

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: Environmental Preservation Committee

BILL: SB 2186

SPONSOR: Senator Fasano

SUBJECT: The Florida Clean Energy Technology Center for Excellence

DATE: March 31, 2005

REVISED: 04/05/05

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------------|-----------------|-----------|------------------------|
| 1. | <u>Halloran</u> | <u>Caldwell</u> | <u>CU</u> | Favorable |
| 2. | <u>Branning</u> | <u>Kiger</u> | <u>EP</u> | Fav/1 amendment |
| 3. | <u></u> | <u></u> | <u>CM</u> | |
| 4. | <u></u> | <u></u> | <u>GA</u> | |
| 5. | <u></u> | <u></u> | <u>WM</u> | |
| 6. | <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 creates the Florida Clean Energy Technology Center of Excellence (Center) and provides for its organization, purpose and responsibilities. The bill appropriates \$400,000 to fund the Center.

This bill creates an as yet unnumbered section of the Florida Statutes.

II. Present Situation:

There is no existing entity like the Florida Clean Energy Technology Center for Excellence. The Center will be operated in conjunction with the Florida Energy Office and the Technological Research and Development Authority. The Florida Energy Office is the state's primary center for developing and implementing energy policy. It also coordinates all federal energy programs delegated to the state, including energy supply, demand, conservation, and allocation. The Technological Research and Development Authority, established by the Florida Legislature in 1987, is authorized to transfer new technologies to schools and small business throughout the state. It also sponsors programs that enhance education and economic development within Florida.

III. Effect of Proposed Changes:

Section 1 creates the Florida Clean Energy Technology Center of Excellence. The Florida Energy Office, in the Department of Environmental Protection, is to enter into a contract with the Florida Technological Research and Development Authority to operate the Center. The Center is to perform the following duties in a manner that is consistent with the powers granted to such an authority, which, under Chapter 87-455, Laws of Florida, primarily include promoting scientific research and development.

The first responsibility of the Center is to administer the Venture Smart Grant Program. The Venture Smart Grant Program awards grants of up to \$50,000 to one or more businesses that are developing a product or service related to energy. The grants awarded will provide the recipient business with the guidance and technical support necessary to attract and secure investment in the product or service. The guidance and support provided may include prototype development, management-team recruitment, intellectual property protection, or business and marketing-plan development. To receive a grant, a business must be developing an energy product or service for the marketplace and must be a start-up or medium-sized business. The business must submit a grant application and must be selected for funding by the board of directors of the authority. The board's selection is to be made only after it considers the recommendations of an independent review committee. A three member independent review committee will evaluate the applications that the business development managers of the Venture Smart Grant Program have identified as the best prospects. The business development managers will make this identification by screening the applicant companies in order to select the products and services that are the most promising. The independent committee is to then make its recommendations to the board of directors of the authority.

Second, the Center is to create and maintain a Florida Hydrogen Capabilities Catalog on the Internet. This catalog is to provide a web-based list of the hydrogen-related research projects that are underway at the state's public and private universities, the businesses in the state which are involved in the development and commercialization of hydrogen energy technologies, and the opportunities for state or federal grants to support development and commercialization of hydrogen energy technologies.

The third responsibility of the Center is to sponsor and organize an annual clean energy venture forum to bring venture capital to promising companies having clean energy innovations.

Fourth, the Center is to enhance the energy security of this state and the nation by reducing dependence on foreign oil as an energy source. This objective is to be achieved by promoting the research, development, demonstration, and deployment of clean energy technologies, particularly renewable technologies, through the provision of traditional business-incubation services, as well as through the administration of the Venture Smart Grant Program. The Venture Smart Grant Program is a member of the National Alliance of Clean Energy Business Incubators, a group that was created in 2002 by the National Renewable Energy Laboratory of the United States Department of Energy to assist entrepreneurs in commercializing clean energy technologies.

Section 2 appropriates \$400,000 from the General Revenue Fund to the Florida Energy Office in the Department of Environmental Protection for the purpose of funding the Florida Clean Energy

Technology Center of Excellence at the Florida Technological Research and Development Authority.

Section 3 provides that the bill takes effect July 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:

While the total impact to the private sector is indeterminable, the bill helps promote and support businesses developing an energy-related product or service through by awarding grants up \$50,000 from the Venture Smart Grant Program. Under the Venture Smart Grant Program, the grant recipient must provide a cost-share of 25 percent. These grants will provide guidance and support to the recipient business and aid in securing investment in the product or service being developed.

C. Government Sector Impact:

The bill appropriates \$400,000 from the General Revenue Fund to the Florida Energy Office in the Department of Environmental Protection to fund the activities of the Florida Clean Energy Technology Center of Excellence at the Florida Technological Research and Development Authority and, according to a TRDA representative, provide the funding for the grants.

The Department of Environmental Protection is concerned regarding the provision of the bill relating to the creation and maintenance of the Florida Hydrogen Capabilities Catalog and the requirement to sponsor and organize an annual clean energy venture forum. The

department has indicated that these programs would be duplicative of existing Energy Office activities, and could create inefficient management of state resources.¹

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.

¹ Department of Environmental Protection Draft Bill Analysis for SB 2186 (2005)

VIII. Summary of Amendments:

Barcode 410518 by Environmental Preservation:

The amendment rewrites the bill to provide that the Florida Technological Research and Development Authority shall operate, in coordination with the Florida Solar Energy Center at the University of Central Florida, the Florida Clean Energy Technology Center. Also, the amendment deletes the provision that a Florida Hydrogen Capabilities Catalog be created and maintained on the internet.(WITH TITLE AMENDMENT)

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