

By the Committee on Environmental Preservation and Conservation; and Senator Constantine

592-2412-07

1 A bill to be entitled
2 An act relating to energy efficiency and
3 alternative fuel; amending s. 163.04, F.S.;
4 revising provisions authorizing the use of
5 solar collectors and other energy devices;
6 providing for use of solar collectors on the
7 roofs of condominium common elements; amending
8 s. 196.175, F.S.; revising provisions for the
9 renewable energy source exemption; excluding
10 the assessed value of certain real property for
11 determination of such exemption; amending s.
12 212.08, F.S.; revising the definition of
13 "ethanol"; increasing the cap on the sales tax
14 exemption for materials used in the
15 distribution of biodiesel and ethanol fuels;
16 specifying eligible items as limited to one
17 refund; requiring a purchaser who receives a
18 refund to notify a subsequent purchaser of such
19 refund; providing that the exemption for
20 renewable energy technologies is available only
21 to the end user of the equipment, machinery,
22 and other materials; creating s. 212.086, F.S.;
23 providing financial incentives for the purchase
24 or lease of an alternative motor vehicle;
25 providing that any person who purchases or
26 leases an alternative motor vehicle from a
27 sales tax dealer is eligible for a refund of
28 the sales tax paid; requiring that the
29 alternative motor vehicle be certified under
30 the Internal Revenue Code of 1986, as amended,
31 as a new qualified hybrid motor vehicle, new

1 qualified alternative fuel motor vehicle, new
2 qualified fuel cell motor vehicle, or new
3 advanced lean-burn technology motor vehicle;
4 requiring that an application for refund be
5 filed with the Department of Revenue; providing
6 that the total dollar amount of refunds is
7 limited to the total amount of appropriations
8 in any fiscal year; authorizing a request for a
9 refund to be held for payment in the following
10 fiscal year under certain circumstances;
11 requiring the department to adopt rules;
12 providing for future repeal of the program;
13 amending s. 220.192, F.S.; providing a
14 definition; providing for the transferability
15 of a tax credit; providing requirements and
16 procedures therefor; requiring the Department
17 of Revenue to promulgate a form and issue
18 certificates; amending s. 220.193, F.S.;
19 providing a definition; providing that a
20 taxpayer's use of certain credits does not
21 prohibit the use of other authorized credits;
22 amending s. 255.251, F.S.; revising a short
23 title; amending s. 255.252, F.S.; revising
24 criteria for energy conservation and
25 sustainability for state-owned buildings;
26 requiring that buildings constructed and
27 financed by the state meet a rating system as
28 approved by the department; requiring state
29 agencies to identify state-owned buildings that
30 are suitable for the guaranteed energy program;
31 amending s. 255.253, F.S.; defining the terms

1 "sustainable building" and "sustainable
2 building rating"; amending s. 255.254, F.S.;
3 revising provisions relating to evaluations of
4 life cycle costs before construction of state
5 facilities; deleting provisions relating to
6 evaluations of life cycle costs with respect to
7 facilities that are leased; amending s.
8 255.255, F.S.; revising energy conservation
9 performance guidelines to be used in life-cycle
10 cost analyses; amending s. 287.064, F.S.;
11 revising requirements relating to guaranteed
12 energy performance savings contracts; amending
13 s. 287.16, F.S.; requiring the Department of
14 Management Services to conduct an inventory of
15 state vehicles that are flexible fuel motor
16 vehicles or hybrid motor vehicles; requiring a
17 specified percentage of such vehicles in the
18 state's inventory; amending s. 366.93, F.S.;
19 revising definitions related to certain power
20 plants to include integrated gasification
21 combined cycle power plants; requiring the
22 Public Service Commission to implement rules
23 related to integrated gasification combined
24 cycle power plant cost recovery; requiring a
25 report; amending s. 403.519, F.S.; providing
26 requirements and procedures for determining
27 need for certain advanced coal technology power
28 plants; providing an exemption from purchased
29 power supply bid rules under certain
30 circumstances; amending s. 377.802, F.S.;
31 designating October of each year as "Energy

1 Efficiency and Conservation Month"; repealing
2 s. 377.803(2), F.S., relating to the definition
3 of "approved metering equipment"; repealing s.
4 377.804(6), F.S.; deleting provisions relating
5 to bioenergy projects under the Renewable
6 Energy Technologies Grants Program; amending s.
7 377.806, F.S.; revising rebate eligibility and
8 application requirements for solar thermal
9 systems; providing that payment may be made
10 only to the final purchaser of an eligible
11 system; limiting the number of rebates that may
12 be made; creating s. 212.0802, F.S.; providing
13 sales tax exemptions for certain
14 energy-efficient products; amending s. 377.901,
15 F.S.; revising membership of the Florida Energy
16 Commission; providing duties of the commission
17 chair; providing eligibility for travel and per
18 diem for ex officio members; prescribing
19 additional duties of the commission; providing
20 for research, recommendations, and a report;
21 creating s. 403.0874, F.S.; prescribing duties
22 of the Department of Environmental Protection
23 with respect to greenhouse gas inventories;
24 amending s. 489.145, F.S.; revising provisions
25 relating to guaranteed energy performance
26 savings contracting to include energy
27 consumption and energy-related operational
28 savings; revising provisions for the financing
29 of guaranteed energy performance savings
30 contracts; revising criteria for proposed
31 contracts; requiring that consolidated

1 financing of deferred payment commodity
2 contracts be secured by certain funds;
3 requiring the Chief Financial Officer to review
4 proposed guaranteed energy performance savings
5 contracts; creating s. 570.956, F.S.;
6 establishing the Farm-to-Fuel Advisory Council
7 within the Department of Agriculture and
8 Consumer Services; providing membership
9 requirements; providing for council duties;
10 creating s. 570.957, F.S.; establishing the
11 Farm-to-Fuel Grants Program within the
12 Department of Agriculture and Consumer
13 Services; providing definitions; specifying the
14 use of grants for certain bioenergy projects;
15 providing eligibility requirements; authorizing
16 the department to adopt rules; providing
17 criteria for grant award consideration;
18 requiring the department to consult with the
19 Department of Environmental Protection, the
20 Office of Tourism, Trade, and Economic
21 Development, and certain experts when
22 evaluating applications; creating s. 570.958,
23 F.S.; establishing the Biofuel Retail Sales
24 Incentive Program; establishing goals for
25 replacing petroleum consumption; providing
26 definitions; providing incentive payments to
27 qualified retail dealers for increases in the
28 amount of biofuels offered for sale; providing
29 requirements and procedures therefor; creating
30 s. 570.959, F.S.; establishing the Florida
31 Biofuel Production Incentive Program; providing

1 definitions; providing incentive payments to
2 producers of certain biofuels; providing
3 requirements and procedures therefor;
4 authorizing the Department of Agriculture and
5 Consumer Services to adopt rules; directing the
6 Florida Building Commission to convene a
7 workgroup to develop a model residential energy
8 efficiency ordinance; requiring the commission
9 to consult with specified entities to review
10 the cost-effectiveness of energy efficiency
11 measures in the construction of residential,
12 commercial, and government buildings; requiring
13 the commission to consult with specified
14 entities to develop and implement a public
15 awareness campaign; requiring the commission to
16 provide reports to the Legislature; requiring
17 all county, municipal, and public community
18 college buildings to meet certain energy
19 efficiency standards for construction;
20 providing applicability; establishing standards
21 for the use of biodiesel fuels by school
22 district transportation services; providing
23 legislative intent relating to the leverage of
24 state funds for certain research and
25 production; creating the Florida Energy,
26 Aerospace, and Technology Fund to encourage
27 business and investment opportunities and
28 target performance goals for investments in the
29 areas of alternative energy development and
30 production infrastructure; providing for the
31 construction and operation of a multifaceted

1 Research and Demonstration Cellulosic Ethanol
2 Plant; requiring the Florida Energy Commission
3 to conduct a study to determine the appropriate
4 goals for renewable energy resources; requiring
5 a report; providing appropriations; providing
6 effective dates.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Subsection (2) of section 163.04, Florida
11 Statutes, is amended to read:

12 163.04 Energy devices based on renewable resources.--

13 (2) No deed restrictions, covenants, declarations, or
14 similar binding agreements running with the land shall
15 prohibit or have the effect of prohibiting solar collectors,
16 clotheslines, or other energy devices based on renewable
17 resources from being installed on buildings erected on the
18 lots or parcels covered by the deed restrictions, covenants,
19 declarations, or binding agreements. A property owner may not
20 be denied permission to install solar collectors or other
21 energy devices based on renewable resources by any entity
22 granted the power or right in any deed restriction, covenant,
23 declaration, or similar binding agreement to approve, forbid,
24 control, or direct alteration of property with respect to
25 residential dwellings, including condominiums not exceeding
26 ~~three stories in height~~. For purposes of this subsection, such
27 entity may determine the specific location where solar
28 collectors may be installed on the roof within an orientation
29 to the south or within 45° east or west of due south provided
30 that such determination does not impair the effective
31 operation of the solar collectors. In the case of a

1 condominium, solar collectors may be installed on a roof that
2 is considered to be a common element of the condominium
3 association.

