expenses incurred by an electric utility in complying with 467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.</u> , including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon;	458	under s. 220.187.
 Section 11. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery (1) As used in this section, the term: (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> <u>energy technologies, as provided in subparagraph 8.</u>, including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	459	12. The amount taken as a credit for the taxable year
462 366.8255, Florida Statutes, is amended to read: 366.8255 Environmental cost recovery 464 (1) As used in this section, the term: 465 (d) "Environmental compliance costs" includes all costs or 466 expenses incurred by an electric utility in complying with 467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.,</u> including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon;	460	under s. 220.192.
 463 366.8255 Environmental cost recovery 464 (1) As used in this section, the term: 465 (d) "Environmental compliance costs" includes all costs or 466 expenses incurred by an electric utility in complying with 467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.,</u> including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon; 	461	Section 11. Paragraph (d) of subsection (1) of section
 464 (1) As used in this section, the term: 465 (d) "Environmental compliance costs" includes all costs or 466 expenses incurred by an electric utility in complying with 467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.</u>, including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon; 	462	366.8255, Florida Statutes, is amended to read:
 (d) "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, <u>or in deploying hydrogen</u> <u>energy technologies, as provided in subparagraph 8.</u>, including, but not limited to: 1. Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	463	366.8255 Environmental cost recovery
 466 expenses incurred by an electric utility in complying with 467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.</u>, including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon; 	464	(1) As used in this section, the term:
<pre>467 environmental laws or regulations, <u>or in deploying hydrogen</u> 468 <u>energy technologies, as provided in subparagraph 8.,</u> including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon;</pre>	465	(d) "Environmental compliance costs" includes all costs or
468 <u>energy technologies, as provided in subparagraph 8.</u> , including, 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon;	466	expenses incurred by an electric utility in complying with
<pre>469 469 but not limited to: 470 1. Inservice capital investments, including the electric 471 utility's last authorized rate of return on equity thereon;</pre>	467	environmental laws or regulations, or in deploying hydrogen
 Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon; 	468	energy technologies, as provided in subparagraph 8., including,
471 utility's last authorized rate of return on equity thereon;	469	but not limited to:
	470	1. Inservice capital investments, including the electric
Page 17 of 21	471	utility's last authorized rate of return on equity thereon;
		Page 17 of 21

CODING: Words stricken are deletions; words underlined are additions.

hb1597-03-e1

472 2. Operation and maintenance expenses;

473

3. Fuel procurement costs;

474

4. Purchased power costs;

- 5. Emission allowance costs;
- 476

6. Direct taxes on environmental equipment; and

477 7. Costs or expenses prudently incurred by an electric utility pursuant to an agreement entered into on or after the 478 effective date of this act and prior to October 1, 2002, between 479 the electric utility and the Florida Department of Environmental 480 481 Protection or the United States Environmental Protection Agency 482 for the exclusive purpose of ensuring compliance with ozone 483 ambient air quality standards by an electrical generating 484 facility owned by the electric utility; and

8. Costs incurred between July 1, 2005, and June 30, 2009,
for hydrogen energy technologies, as defined in s. 377.804(6),
which have the potential to contribute to the provision of
adequate and reliable electric service to or for the public in
the state, and which have minimal rate impacts. The electric
utility shall demonstrate that the proposed hydrogen energy
technology meets the definition provided in s. 377.804(6).

492 Section 12. Subsection (1) of section 633.022, Florida
493 Statutes, is amended, and subsection (4) is added to said
494 section, to read:

495 633.022 Uniform firesafety standards.--The Legislature
496 hereby determines that to protect the public health, safety, and
497 welfare it is necessary to provide for firesafety standards
498 governing the construction and utilization of certain buildings
499 and structures. The Legislature further determines that certain
Page 18 of 21

CODING: Words stricken are deletions; words underlined are additions.

500 buildings or structures, due to their specialized use or to the 501 special characteristics of the person utilizing or occupying 502 these buildings or structures, should be subject to firesafety 503 standards reflecting these special needs as may be appropriate.

504 (1) The department shall establish uniform firesafety505 standards that apply to:

(a) All new, existing, and proposed state-owned and state-507 leased buildings.

508 All new, existing, and proposed hospitals, nursing (b) 509 homes, assisted living facilities, adult family-care homes, correctional facilities, public schools, transient public 510 lodging establishments, public food service establishments, 511 elevators, migrant labor camps, mobile home parks, lodging 512 513 parks, recreational vehicle parks, recreational camps, residential and nonresidential child care facilities, facilities 514 for the developmentally disabled, motion picture and television 515 special effects productions, and self-service gasoline stations, 516 517 and hydrogen fueling, storage, and production facilities for 518 stationary fuel cells and vehicles, including maintenance and repair facilities, of which standards the State Fire Marshal is 519 520 the final administrative interpreting authority.

521

522 In the event there is a dispute between the owners of the 523 buildings specified in paragraph (b) and a local authority 524 requiring a more stringent uniform firesafety standard for 525 sprinkler systems, the State Fire Marshal shall be the final 526 administrative interpreting authority and the State Fire

Page 19 of 21

CODING: Words stricken are deletions; words underlined are additions.

hb1597-03-e1

527 Marshal's interpretation regarding the uniform firesafety 528 standards shall be considered final agency action. 529 The State Fire Marshal shall have authority to (4)(a) 530 adopt any rule necessary pertaining to or applicable to any building, structure, facility, condition, situation, or 531 532 circumstance in which hydrogen is being used, produced, stored, 533 or in any other manner dealt with or treated as a fuel as the 534 State Fire Marshal deems necessary to protect the public health, safety, and welfare and to protect the safety of persons and 535 536 property in the state, including, but not limited to, the 537 adoption of the most recent edition of the National Fire 538 Protection Association's NFPA 1 and any other applicable code, publication, or standard. 539 540 (b) The State Fire Marshal has the authority to require by 541 rule that any equipment used in conjunction with paragraph (a) must be listed by a nationally recognized testing laboratory, 542 543 such as Underwriters Laboratories, Inc., or Factory Mutual 544 Laboratories, Inc. The State Fire Marshal has the authority to 545 adopt by rule procedures for determining whether a laboratory is 546 nationally recognized, taking into account the laboratory's 547 facilities, procedures, use of nationally recognized standards, and any other criteria reasonably calculated to reach an 548 549 informed determination. Section 13. Subsection (1) of section 366.075, Florida 550 551 Statutes, is amended to read: 552 366.075 Experimental and transitional rates.--The commission is authorized to approve rates on an 553 (1)554 experimental or transitional basis for any public utility to Page 20 of 21

CODING: Words stricken are deletions; words underlined are additions.

hb1597-03-e1

FLORIDA HOUSE OF REPRESENTATIV	EPRESENTATIVES	ΟF	SE	ΟU	Н	DΑ	1 [R	0	L	F
--------------------------------	----------------	----	----	----	---	----	-----	---	---	---	---

encourage energy conservation or to encourage efficiency or the use of energy from a renewable energy resource, as defined in s. <u>377.703(2)</u>. The application of such rates may be for limited geographic areas and for a limited period.

559

Section 14. This act shall take effect July 1, 2005.

Page 21 of 21

CODING: Words stricken are deletions; words underlined are additions.