

# 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.)

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Prepared By: Governmental Oversight and Productivity Committee

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BILL: CS/CS/SB 526

SPONSOR: Governmental Oversight and Productivity Committee, Communications and Public Utilities Committee and Senator Klein

SUBJECT: Electric Utility Task Force

DATE: April 20, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wiehle</u>	<u>Caldwell</u>	<u>CU</u>	<u><b>Fav/CS</b></u>
2.	<u>Pardue</u>	<u>Skelton</u>	<u>DS</u>	<u><b>Fav/1 amendment</b></u>
3.	<u>Gordon</u>	<u>Cooper</u>	<u>CM</u>	<u><b>Fav/1 amendment</b></u>
4.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u><b>Fav/CS</b></u>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

The bill creates the Electric Utility Task Force to:

- Analyze the current electric utility transmission and distribution systems, and the current telecommunications and cable systems to the extent they use the same poles or other facilities as the electric systems.
- Determine available alternatives to these systems, and the feasibility, costs, and reliability of these alternatives, including consideration of storm conditions.
- Compare the current systems with available, feasible alternatives and determine the costs and benefits of the current systems and the alternatives.
- Evaluate the problems caused by storm damages and problems with emergency response and restoration of electric, telecommunications, and cable systems.
- Identify facilities providing critical services and evaluate the current electrical needs of those facilities; determine whether on-site emergency systems should be required for these facilities; and recommend guidelines that on-site emergency systems should meet and sustain during post-hurricane recovery.
- Evaluate the needs of persons with health-related electric needs in their homes and what can be done to provide for these needs in a storm situation.

## II. Present Situation:

During August and September 2004, Hurricanes Charley, Frances, Ivan, and Jeanne struck Florida, causing power outages and damage throughout the state. This intensified focus on issues of placing electric utility transmission and distribution systems underground, or pursuing other alternatives.

In addition, issues emerged regarding the adequacy of back-up emergency electric systems for facilities providing critical services. Health care facilities, nursing homes and assisted care facilities, emergency response facilities, special needs shelters, water and waste-water treatment facilities all provide services considered critical to the safety and well-being of Floridians. Florida Statutes provide for detailed emergency electric power systems requirements for critical facilities by granting authority to publish rules such as the Florida Administrative Code and the Florida Building Code. Unprecedented demand for electric generators, adequacy of generator fuel supplies, and mechanical breakdowns all presented challenges to emergency managers responding to the hurricanes and highlighted the need for review.

One other issue also emerged, that of health-related electric power needs of persons sheltering in their homes. The Department of Health stated in its *2004 Hurricane Season AFTER ACTION REPORT*,

Over the past decade, state and federal policies have actively promoted the provision of in-home support services as a means of preserving the independence of elderly and disabled individuals. During these storms, Florida, with its high proportion of elderly, experienced the effects of these combinations of factors like never before. Individuals, who functioned well in their homes during normal times, many with support services from home health care agencies, were unable to maintain that level of functionality during and after the storms. Storm-related disruptions to communication, transportation, power supplies, and lack of continuity of in-home support services as well as structural damage to their homes, forced many seniors out of their independent living status and into SpNSs (Special Needs Shelters), at least temporarily.<sup>1</sup>

### III. Effect of Proposed Changes:

**Section 1** creates the Electric Utility Task Force (task force) for the purpose of evaluating the current electric utility transmission system and potential improvements to the system to decrease damage from storms or improve recovery of the system after storm damage, and to develop recommendations for improving the emergency response to storm damage.

The bill requires the task force to have nine members, three appointed by the Senate President, all of whom must be Senators and one of whom must be a member of the minority party, three appointed by the Speaker of the House of Representatives, all of whom must be Representatives and one of whom must be a member of the minority party, and three appointed by the Governor. Each member will serve at the pleasure of the appointing official. Any vacancy on the task force will be filled in the same manner as the original appointment.

The members of the task force will appoint a chairperson. The task force will be staffed by the Public Service Commission, the Department of Community Affairs, the Department of Management Services, and the Department of Health. Meetings are subject to ss. 119.07 and 286.011, F.S. The chairperson may designate one of the agencies providing staff to perform

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<sup>1</sup> Florida Department of Health, *2004 Hurricane Season AFTER ACTION REPORT*, March 2005, pg. E-2.

administrative responsibilities for the task force. The task force may invite technical experts to appear at meetings and provide information.

Task force members will serve without compensation, but are entitled to reimbursement for expenses incurred in carrying out their duties as provided in s. 112.061, F.S. Members who are public officers or employees will be reimbursed through the budget entity through which they are compensated. Persons invited to appear and speak at task force meetings are also entitled to receive per diem and travel expenses.

The task force is charged with the following duties.

- Evaluate and analyze the current electric utility transmission and distribution systems, and the current telecommunications and cable systems to the extent they use the same poles or other facilities as the electric systems.
- Determine available alternatives to these systems, and the feasibility, costs, and reliability of these alternatives, including consideration of storm conditions.
- Compare the current systems with available, feasible alternatives and determine the costs and benefits of the current systems and the alternatives, including consideration of the costs, both direct and indirect, of continuing the maintenance, upgrading, and protection of the current systems. Cost comparisons should include the possibility of a phase-in of improvements, including coordinating improvements with other utility or infrastructure maintenance or installation.
- Evaluate the problems caused by storm damages and problems with emergency response and restoration of electric, telecommunications, and cable systems.
- Identify facilities providing critical services, such as nursing homes, assisted living facilities, water, and wastewater facilities, and evaluate the current electrical needs of those facilities; determine whether on-site emergency systems should be required for these facilities; and recommend guidelines that on-site emergency systems should meet and sustain during post-hurricane recovery.
- Evaluate the needs of persons with health-related electric needs in their homes and what can be done to provide for these needs in a storm situation.

A six-member advisory panel to the task force is created to focus attention on the existing electric utility, telecommunication, and cable transmission systems. The Governor, President of the Senate and Speaker of the House of Representatives each appoint two members. One member each shall represent telecommunications, cable and power utility companies with the remainder representing other affected utility, contractor, and scientific support interests.

The task force must present a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives on March 1, 2006. The task force is dissolved on June 1, 2006.

**Section 2** appropriates \$75,000 from the General Revenue Fund to the Department of Community Affairs for the FY 2005-06 to be used to pay for the expenses of the task force.

**Section 3** provides that the bill takes effect upon becoming a law.

**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:

The task force may develop recommendations which may benefit Florida residents and businesses.

## C. Government Sector Impact:

The bill appropriates \$75,000 from the General Revenue Fund to the Department of Community Affairs for the 2005-06 fiscal year to be used to pay for the expenses of the task force.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The CS incorporates two traveling amendments, each of which was reported favorably by the two prior committees (Bar Codes 123684 and 094328).

## **VIII. Summary of Amendments:**

None.

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

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