4 Section 2. Section 196.175, Florida Statutes, is
5 amended to read:

6 196.175 Renewable energy source exemption.--

7 (1) Improved real property upon which a renewable
8 energy source device is installed and operated shall be
9 entitled to an exemption in the amount ~~not greater than the~~
10 ~~lesser of:~~

11 ~~(a) The assessed value of such real property less any~~
12 ~~other exemptions applicable under this chapter;~~

13 ~~(b) the original cost of the device, including the~~
14 ~~installation cost thereof, but excluding the cost of replacing~~
15 ~~previously existing property removed or improved in the course~~
16 ~~of such installation.; or~~

17 ~~(c) Eight percent of the assessed value of such~~
18 ~~property immediately following installation.~~

19 (2) The exempt amount authorized under subsection (1)
20 shall apply in full if the device was installed and operative
21 throughout the 12-month period preceding January 1 of the year
22 of application for this exemption. If the device was
23 operative for a portion of that period, the exempt amount
24 authorized under this section shall be reduced proportionally.

25 (3) It shall be the responsibility of the applicant
26 for an exemption pursuant to this section to demonstrate
27 affirmatively to the satisfaction of the property appraiser
28 that he or she meets the requirements for exemption under this
29 section and that the original cost ~~pursuant to paragraph~~
30 ~~(1)(b)~~ and the period for which the device was operative, as
31 indicated on the exemption application, are correct.

1 (4) No exemption authorized pursuant to this section
2 shall be granted for a period of more than 10 years. No
3 exemption shall be granted with respect to renewable energy
4 source devices installed before July 1, 2007 ~~January 1, 1980,~~
5 ~~or after December 31, 1990.~~

6 Section 3. Paragraph (ccc) of subsection (7) of
7 section 212.08, Florida Statutes, is amended to read:

8 212.08 Sales, rental, use, consumption, distribution,
9 and storage tax; specified exemptions.--The sale at retail,
10 the rental, the use, the consumption, the distribution, and
11 the storage to be used or consumed in this state of the
12 following are hereby specifically exempt from the tax imposed
13 by this chapter.

14 (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to
15 any entity by this chapter do not inure to any transaction
16 that is otherwise taxable under this chapter when payment is
17 made by a representative or employee of the entity by any
18 means, including, but not limited to, cash, check, or credit
19 card, even when that representative or employee is
20 subsequently reimbursed by the entity. In addition, exemptions
21 provided to any entity by this subsection do not inure to any
22 transaction that is otherwise taxable under this chapter
23 unless the entity has obtained a sales tax exemption
24 certificate from the department or the entity obtains or
25 provides other documentation as required by the department.
26 Eligible purchases or leases made with such a certificate must
27 be in strict compliance with this subsection and departmental
28 rules, and any person who makes an exempt purchase with a
29 certificate that is not in strict compliance with this
30 subsection and the rules is liable for and shall pay the tax.
31 The department may adopt rules to administer this subsection.

1 (ccc) Equipment, machinery, and other materials for
2 renewable energy technologies.--

3 1. As used in this paragraph, the term:

4 a. "Biodiesel" means the mono-alkyl esters of
5 long-chain fatty acids derived from plant or animal matter for
6 use as a source of energy and meeting the specifications for
7 biodiesel and biodiesel blends with petroleum products as
8 adopted by the Department of Agriculture and Consumer
9 Services. Biodiesel may refer to biodiesel blends designated
10 BXX, where XX represents the volume percentage of biodiesel
11 fuel in the blend.

12 b. "Ethanol" means an ~~nominally~~ anhydrous denatured
13 alcohol produced by the conversion of carbohydrates
14 ~~fermentation of plant sugars~~ meeting the specifications for
15 fuel ethanol and fuel ethanol blends with petroleum products
16 as adopted by the Department of Agriculture and Consumer
17 Services. Ethanol may refer to fuel ethanol blends designated
18 EXX, where XX represents the volume percentage of fuel ethanol
19 in the blend.

20 c. "Hydrogen fuel cells" means equipment using
21 hydrogen or a hydrogen-rich fuel in an electrochemical process
22 to generate energy, electricity, or the transfer of heat.

23 2. The sale or use of the following in the state is
24 exempt from the tax imposed by this chapter:

25 a. Hydrogen-powered vehicles, materials incorporated
26 into hydrogen-powered vehicles, and hydrogen-fueling stations,
27 up to a limit of \$2 million in tax each state fiscal year for
28 all taxpayers.

29 b. Commercial stationary hydrogen fuel cells, up to a
30 limit of \$1 million in tax each state fiscal year for all
31 taxpayers.

1 c. Materials used in the distribution of biodiesel
2 (B10-B100) and ethanol (E10-100), including fueling
3 infrastructure, transportation, and storage, up to a limit of
4 ~~\$2~~\$1 million in tax each state fiscal year for all taxpayers.
5 Gasoline fueling station pump retrofits for ethanol (E10-E100)
6 distribution qualify for the exemption provided in this
7 sub-subparagraph.

8 3. The Department of Environmental Protection shall
9 provide to the department a list of items eligible for the
10 exemption provided in this paragraph.

11 4. The exemption provided in this paragraph shall be
12 available only to the end user of the equipment, machinery,
13 and other materials.

14 5.4-a. The exemption provided in this paragraph shall
15 be available to a purchaser only through a refund of
16 previously paid taxes. Only one purchase of an eligible item
17 is subject to refund. A purchaser who has received a refund on
18 an eligible item must notify any subsequent purchaser of the
19 item that the item is no longer eligible for a refund of tax
20 paid. This notification must be provided to the purchaser on
21 the sales invoice or other proof of purchase.

22 b. To be eligible to receive the exemption provided in
23 this paragraph, a purchaser shall file an application with the
24 Department of Environmental Protection. The application shall
25 be developed by the Department of Environmental Protection, in
26 consultation with the department, and shall require:

27 (I) The name and address of the person claiming the
28 refund.

29 (II) A specific description of the purchase for which
30 a refund is sought, including, when applicable, a serial
31 number or other permanent identification number.

1 (III) The sales invoice or other proof of purchase
2 showing the amount of sales tax paid, the date of purchase,
3 and the name and address of the sales tax dealer from whom the
4 property was purchased.

5 (IV) A sworn statement that the information provided
6 is accurate and that the requirements of this paragraph have
7 been met.

8 c. Within 30 days after receipt of an application, the
9 Department of Environmental Protection shall review the
10 application and shall notify the applicant of any
11 deficiencies. Upon receipt of a completed application, the
12 Department of Environmental Protection shall evaluate the
13 application for exemption and issue a written certification
14 that the applicant is eligible for a refund or issue a written
15 denial of such certification within 60 days after receipt of
16 the application. The Department of Environmental Protection
17 shall provide the department with a copy of each certification
18 issued upon approval of an application.

19 d. Each certified applicant shall be responsible for
20 forwarding a certified copy of the application and copies of
21 all required documentation to the department within 6 months
22 after certification by the Department of Environmental
23 Protection.

24 e. The provisions of s. 212.095 do not apply to any
25 refund application made pursuant to this paragraph. A refund
26 approved pursuant to this paragraph shall be made within 30
27 days after formal approval by the department.

28 f. The department may adopt all rules pursuant to ss.
29 120.536(1) and 120.54 to administer this paragraph, including
30 rules establishing forms and procedures for claiming this
31 exemption.

1 g. The Department of Environmental Protection shall be
2 responsible for ensuring that the total amounts of the
3 exemptions authorized do not exceed the limits as specified in
4 subparagraph 2.

5 ~~6.5.~~ The Department of Environmental Protection shall
6 determine and publish on a regular basis the amount of sales
7 tax funds remaining in each fiscal year.

8 ~~7.6.~~ This paragraph expires July 1, 2010.

9 Section 4. Section 212.086, Florida Statutes, is
10 created to read:

11 212.086 Energy Efficient Motor Vehicle Sales Tax
12 Refund Program.--

13 (1) The energy efficient motor vehicle sales tax
14 refund is established to provide financial incentives for the
15 purchase of alternative motor vehicles as specified by this
16 section.

17 (2) Any person who purchases an alternative motor
18 vehicle is eligible for a refund of the tax imposed under this
19 chapter. The tax that is eligible for refund shall be computed
20 on the lesser of \$15,000 or the sales price as provided in s.
21 212.02.

22 (3) In order to qualify for the sales tax refund under
23 this section, the alternative motor vehicle must be certified
24 as a new qualified hybrid motor vehicle, new qualified
25 alternative fuel motor vehicle, new qualified fuel cell motor
26 vehicle, or new advanced lean-burn technology motor vehicle by
27 the Internal Revenue Service for the income tax credit for
28 alternative motor vehicles under s. 30B of the Internal
29 Revenue Code of 1986, as amended.

30 (4) Notwithstanding ss. 212.095 and 215.26, an
31 application for refund must be filed with the department

1 within 90 days after purchase of the alternative motor vehicle
2 and must contain the following:
3 (a) The name and address of the person claiming the
4 refund.
5 (b) A specific description of the alternative motor
6 vehicle for which a refund is sought, including the vehicle
7 identification number.
8 (c) The sales invoice or other proof of purchase
9 showing the amount of sales tax paid, the date of purchase,
10 and the name and address of the sales tax dealer from whom the
11 alternative motor vehicle was purchased.
12 (d) A sworn statement that the information provided is
13 accurate and that the requirements of this section have been
14 met.
15 (5) The total dollar amount of all refunds issued by
16 the department is limited to the total amount of
17 appropriations in any fiscal year for this program. The
18 department may approve refunds up to the amount appropriated
19 for this refund program based on the date of filing an
20 application for refund pursuant to subsection (4). If the
21 funds are insufficient during a given fiscal year, any
22 requests for refund received during that fiscal year may be
23 processed during the following fiscal year, subject to the
24 appropriation, and have priority over new applications for
25 refund filed in the following fiscal year. The provisions of
26 s. 213.255 do not apply to requests for refund which are held
27 for payment in the following fiscal year.
28 (6) The department may adopt rules pursuant to ss.
29 120.536(1) and 120.54 to administer this section, including
30 rules establishing forms and procedures for claiming this
31 refund.

1 (7) A person who receives a refund pursuant to s.
2 212.08(7)(ccc) may not be allowed a refund provided in this
3 section.

4 (8) This section expires July 1, 2010.

5 Section 5. Subsection (1) of section 220.192, Florida
6 Statutes, is amended, and subsection (8) is added to that
7 section, to read:

8 220.192 Renewable energy technologies investment tax
9 credit.--

10 (1) DEFINITIONS.--For purposes of this section, the
11 term:

12 (a) "Biodiesel" means biodiesel as defined in s.
13 212.08(7)(ccc).

14 (b) "Corporation" means any general partnership,
15 limited partnership, limited liability company, unincorporated
16 business, or other business entity in which a taxpayer owns an
17 interest and which is taxed as a partnership or is disregarded
18 as a separate entity from the taxpayer for tax purposes. Tax
19 credits derived by such an entity treated as a corporation
20 pursuant to this provision which are not transferred by such
21 entity to another taxpayer pursuant to subsection (8) shall be
22 passed through to the taxpayers designated as partners,
23 members, or owners, respectively, in any manner agreed to by
24 such persons, whether or not such persons are allocated or
25 allowed any portion of the federal energy tax credit with
26 respect to the eligible costs. The Department of Revenue
27 shall adopt rules to implement and administer the provisions
28 allowing a pass-through of tax credits, including rules
29 prescribing forms, reporting requirements, and the specific
30 procedures, guidelines, and requirements necessary for a tax
31 credit to be passed through to an owner, member, or partner.

1 ~~(c)(b)~~ "Eligible costs" means:

2 1. Seventy-five percent of all capital costs,
3 operation and maintenance costs, and research and development
4 costs incurred between July 1, 2006, and June 30, 2010, up to
5 a limit of \$3 million per state fiscal year for all taxpayers,
6 in connection with an investment in hydrogen-powered vehicles
7 and hydrogen vehicle fueling stations in the state, including,
8 but not limited to, the costs of constructing, installing, and
9 equipping such technologies in the state.

10 2. Seventy-five percent of all capital costs,
11 operation and maintenance costs, and research and development
12 costs incurred between July 1, 2006, and June 30, 2010, up to
13 a limit of \$1.5 million per state fiscal year for all
14 taxpayers, and limited to a maximum of \$12,000 per fuel cell,
15 in connection with an investment in commercial stationary
16 hydrogen fuel cells in the state, including, but not limited
17 to, the costs of constructing, installing, and equipping such
18 technologies in the state.

19 3. Seventy-five percent of all capital costs,
20 operation and maintenance costs, and research and development
21 costs incurred between July 1, 2006, and June 30, 2010, up to
22 a limit of \$6.5 million per state fiscal year for all
23 taxpayers, in connection with an investment in the production,
24 storage, and distribution of biodiesel (B10-B100) and ethanol
25 (E10-E100) in the state, including the costs of constructing,
26 installing, and equipping such technologies in the state.
27 Gasoline fueling station pump retrofits for ethanol (E10-E100)
28 distribution qualify as an eligible cost under this
29 subparagraph.

30 ~~(d)(e)~~ "Ethanol" means ethanol as defined in s.
31 212.08(7)(ccc).

1 ~~(e)(d)~~ "Hydrogen fuel cell" means hydrogen fuel cell
2 as defined in s. 212.08(7)(ccc).

3 (8) TRANSFERABILITY OF CREDIT.--

4 (a) Any corporation and any subsequent transferee
5 allowed the tax credit may transfer the tax credit, in whole
6 or in part, to any taxpayer by written agreement without the
7 requirement of transferring any ownership interest in the
8 property generating the tax credit or any interest in the
9 entity that owns the property. Transferees are entitled to
10 apply the credits against the tax with the same effect as if
11 the transferee had incurred the eligible costs.

12 (b) To perfect the transfer, the transferor shall
13 provide a written transfer statement providing notice to the
14 Department of Revenue of the assignor's intent to transfer the
15 tax credits to the assignee; the date the transfer is
16 effective; the assignee's name, address, federal taxpayer
17 identification number, and tax period; and the amount of tax
18 credits to be transferred. The Department of Revenue may adopt
19 rules to implement and administer this section, including
20 rules prescribing forms, reporting requirements, and the
21 specific procedures, guidelines, and requirements necessary to
22 transfer a tax credit. The Department of Revenue shall issue,
23 upon receipt of a transfer statement conforming to the
24 requirements of this section, a certificate to the assignee
25 reflecting the tax credit amounts transferred, a copy of which
26 shall be attached to each tax return by an assignee in which
27 such tax credits are used.

28 Section 6. Paragraph (f) is added to subsection (2),
29 and paragraph (j) is added to subsection (3), of section
30 220.193, Florida Statutes, to read:

31 220.193 Florida renewable energy production credit.--

1 (2) As used in this section, the term:

2 (f) "Sale" or "sold" includes the use of the
3 electricity by the producer of the electricity when such use
4 decreases the amount of electricity that would otherwise be
5 purchased by the producer thereof.

6 (3) An annual credit against the tax imposed by this
7 section shall be allowed to a taxpayer, based on the
8 taxpayer's production and sale of electricity from a new or
9 expanded Florida renewable energy facility. For a new
10 facility, the credit shall be based on the taxpayer's sale of
11 the facility's entire electrical production. For an expanded
12 facility, the credit shall be based on the increases in the
13 facility's electrical production that are achieved after May
14 1, 2006.

15 (j) A taxpayer's use of the credit granted pursuant to
16 this section does not reduce the amount of any credit
17 authorized by s. 220.186 which would otherwise be available to
18 that taxpayer.

19 Section 7. Section 255.251, Florida Statutes, is
20 amended to read:

21 255.251 Energy Conservation and Sustainable in
22 Buildings Act; short title.--This act ~~may shall~~ be cited as
23 the "Florida Energy Conservation and Sustainable in Buildings
24 Act ~~of 1974.~~"

25 Section 8. Section 255.252, Florida Statutes, is
26 amended to read:

27 255.252 Findings and intent.--

28 (1) Operating and maintenance expenditures associated
29 with energy equipment and with energy consumed in
30 state-financed and leased buildings represent a significant
31 cost over the life of a building. Energy conserved by

1 appropriate building design not only reduces the demand for
2 energy but also reduces costs for building operation. ~~For~~
3 ~~example, commercial buildings are estimated to use from 20 to~~
4 ~~80 percent more energy than would be required if~~
5 ~~energy conserving designs were used.~~ The size, design,
6 orientation, and operability of windows, the ratio of
7 ventilating air to air heated or cooled, the level of lighting
8 consonant with space-use requirements, the handling of
9 occupancy loads, and the ability to zone off areas not
10 requiring equivalent levels of heating or cooling are but a
11 few of the considerations necessary to conserving energy.

12 (2) Significant efforts are needed to build
13 energy-efficient state-owned buildings that meet environmental
14 standards underway by the General Services Administration, the
15 National Institute of Standards and Technology, and others to
16 detail the considerations and practices for energy
17 conservation in buildings. Most important is that
18 energy-efficient designs provide energy savings over the life
19 of the building structure. ~~Conversely, energy inefficient~~
20 ~~designs cause excess and wasteful energy use and high costs~~
21 ~~over that life.~~ With buildings lasting many decades and with
22 energy costs escalating rapidly, it is essential that the
23 costs of operation and maintenance for energy-using equipment
24 and sustainable materials be included in all design proposals
25 for state-owned state buildings.

26 (3) In order that such energy-efficiency
27 considerations and sustainable materials become a function of
28 building design, and also a model for future application in
29 the private sector, it shall be the policy of the state that
30 buildings constructed and financed by the state be designed
31 and constructed to meet the United States Green Building

1 Council (USGBC) Leadership in Energy and Environmental Design
2 (LEED) rating system, Green Building Initiative's Green Globes
3 rating system, or a nationally recognized, high-performance
4 green building rating system as approved by the department in
5 ~~a manner which will minimize the consumption of energy used in~~
6 ~~the operation and maintenance of such buildings.~~ It is further
7 the policy of the state, when economically feasible, to
8 retrofit existing state-owned buildings in a manner which will
9 minimize the consumption of energy used in the operation and
10 maintenance of such buildings.

11 (4) In addition to designing and constructing new
12 buildings to be energy efficient ~~energy efficient~~, it shall be
13 the policy of the state to operate, maintain, and renovate
14 existing state-owned ~~state~~ facilities, or provide for their
15 renovation, in a manner that ~~which~~ will minimize energy
16 consumption and increase the facilities' sustainability as
17 well as ensure that facilities leased by the state are
18 operated so as to minimize energy use. Agencies are encouraged
19 to consider shared savings financing of such energy projects,
20 using contracts that ~~which~~ split the resulting savings for a
21 specified period of time between the agency and the private
22 firm or cogeneration contracts that ~~which~~ otherwise permit the
23 state to lower its energy costs. Such energy contracts may be
24 funded from the operating budget.

25 (5) Each state agency must identify and compile a list
26 of all state-owned buildings within its inventory which would
27 be suitable for a guaranteed energy performance savings
28 contract pursuant to s. 489.145. Such list shall be submitted
29 to the Department of Management Services by December 31, 2007,
30 and shall include all facilities over 5,000 square feet in
31 area and for which the agency is responsible for paying the

1 expenses of utilities and other operating expenses as they
2 relate to energy use. In consultation with each department
3 secretary or director, by March 1, 2008, the Department of
4 Management Services shall evaluate each agency's facilities
5 suitable for energy conservation projects and shall develop an
6 energy-efficiency project schedule based on factors such as
7 project magnitude, efficiency and effectiveness of energy
8 conservation measures to be implemented, and other factors
9 that may prove to be advantageous to pursue. Such schedule
10 shall provide the deadline for guaranteed energy performance
11 savings contract improvements to be made to the state-owned
12 buildings.

13 Section 9. Subsections (6) and (7) are added to
14 section 255.253, Florida Statutes, to read:

15 255.253 Definitions; ss. 255.251-255.258.--

16 (6) "Sustainable building" means a building that is
17 healthy and comfortable for its occupants and is economical to
18 operate while conserving resources, including energy, water,
19 raw materials, and land, and minimizing the generation of
20 toxic materials and waste in its design, construction,
21 landscaping, and operation.

22 (7) "Sustainable building rating" means a rating
23 established by the United States Green Building Council
24 (USGBC) Leadership in Energy and Environmental Design (LEED)
25 rating system, Green Building Initiative's Green Globes rating
26 system, or a nationally recognized, high-performance green
27 building rating system as approved by the department.

28 Section 10. Section 255.254, Florida Statutes, is
29 amended to read:

30 255.254 No facility constructed or leased without
31 life-cycle costs.--

1 (1) No state agency shall ~~lease,~~ construct, or have
2 constructed, within limits prescribed herein, a facility
3 without having secured from the department ~~an a proper~~
4 evaluation of life-cycle costs based on sustainable building
5 ratings, ~~as computed by an architect or engineer.~~

6 Furthermore, construction shall proceed only upon disclosing,
7 for the facility chosen, the life-cycle costs as determined in
8 s. 255.255, its construction's sustainable building rating
9 goal, and the capitalization of the initial construction costs
10 of the building. The life-cycle costs shall be a primary
11 consideration in the selection of a building design in
12 addition to its sustainable building rating goal. ~~Such~~
13 ~~analysis shall be required only for construction of buildings~~
14 ~~with an area of 5,000 square feet or greater.~~ For leased
15 buildings 5,000 areas of 20,000 square feet or greater within
16 a given building boundary, an energy performance analysis a
17 ~~life cycle analysis~~ shall be performed, and a lease shall ~~only~~
18 be made only where there is a showing that the energy
19 ~~life cycle costs incurred by the state~~ are minimal compared to
20 available like facilities.

21 (2) On and after January 1, 1979, no state agency
22 shall initiate construction or have construction initiated,
23 prior to approval thereof by the department, on a facility or
24 self-contained unit of any facility, the design and
25 construction of which incorporates or contemplates the use of
26 an energy system other than a solar energy system when the
27 life-cycle costs analysis prepared by the department has
28 determined that a solar energy system is the most
29 cost-efficient energy system for the facility or unit.

30 (3) After September 30, 1985, when any state agency
31 must replace or supplement major items of energy-consuming

1 equipment in existing state-owned ~~or leased~~ facilities or any
2 self-contained unit of any facility with other major items of
3 energy-consuming equipment, the selection of such items shall
4 be made on the basis of a life-cycle cost analysis of
5 alternatives in accordance with rules promulgated by the
6 department under s. 255.255.

7 Section 11. Subsection (1) of section 255.255, Florida
8 Statutes, is amended to read:

9 255.255 Life-cycle costs.--

10 (1) The department shall promulgate rules and
11 procedures, including energy conservation performance
12 guidelines based on sustainable building ratings, for
13 conducting a life-cycle cost analysis of alternative
14 architectural and engineering designs and alternative major
15 items of energy-consuming equipment to be retrofitted in
16 existing state-owned or leased facilities and for developing
17 energy performance indices to evaluate the efficiency of
18 energy utilization for competing designs in the construction
19 of state-financed and leased facilities.

20 Section 12. Subsections (10) and (11) of section
21 287.064, Florida Statutes, are amended to read:

22 287.064 Consolidated financing of deferred-payment
23 purchases.--

24 (10) Costs incurred pursuant to a guaranteed energy
25 performance savings contract, including the cost of energy
26 conservation measures, each as defined in s. 489.145, may be
27 financed pursuant to a master equipment financing agreement;
28 however, the costs of training, operation, and maintenance may
29 not be financed. The period of time for repayment of the funds
30 drawn pursuant to the master equipment financing agreement
31 under this subsection may exceed 5 years but may not exceed 20

1 ~~10~~ years for energy conservation measures pursuant to s.
2 489.145, excluding the costs of training, operation, and
3 maintenance. The guaranteed energy performance savings
4 contractor shall provide for the replacement or the extension
5 of the useful life of the equipment during the term of the
6 contract.

7 (11) For purposes of consolidated financing of
8 deferred payment commodity contracts under this section by a
9 state agency, the annualized amount of any such contract must
10 be supported from available recurring funds appropriated to
11 the agency in an appropriation category, ~~other than the~~
12 ~~expense appropriation category~~ as defined in chapter 216, that
13 the Chief Financial Officer has determined is appropriate or
14 that the Legislature has designated for payment of the
15 obligation incurred under this section.

16 Section 13. Subsection (12) is added to section
17 287.16, Florida Statutes, to read:

18 287.16 Powers and duties of department.--The
19 Department of Management Services shall have the following
20 powers, duties, and responsibilities:

21 (12) To conduct an inventory and determine the
22 percentage of motor vehicles purchased with state funds which
23 are flexible motor fuel vehicles or hybrid motor vehicles in
24 current use. Notwithstanding s. 287.151, the department shall
25 purchase over the next 3 years a sufficient number of flexible
26 motor fuel vehicles or hybrid motor vehicles to increase the
27 percentage of such vehicles in the state's inventory to 50
28 percent.

29 Section 14. Section 366.93, Florida Statutes, is
30 amended to read:
31

1 366.93 Cost recovery for the siting, design,
2 licensing, and construction of nuclear and integrated
3 gasification combined cycle power plants.--

4 (1) As used in this section, the term:

5 (a) "Cost" includes, but is not limited to, all
6 capital investments, including rate of return, any applicable
7 taxes, and all expenses, including operation and maintenance
8 expenses, related to or resulting from the siting, licensing,
9 design, construction, or operation of the nuclear or
10 integrated gasification combined cycle power plant.

11 (b) "Electric utility" or "utility" has the same
12 meaning as that provided in s. 366.8255(1)(a).

13 (c) "Integrated gasification combined cycle power
14 plant" or "plant" is an electrical power plant as defined in
15 s. 403.503(13) that uses synthesis gas produced by integrated
16 gasification technology.

17 ~~(d)(e)~~ "Nuclear power plant" or "plant" is an
18 electrical power plant as defined in s. 403.503~~(13)~~~~(12)~~ that
19 uses nuclear materials for fuel.

20 ~~(e)~~ "Power plant" or "plant" means a nuclear power
21 plant or an integrated gasification combined cycle power
22 plant.

23 ~~(f)(d)~~ "Preconstruction" is that period of time after
24 a site has been selected through and including the date the
25 utility completes site clearing work. Preconstruction costs
26 shall be afforded deferred accounting treatment and shall
27 accrue a carrying charge equal to the utility's allowance for
28 funds during construction (AFUDC) rate until recovered in
29 rates.

30 (2) Within 6 months after the enactment of this act,
31 the commission shall establish, by rule, alternative cost

1 recovery mechanisms for the recovery of costs incurred in the
2 siting, design, licensing, and construction of a nuclear or
3 integrated gasification combined cycle power plant. Such
4 mechanisms shall be designed to promote utility investment in
5 nuclear or integrated gasification combined cycle power plants
6 and allow for the recovery in rates of all prudently incurred
7 costs, and shall include, but are not limited to:

8 (a) Recovery through the capacity cost recovery clause
9 of any preconstruction costs.

10 (b) Recovery through an incremental increase in the
11 utility's capacity cost recovery clause rates of the carrying
12 costs on the utility's projected construction cost balance
13 associated with the nuclear or integrated gasification
14 combined cycle power plant. To encourage investment and
15 provide certainty, for nuclear or integrated gasification
16 combined cycle power plant need petitions submitted on or
17 before December 31, 2010, associated carrying costs shall be
18 equal to the pretax AFUDC in effect upon this act becoming
19 law. For nuclear or integrated gasification combined cycle
20 power plants for which need petitions are submitted after
21 December 31, 2010, the utility's existing pretax AFUDC rate is
22 presumed to be appropriate unless determined otherwise by the
23 commission in the determination of need for the nuclear or
24 integrated gasification combined cycle power plant.

25 (3) After a petition for determination of need is
26 granted, a utility may petition the commission for cost
27 recovery as permitted by this section and commission rules.

28 (4) When the nuclear or integrated gasification
29 combined cycle power plant is placed in commercial service,
30 the utility shall be allowed to increase its base rate charges
31 by the projected annual revenue requirements of the nuclear or

1 integrated gasification combined cycle power plant based on
2 the jurisdictional annual revenue requirements of the plant
3 for the first 12 months of operation. The rate of return on
4 capital investments shall be calculated using the utility's
5 rate of return last approved by the commission prior to the
6 commercial inservice date of the nuclear or integrated
7 gasification combined cycle power plant. If any existing
8 generating plant is retired as a result of operation of the
9 nuclear or integrated gasification combined cycle power plant,
10 the commission shall allow for the recovery, through an
11 increase in base rate charges, of the net book value of the
12 retired plant over a period not to exceed 5 years.

13 (5) The utility shall report to the commission
14 annually the budgeted and actual costs as compared to the
15 estimated inservice cost of the nuclear or integrated
16 gasification combined cycle power plant provided by the
17 utility pursuant to s. 403.519(4), until the commercial
18 operation of the nuclear or integrated gasification combined
19 cycle power plant. The utility shall provide such information
20 on an annual basis following the final order by the commission
21 approving the determination of need for the nuclear or
22 integrated gasification combined cycle power plant, with the
23 understanding that some costs may be higher than estimated and
24 other costs may be lower.

25 (6) In the event the utility elects not to complete or
26 is precluded from completing construction of the nuclear or
27 integrated gasification combined cycle power plant, the
28 utility shall be allowed to recover all prudent
29 preconstruction and construction costs incurred following the
30 commission's issuance of a final order granting a
31 determination of need for the nuclear or integrated

1 gasification combined cycle power plant. The utility shall
2 recover such costs through the capacity cost recovery clause
3 over a period equal to the period during which the costs were
4 incurred or 5 years, whichever is greater. The unrecovered
5 balance during the recovery period will accrue interest at the
6 utility's weighted average cost of capital as reported in the
7 commission's earnings surveillance reporting requirement for
8 the prior year.

9 Section 15. Subsection (4) of section 403.519, Florida
10 Statutes, is amended to read:

11 403.519 Exclusive forum for determination of need.--

12 (4) In making its determination on a proposed
13 electrical power plant using nuclear materials or synthesis
14 gas produced by integrated gasification combined cycle power
15 plant as fuel, the commission shall hold a hearing within 90
16 days after the filing of the petition to determine need and
17 shall issue an order granting or denying the petition within
18 135 days after the date of the filing of the petition. The
19 commission shall be the sole forum for the determination of
20 this matter and the issues addressed in the petition, which
21 accordingly shall not be reviewed in any other forum, or in
22 the review of proceedings in such other forum. In making its
23 determination to either grant or deny the petition, the
24 commission shall consider the need for electric system
25 reliability and integrity, including fuel diversity, the need
26 for base-load generating capacity, and the need for adequate
27 electricity at a reasonable cost.

28 (a) The applicant's petition shall include:

29 1. A description of the need for the generation
30 capacity.

31

1 2. A description of how the proposed nuclear or
2 integrated gasification combined cycle power plant will
3 enhance the reliability of electric power production within
4 the state by improving the balance of power plant fuel
5 diversity and reducing Florida's dependence on fuel oil and
6 natural gas.

7 3. A description of and a nonbinding estimate of the
8 cost of the nuclear or integrated gasification combined cycle
9 power plant.

10 4. The annualized base revenue requirement for the
11 first 12 months of operation of the nuclear or integrated
12 gasification combined cycle power plant.

13 5. Information on whether there were any discussions
14 with any electric utilities regarding ownership of a portion
15 of the nuclear or integrated gasification combined cycle power
16 plant by such electric utilities.

17 (b) In making its determination, the commission shall
18 take into account matters within its jurisdiction, which it
19 deems relevant, including whether the nuclear or integrated
20 gasification combined cycle power plant will:

21 1. Provide needed base-load capacity.

22 2. Enhance the reliability of electric power
23 production within the state by improving the balance of power
24 plant fuel diversity and reducing Florida's dependence on fuel
25 oil and natural gas.

26 3. Provide the most cost-effective source of power,
27 taking into account the need to improve the balance of fuel
28 diversity, reduce Florida's dependence on fuel oil and natural
29 gas, reduce air emission compliance costs, and contribute to
30 the long-term stability and reliability of the electric grid.

31

1 (c) No provision of rule 25-22.082, Florida
2 Administrative Code, shall be applicable to a nuclear or
3 integrated gasification combined cycle power plant sited under
4 this act, including provisions for cost recovery, and an
5 applicant shall not otherwise be required to secure
6 competitive proposals for power supply prior to making
7 application under this act or receiving a determination of
8 need from the commission.

9 (d) The commission's determination of need for a
10 nuclear or integrated gasification combined cycle power plant
11 shall create a presumption of public need and necessity and
12 shall serve as the commission's report required by s.
13 403.507(4)(a). An order entered pursuant to this section
14 constitutes final agency action. Any petition for
15 reconsideration of a final order on a petition for need
16 determination shall be filed within 5 days after the date of
17 such order. The commission's final order, including any order
18 on reconsideration, shall be reviewable on appeal in the
19 Florida Supreme Court. Inasmuch as delay in the determination
20 of need will delay siting of a nuclear or integrated
21 gasification combined cycle power plant or diminish the
22 opportunity for savings to customers under the federal Energy
23 Policy Act of 2005, the Supreme Court shall proceed to hear
24 and determine the action as expeditiously as practicable and
25 give the action precedence over matters not accorded similar
26 precedence by law.

27 (e) After a petition for determination of need for a
28 nuclear or integrated gasification combined cycle power plant
29 has been granted, the right of a utility to recover any costs
30 incurred prior to commercial operation, including, but not
31 limited to, costs associated with the siting, design,

1 | licensing, or construction of the plant, shall not be subject
2 | to challenge unless and only to the extent the commission
3 | finds, based on a preponderance of the evidence adduced at a
4 | hearing before the commission under s. 120.57, that certain
5 | costs were imprudently incurred. Proceeding with the
6 | construction of the nuclear or integrated gasification
7 | combined cycle power plant following an order by the
8 | commission approving the need for the nuclear or integrated
9 | gasification combined cycle power plant under this act shall
10 | not constitute or be evidence of imprudence. Imprudence shall
11 | not include any cost increases due to events beyond the
12 | utility's control. Further, a utility's right to recover costs
13 | associated with a nuclear or integrated gasification combined
14 | cycle power plant may not be raised in any other forum or in
15 | the review of proceedings in such other forum. Costs incurred
16 | prior to commercial operation shall be recovered pursuant to
17 | chapter 366.

18 | Section 16. Section 377.802, Florida Statutes, is
19 | amended to read:

20 | 377.802 Purposes ~~Purpose~~.--

21 | (1) This act is intended to provide matching grants to
22 | stimulate capital investment in the state and to enhance the
23 | market for and promote the statewide utilization of renewable
24 | energy technologies. The targeted grants program is designed
25 | to advance the already growing establishment of renewable
26 | energy technologies in the state and encourage the use of
27 | other incentives such as tax exemptions and regulatory
28 | certainty to attract additional renewable energy technology
29 | producers, developers, and users to the state.

30 | (2) This act is ~~also~~ intended to provide incentives
31 | for the purchase of energy-efficient appliances and rebates

1 for solar energy equipment installations for residential and
2 commercial buildings. In order to promote energy efficiency
3 and conservation of the state's resources, the month of
4 October shall annually be designated "Energy Efficiency and
5 Conservation Month."

6 Section 17. Subsection (2) of section 377.803, Florida
7 Statutes, is repealed.

8 Section 18. Subsection (6) of section 377.804, Florida
9 Statutes, is repealed.

10 Section 19. Section 377.806, Florida Statutes, is
11 amended to read:

12 377.806 Solar Energy System Incentives Program.--

13 (1) PURPOSE.--The Solar Energy System Incentives
14 Program is established within the department to provide
15 financial incentives for the purchase and installation of
16 solar energy systems.

17 (2) ELIGIBILITY.--

18 (a) Any resident of the state who purchases and
19 installs a new solar energy system of 2 kilowatts or larger
20 for a solar photovoltaic system, a solar energy system that
21 provides at least 50 percent of a building's hot water
22 consumption for a solar thermal system, or a solar thermal
23 pool heater, from July 1, 2006, through June 30, 2010, is
24 eligible for a rebate on a portion of the purchase price of
25 that solar energy system.

26 (b) Payment of a rebate may be made only to the final
27 purchaser of an eligible system.

28 (3)~~(2)~~ SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE.--

29 (a) System Eligibility requirements.--A solar
30 photovoltaic system qualifies for a rebate if:

31

1 1. The system is installed by a state-licensed master
2 electrician, electrical contractor, or solar contractor.

3 2. The system complies with state interconnection
4 standards as provided by the commission.

5 3. The system complies with all applicable building
6 codes as defined by the local jurisdictional authority.

7 (b) Rebate amounts.--The rebate amount shall be set at
8 \$4 per watt based on the total wattage rating of the system.

9 The maximum allowable rebate per solar photovoltaic system
10 installation shall be as follows:

11 1. Twenty thousand dollars for a residence.

12 2. One hundred thousand dollars for a place of
13 business, a publicly owned or operated facility, or a facility
14 owned or operated by a private, not-for-profit organization,
15 including condominiums or apartment buildings.

16 (4)~~(3)~~ SOLAR THERMAL SYSTEM INCENTIVE.--

17 (a) Eligibility requirements.--A solar thermal system
18 qualifies for a rebate if:

19 1. The system is installed by a state-licensed solar
20 or plumbing contractor.

21 2. The system complies with all applicable building
22 codes as defined by the local jurisdictional authority.

23 (b) Rebate amounts.--Authorized rebates for
24 installation of solar thermal systems shall be as follows:

25 1. Five hundred dollars for a residence.

26 2. Fifteen dollars per 1,000 Btu up to a maximum of
27 \$5,000 for a place of business, a publicly owned or operated
28 facility, or a facility owned or operated by a private,
29 not-for-profit organization, including condominiums or
30 apartment buildings. ~~Btu must be verified by approved metering
31 equipment.~~

1 ~~(5)(4)~~ SOLAR THERMAL POOL HEATER INCENTIVE.--

2 (a) Eligibility requirements.--A solar thermal pool
3 heater qualifies for a rebate if the system is installed by a
4 state-licensed solar or plumbing contractor and the system
5 complies with all applicable building codes as defined by the
6 local jurisdictional authority.

7 (b) Rebate amount.--Authorized rebates for
8 installation of solar thermal pool heaters shall be \$100 per
9 installation.

10 ~~(6)(5)~~ APPLICATION.--Application for a rebate must be
11 made within 90 days after the purchase of the solar energy
12 equipment.

13 (7) LIMITS.--Rebates are limited to one per type of
14 system described in paragraph (2)(a) per resident per state
15 fiscal year.

16 ~~(8)(6)~~ REBATE AVAILABILITY.--The department shall
17 determine and publish on a regular basis the amount of rebate
18 funds remaining in each fiscal year. The total dollar amount
19 of all rebates issued by the department is subject to the
20 total amount of appropriations in any fiscal year for this
21 program. If funds are insufficient during the current fiscal
22 year, any requests for rebates received during that fiscal
23 year may be processed during the following fiscal year.
24 Requests for rebates received in a fiscal year that are
25 processed during the following fiscal year shall be given
26 priority over requests for rebates received during the
27 following fiscal year.

28 ~~(9)(7)~~ RULES.--The department shall adopt rules
29 pursuant to ss. 120.536(1) and 120.54 to develop rebate
30 applications and administer the issuance of rebates.

31

1 Section 20. Section 212.0802, Florida Statutes, is
2 created to read:

3 212.0802 Sales tax exemption for energy efficient
4 products.--

5 (1) To encourage Floridians to conserve energy and use
6 energy efficiently, the weeks beginning October 1, 2007, and
7 March 3, 2008, are designated "Energy Efficiency and
8 Conservation Weeks."

9 (2) The tax levied under this chapter may not be
10 collected from 12:01 a.m., October 1, 2007, through midnight,
11 October 7, 2007, and from 12:01 a.m., March 3, 2008, through
12 midnight, March 9, 2008, on the sale of a new energy-efficient
13 product having a selling price of \$1,500 or less per product
14 during that period. This exemption applies only when the
15 energy-efficient product is purchased for noncommercial home
16 or personal use and does not apply when the product is
17 purchased for trade, business, or resale. As used in this
18 section, the term "energy-efficient product" means a
19 dishwasher, clothes washer, air conditioner, ceiling fan,
20 compact fluorescent light bulb, dehumidifier, programmable
21 thermostat, or refrigerator that has been designated by the
22 United States Environmental Protection Agency or by the United
23 States Department of Energy as meeting or exceeding the
24 requirements under the Energy Star Program of either agency.
25 Purchases made under this section may not be made using a
26 business or company credit or debit card or check. Any
27 construction company, building contractor, or commercial
28 business or entity that purchases or attempts to purchase the
29 energy-efficient products as exempt under this section commits
30 an unfair method of competition in violation of s. 501.204,
31 punishable as provided in s. 501.2075. The Department of

1 Revenue may adopt rules under ss. 120.536(1) and 120.54 to
2 administer this section.

3 Section 21. Section 377.901, Florida Statutes, is
4 amended to read:

5 377.901 Florida Energy Commission.--

6 (1) The Florida Energy Commission is created and shall
7 be located within the Office of Legislative Services but is to
8 otherwise function independently for administrative purposes.

9 The commission shall be comprised of a total of 13 ~~nine~~
10 members.

11 (a) The members shall be appointed as follows: the
12 Governor, the President of the Senate, and the Speaker of the
13 House of Representatives shall appoint four members each and
14 shall jointly appoint the 13th ~~ninth~~ member, who shall serve
15 as chair, except that the term of the first chair previously
16 appointed by the President of the Senate and the Speaker of
17 the House of Representatives prior to the Governor's ability
18 to appoint commissioners shall not be affected by the
19 additional commissioners to be appointed by the Governor. If
20 at any time a sitting commissioner is appointed chair, that
21 commissioner shall begin a new 2-year term at the time of
22 appointment. Members shall be appointed to 2-year terms;
23 however, in order to establish staggered terms, for the
24 initial appointments, each appointing official shall appoint
25 two members to a 1-year term and two members to a 2-year term.
26 The Governor's initial appointments shall also be staggered in
27 the manner described in this paragraph. Members must meet the
28 following qualifications and restrictions:

29 1. A member must be an expert in one or more of the
30 following fields: energy, natural resource conservation,
31 economics, engineering, finance, law, consumer protection,

1 | state energy policy, or another field substantially related to
2 | the duties and functions of the commission. The commission
3 | shall fairly represent the fields specified in this
4 | subparagraph.

5 | 2. Each member shall, at the time of appointment and
6 | at each commission meeting during his or her term of office,
7 | disclose:

8 | a. Whether he or she has any financial interest, other
9 | than ownership of shares in a mutual fund, in any business
10 | entity that, directly or indirectly, owns or controls, or is
11 | an affiliate or subsidiary of, any business entity that may
12 | profit by the policy recommendations developed by the
13 | commission.

14 | b. Whether he or she is employed by or is engaged in
15 | any business activity with any business entity that, directly
16 | or indirectly, owns or controls, or is an affiliate or
17 | subsidiary of, any business entity that may profit by the
18 | policy recommendations developed by the commission.

19 | (b) The following are ex officio, nonvoting members
20 | who may also attend meetings and provide information and
21 | advise at the request of the chair:

22 | 1. The chair of the Florida Public Service Commission,
23 | or his or her designee.

24 | 2. The Public Counsel, or his or her designee.

25 | 3. The Commissioner of Agriculture, or his or her
26 | designee.

27 | 4. The Director of the Office of Insurance Regulation,
28 | or his or her designee.

29 | 5. The Secretary of Health, or his or her designee.

30 | 6. The chair of the State Board of Education, or his
31 | or her designee.

1 7. The Secretary of Community Affairs, or his or her
2 designee.

3 8. The Secretary of Transportation, or his or her
4 designee.

5 9. The Secretary of Environmental Protection, or his
6 or her designee.

7 (2) Members shall serve without compensation but are
8 entitled to reimbursement for per diem and travel expenses as
9 provided in s. 112.061. Ex officio, nonvoting members are
10 entitled to the same reimbursement through their respective
11 agency budgets.

12 (3) Meetings of the commission shall be held in
13 various locations around the state and at the call of the
14 chair; however, the commission must meet at least twice each
15 year.

16 (4)(a) The commission may employ staff to assist in
17 the performance of its duties, including an executive
18 director, an attorney, a communications staff member, and an
19 executive assistant. To carry out the duties of the
20 commission, the chair of the commission, or the chair's
21 designee, shall make all spending decisions within the annual
22 operating budget approved by the President of the Senate and
23 the Speaker of the House of Representatives, including the
24 compensation of the commission's staff.

25 (b) The commission may form advisory groups consisting
26 of members of the public to provide information on specific
27 issues.

28 (5) The commission shall develop recommendations for
29 legislation to establish a state energy policy. The
30 recommendations of the commission shall be based on the
31 guiding principles of reliability, efficiency, affordability,

1 and diversity as provided in subsection (7). The commission
2 shall continually review the state energy policy and shall
3 recommend to the Legislature any additional necessary changes
4 or improvements. In carrying out this responsibility, the
5 commission may conduct research, hold public meetings, and
6 make recommendations on any individual substantive issue that
7 may be included in such policy, including, but not limited to,
8 climate change, greenhouse gas reduction, renewable energy,
9 conservation, and power generation, transmission, and
10 distribution.

11 (6)(a) The commission shall report by December 31 of
12 each year to the Governor, the President of the Senate, and
13 the Speaker of the House of Representatives on its progress
14 and recommendations, including draft legislation.

15 (b) The commission's initial report must be filed by
16 December 31, 2007, and must identify incentives for research,
17 development, or deployment projects involving the goals and
18 issues set forth in this section; set forth policy
19 recommendations for conservation of all forms of energy; and
20 set forth a plan of action, together with a timetable, for
21 addressing additional issues.

22 ~~(c) The commission's initial report shall also~~
23 ~~recommend consensus based public involvement processes that~~
24 ~~evaluate greenhouse gas emissions in this state and make~~
25 ~~recommendations regarding related economic, energy, and~~
26 ~~environmental benefits.~~

27 ~~(c)(d)~~ The report must include a recommendation
28 ~~recommended steps and a schedule for the development of a~~
29 comprehensive state climate action plan with greenhouse gas
30 reduction through a public-involvement process, including
31 transportation and land use; power generation; residential,

1 commercial, and industrial activities; waste management;
2 agriculture and forestry; emissions-reporting systems; and
3 public education.

4 (7) In developing its recommendations, the commission
5 shall be guided by the principles of reliability, efficiency,
6 affordability, and diversity, and more specifically as
7 follows:

8 (a) The state should have a reliable electric supply
9 with adequate reserves.

10 (b) The transmission and delivery of electricity
11 should be reliable.

12 (c) The generation, transmission, and delivery of
13 electricity should be accomplished with the least detriment to
14 the environment and public health.

15 (d) The generation, transmission, and delivery of
16 electricity should be accomplished compatibly with the goals
17 for growth management.

18 (e) Electricity generation, transmission, and delivery
19 facilities should be reasonably secure from damage, taking all
20 factors into consideration, and recovery from damage should be
21 prompt.

22 (f) Electric rates should be affordable, as to base
23 rates and all recovery-clause additions, with sufficient
24 incentives for utilities to achieve this goal.

25 (g) The state should have a reliable supply of motor
26 vehicle fuels, both under normal circumstances and during
27 hurricanes and other emergency situations.

28 (h) In-state research, development, and deployment of
29 alternative energy technologies and alternative motor vehicle
30 fuels should be encouraged.

31

1 (i) When possible, the resources of the state should
2 be used in achieving the goals enumerated in this subsection.

3 (j) Consumers of energy should be encouraged and given
4 incentives to be more efficient in their use of energy.

5 (8) The commission's first report shall also contain
6 recommendations on net metering. The commission shall research
7 the application of net metering in those situations in which a
8 customer of an electric utility produces, by means of one or
9 more renewable energy systems, more energy than he or she uses
10 and as a result has excess energy to sell back to the electric
11 utility. The commission's research shall address the
12 appropriateness of this process for encouraging the
13 development and use of renewable energy systems, power
14 generation reliability, pricing considerations, and any other
15 factor the commission deems necessary for an understanding of
16 the issue.

17
18 It is the specific intent of the Legislature that nothing in
19 this section shall in any way change the powers, duties, and
20 responsibilities of the Public Service Commission or the
21 powers, duties, and responsibilities assigned by the Florida
22 Electrical Power Plant Siting Act, ss. 403.501-403.518.

23 Section 22. Section 403.0874, Florida Statutes, is
24 created to read:

25 403.0874 Greenhouse gas inventories.--

26 (1) The Department of Environmental Protection shall
27 develop gas inventories of all major greenhouse gases to
28 account for annual greenhouse gases emitted to and removed
29 from the atmosphere, and shall also forecast gases emitted and
30 removed, for time periods determined sufficient by the
31 department to provide for adequate analysis and planning.

1 (2) By rule, the department shall define which
2 greenhouse gases are to be included in each inventory, the
3 criteria for defining major emitters, which emitters must
4 report emissions, and what methodologies shall be used to
5 estimate gases emitted and removed from those not required to
6 report.

7 (3) The department may require all major emitters of
8 defined greenhouse gases to report emissions according to
9 methodologies and reporting systems approved by the department
10 and established by rule, which may include the use of
11 quality-assured data from continuous emissions monitoring
12 systems.

13 (4) The department shall provide a summary report of
14 greenhouse gas inventories at least once a year to the Florida
15 Energy Commission created by s. 377.901 for its use in its
16 long-term evaluations and for preparing the report required by
17 s. 377.901(6).

18 Section 23. Section 489.145, Florida Statutes, is
19 amended to read:

20 489.145 Guaranteed energy performance savings
21 contracting.--

22 (1) SHORT TITLE.--This section may be cited as the
23 "Guaranteed Energy Performance Savings Contracting Act."

24 (2) LEGISLATIVE FINDINGS.--The Legislature finds that
25 investment in energy conservation measures in agency
26 facilities can reduce the amount of energy consumed and
27 produce immediate and long-term savings. It is the policy of
28 this state to encourage agencies to invest in energy
29 conservation measures ~~that reduce energy consumption, produce~~
30 ~~a cost savings for the agency, and improve the quality of~~
31 ~~indoor air in public facilities and to operate, maintain, and,~~

1 ~~when economically feasible, build or renovate existing agency~~
2 ~~facilities in such a manner as~~ to minimize energy consumption
3 and maximize energy savings. It is further the policy of this
4 state to encourage agencies to reinvest any energy savings
5 resulting from energy conservation measures in additional
6 energy conservation efforts.

7 (3) DEFINITIONS.--As used in this section, the term:

8 (a) "Agency" means the state, a municipality, or a
9 political subdivision.

10 (b) "Energy conservation measure" means a ~~training~~
11 ~~program,~~ facility alteration, or an equipment purchase to be
12 used in new construction, including an addition to an existing
13 facility, which reduces energy or energy-related operating
14 costs and includes, but is not limited to:

15 1. Insulation of the facility structure and systems
16 within the facility.

17 2. Storm windows and doors, caulking or
18 weatherstripping, multiglazed windows and doors,
19 heat-absorbing, or heat-reflective, glazed and coated window
20 and door systems, additional glazing, reductions in glass
21 area, and other window and door system modifications that
22 reduce energy consumption.

23 3. Automatic energy control systems.

24 4. Heating, ventilating, or air-conditioning system
25 modifications or replacements.

26 5. Replacement or modifications of lighting fixtures
27 to increase the energy efficiency of the lighting system,
28 which, at a minimum, must conform to the applicable state or
29 local building code.

30 6. Energy recovery systems.

31

1 7. Cogeneration systems that produce steam or forms of
2 energy such as heat, as well as electricity, for use primarily
3 within a facility or complex of facilities.

4 8. Energy conservation measures that reduce Btu, kW,
5 or kWh consumed or provide long-term operating cost reductions
6 ~~or significantly reduce Btu consumed.~~

7 9. Renewable energy systems, such as solar, biomass,
8 or wind systems.

9 10. Devices that reduce water consumption or sewer
10 charges.

11 11. Storage systems, such as fuel cells and thermal
12 storage.

13 12. Generating technologies, such as microturbines.

14 13. Any other repair, replacement, or upgrade of
15 existing equipment.

16 (c) "Energy cost savings" means a measured reduction
17 in the cost of fuel, energy consumption, and stipulated
18 operation and maintenance created from the implementation of
19 one or more energy conservation measures when compared with an
20 established baseline for the previous cost of fuel, energy
21 consumption, and stipulated operation and maintenance.

22 (d) "Guaranteed energy performance savings contract"
23 means a contract for the evaluation, recommendation, and
24 implementation of energy conservation measures or
25 energy-related operational savings measures, which, at a
26 minimum, shall include:

27 1. The design and installation of equipment to
28 implement one or more of such measures and, if applicable,
29 operation and maintenance of such measures.

30 2. The amount of any actual annual savings that meet
31 or exceed total annual contract payments made by the agency

1 for the contract and may include allowable cost avoidance. As
2 used in this section, allowable cost-avoidance calculations
3 include, but are not limited to, avoided provable budgeted
4 costs contained in a capital replacement plan less the current
5 undepreciated value of replaced equipment and the replacement
6 cost of the new equipment.

7 3. The finance charges incurred by the agency over the
8 life of the contract.

9 (e) "Guaranteed energy performance savings contractor"
10 means a person or business that is licensed under chapter 471,
11 chapter 481, or this chapter, and is experienced in the
12 analysis, design, implementation, or installation of energy
13 conservation measures through energy performance contracts.

14 (4) PROCEDURES.--

15 (a) An agency may enter into a guaranteed energy
16 performance savings contract with a guaranteed energy
17 performance savings contractor to ~~significantly~~ reduce energy
18 consumption or energy-related operating costs of an agency
19 facility through one or more energy conservation measures.

20 (b) Before design and installation of energy
21 conservation measures, the agency must obtain from a
22 guaranteed energy performance savings contractor a report that
23 summarizes the costs associated with the energy conservation
24 measures or energy-related operational-cost-savings measures
25 and provides an estimate of the amount of the ~~energy~~ cost
26 savings. The agency and the guaranteed energy performance
27 savings contractor may enter into a separate agreement to pay
28 for costs associated with the preparation and delivery of the
29 report; however, payment to the contractor shall be contingent
30 upon the report's projection of energy or operational cost
31 savings being equal to or greater than the total projected

1 costs of the design and installation of the report's energy
2 conservation measures.

3 (c) The agency may enter into a guaranteed energy
4 performance savings contract with a guaranteed energy
5 performance savings contractor if the agency finds that the
6 amount the agency would spend on the energy conservation or
7 energy-related cost savings measures will not likely exceed
8 the amount of the energy or energy-related cost savings for up
9 to 20 years from the date of installation, based on the life
10 cycle cost calculations provided in s. 255.255, if the
11 recommendations in the report were followed and if the
12 qualified provider or providers give a written guarantee that
13 the energy or energy-related cost savings will meet or exceed
14 the costs of the system. However, actual computed cost savings
15 must meet or exceed the estimated cost savings provided in
16 program approval. Baseline adjustments used in calculations
17 must be specified in the contract. The contract may provide
18 for installment payments for a period not to exceed 20 years.

19 (d) A guaranteed energy performance savings contractor
20 must be selected in compliance with s. 287.055; except that if
21 fewer than three firms are qualified to perform the required
22 services, the requirement for agency selection of three firms,
23 as provided in s. 287.055(4)(b), and the bid requirements of
24 s. 287.057 do not apply.

25 (e) Before entering into a guaranteed energy
26 performance savings contract, an agency must provide published
27 notice of the meeting in which it proposes to award the
28 contract, the names of the parties to the proposed contract,
29 and the contract's purpose.

30 (f) A guaranteed energy performance savings contract
31 may provide for financing, including tax exempt financing, by

1 a third party. The contract for third party financing may be
2 separate from the energy performance contract. A separate
3 contract for third party financing must include a provision
4 that the third party financier pursuant to this paragraph must
5 not be granted rights or privileges that exceed the rights and
6 privileges available to the guaranteed energy performance
7 savings contractor.

8 (g) Financing for guaranteed energy performance
9 savings contracts may be provided under the authority of s.
10 287.064.

11 (h) The Office of the Chief Financial Officer shall
12 review proposals to ensure that the most effective financing
13 is being used.

14 (i)(g) In determining the amount the agency will
15 finance to acquire the energy conservation measures, the
16 agency may reduce such amount by the application of any grant
17 moneys, rebates, or capital funding available to the agency
18 for the purpose of buying down the cost of the guaranteed
19 energy performance savings contract. However, in calculating
20 the life cycle cost as required in paragraph (c), the agency
21 shall not apply any grants, rebates, or capital funding.

22 (5) CONTRACT PROVISIONS.--

23 (a) A guaranteed energy performance savings contract
24 must include a written guarantee that may include, but is not
25 limited to the form of, a letter of credit, insurance policy,
26 or corporate guarantee by the guaranteed energy performance
27 savings contractor that annual energy cost savings will meet
28 or exceed the amortized cost of energy conservation measures.

29 (b) The guaranteed energy performance savings contract
30 must provide that all payments, except obligations on
31 termination of the contract before its expiration, may be made

1 over time, but not to exceed 20 years from the date of
2 complete installation and acceptance by the agency, and that
3 the annual savings are guaranteed to the extent necessary to
4 make annual payments to satisfy the guaranteed energy
5 performance savings contract.

6 (c) The guaranteed energy performance savings contract
7 must require that the guaranteed energy performance savings
8 contractor to whom the contract is awarded provide a
9 100-percent public construction bond to the agency for its
10 faithful performance, as required by s. 255.05.

11 (d) The guaranteed energy performance savings contract
12 may contain a provision allocating to the parties to the
13 contract any annual energy cost savings that exceed the amount
14 of the energy cost savings guaranteed in the contract.

15 (e) The guaranteed energy performance savings contract
16 shall require the guaranteed energy performance savings
17 contractor to provide to the agency an annual reconciliation
18 of the guaranteed energy or energy-related cost savings. If
19 the reconciliation reveals a shortfall in annual energy or
20 energy-related cost savings, the guaranteed energy performance
21 savings contractor is liable for such shortfall. If the
22 reconciliation reveals an excess in annual ~~energy~~ cost
23 savings, the excess savings may be allocated under paragraph
24 (d) but may not be used to cover potential energy cost savings
25 shortages in subsequent contract years.

26 (f) The guaranteed energy performance savings contract
27 must provide for payments of not less than one-twentieth of
28 the price to be paid within 2 years from the date of the
29 complete installation and acceptance by the agency using
30 straight-line amortization for the term of the loan, and the
31

1 remaining costs to be paid at least quarterly, not to exceed a
2 20-year term, based on life cycle cost calculations.

3 (g) The guaranteed energy performance savings contract
4 may extend beyond the fiscal year in which it becomes
5 effective; however, the term of any contract expires at the
6 end of each fiscal year and may be automatically renewed
7 annually for up to 20 years, subject to the agency making
8 sufficient annual appropriations based upon continued realized
9 energy savings.

10 (h) The guaranteed energy performance savings contract
11 must stipulate that it does not constitute a debt, liability,
12 or obligation of the state.

13 (6) PROGRAM ADMINISTRATION AND CONTRACT REVIEW.--The
14 Department of Management Services, with the assistance of the
15 Office of the Chief Financial Officer, shall ~~may~~, within
16 available resources, provide technical content assistance to
17 state agencies contracting for energy conservation measures
18 and engage in other activities considered appropriate by the
19 department for promoting and facilitating guaranteed energy
20 performance contracting by state agencies. The Office of the
21 Chief Financial Officer, with the assistance of the Department
22 of Management Services, shall ~~may, within available resources,~~
23 develop model contractual and related documents for use by
24 state agencies. Prior to entering into a guaranteed energy
25 performance savings contract, any contract or lease for
26 third-party financing, or any combination of such contracts, a
27 state agency shall submit such proposed contract or lease to
28 the Office of the Chief Financial Officer for review and
29 approval.

30 A proposed contract or lease shall include:
31

1 (a) Supporting information required by s.
2 216.023(4)(a)9.

3 (b) Documentation supporting recurring funds
4 requirements in ss. 287.063(5) and 287.064(11).

5 (c) Approval by the agency head or his or her
6 designee.

7 (d) An agency measurement and verification plan to
8 monitor cost savings.

9 (7) FUNDING SUPPORT.--For purposes of consolidated
10 financing of deferred payment commodity contracts under this
11 section by a state agency, the annualized amount of any such
12 contract must be supported from available recurring funds
13 appropriated to the agency in an appropriation category, as
14 defined in chapter 216, which the Chief Financial Officer has
15 determined is appropriate or which the Legislature has
16 designated for payment of the obligation incurred under this
17 section.

18
19 The Office of the Chief Financial Officer may not approve any
20 contract submitted under this section which does not meet the
21 requirements of this section.

22 Section 24. Section 570.956, Florida Statutes, is
23 created to read:

24 570.956 Farm-to-Fuel Advisory Council.

25 (1) The Farm-to-Fuel Advisory Council is created
26 within the department to provide advice and counsel to the
27 commissioner concerning the production of renewable energy in
28 this state. The advisory council shall consist of 15 members,
29 14 of whom shall be appointed by the commissioner and one of
30 whom shall be appointed by the Governor for 4-year terms or
31

1 until a successor is duly qualified and appointed. Members
2 shall include:

3 (a) One citizen-at-large member who represents the
4 views of the public toward renewable energy.

5 (b) Six members, each of whom is a producer or grower
6 actively engaged in the agricultural area of one of the
7 following industries:

8 1. Sugarcane.

9 2. Citrus.

10 3. Field crops.

11 4. Dairy.

12 5. Livestock or poultry.

13 6. Forestry.

14 (c) One member who represents the petroleum industry
15 or who is actively engaged in the trade of petroleum products.

16 (d) One member who represents public utilities or the
17 electric power industry.

18 (e) Two members who represent colleges and
19 universities in this state and who are engaged in research
20 involving alternative fuels or renewable energy.

21 (f) One member who represents the environmental
22 community or an environmental organization.

23 (g) One member who represents the ethanol industry or
24 who has expertise in the production of ethanol.

25 (h) One member who represents the biodiesel industry
26 or who has expertise in the production of biodiesel.

27 (i) One member appointed by the Governor.

28 (2) The council is an advisory committee the operation
29 of which is governed by s. 570.0705.

30 Section 25. Section 570.957, Florida Statutes, is
31 created to read:

1 570.957 Farm-to-Fuel Grants Program.

2 (1) As used in this section, the term:

3 (a) "Bioenergy" means useful, renewable energy
4 produced from organic matter through the conversion of the
5 complex carbohydrates in organic matter to energy. Organic
6 matter may be used directly as a fuel, be processed into
7 liquids or gases, or constitute a residue of processing and
8 conversion.

9 (b) "Department" means the Department of Agriculture
10 and Consumer Services.

11 (c) "Person" means an individual, partnership, joint
12 venture, private or public corporation, association, firm,
13 public service company, or other public or private entity.

14 (d) "Renewable energy" means electrical, mechanical,
15 or thermal energy produced from a method that uses one or more
16 of the following fuels or energy sources: hydrogen, biomass,
17 solar energy, geothermal energy, wind energy, ocean energy,
18 waste heat, or hydroelectric power.

19 (2) The Farm-to-Fuel Grants Program is established
20 within the Department of Agriculture and Consumer Services to
21 provide renewable energy matching grants for demonstration,
22 commercialization, research, and development projects relating
23 to bioenergy projects.

24 (a) Matching grants for bioenergy demonstration,
25 commercialization, research, and development projects may be
26 made to any of the following:

27 1. Municipalities and county governments.

28 2. Established for-profit companies licensed to do
29 business in the state.

30 3. Universities and colleges in the state.

31 4. Utilities located and operating within the state.

1 5. Not-for-profit organizations.

2 6. Other qualified persons, as determined by the
3 Department of Agriculture and Consumer Services.

4 (b) The Department of Agriculture and Consumer
5 Services may adopt rules to provide for allocation of grant
6 funds by project type, application requirements, ranking of
7 applications, and awarding of grants under this program.

8 (c) Factors for consideration in awarding grants may
9 include, but are not limited to, the degree to which:

10 1. The project produces bioenergy from Florida-grown
11 crops or biomass.

12 2. The project demonstrates efficient use of energy
13 and material resources.

14 3. Matching funds and in-kind contributions from an
15 applicant are available.

16 4. The project has a reasonable assurance of enhancing
17 the value of agricultural products or will expand agribusiness
18 in the state.

19 5. Preliminary market and feasibility research has
20 been conducted by the applicant or others and shows that there
21 is a reasonable assurance of a potential market.

22 6. The project stimulates in-state capital investment
23 and economic development in metropolitan and rural areas,
24 including the creation of jobs and the future development of a
25 commercial market for bioenergy.

26 (d) In evaluating and awarding grants under this
27 section, the Department of Agriculture and Consumer Services
28 shall consult with and solicit input from the Department of
29 Environmental Protection.

30 (e) In determining the technical feasibility of grant
31 applications, the Department of Agriculture and Consumer

1 Services shall coordinate and actively consult with persons
2 having expertise in renewable energy technologies.

3 (f) In determining the economic feasibility of
4 bioenergy grant applications, the Department of Agriculture
5 and Consumer Services shall consult with the Office of
6 Tourism, Trade, and Economic Development.

7 Section 26. Section 570.958, Florida Statutes, is
8 created to read:

9 570.958 Biofuel Retail Sales Incentive Program.--

10 (1) The purpose of this section is to encourage the
11 retail sale of biofuels in this state and replace petroleum
12 consumption in the state by the following percentages over the
13 specified periods:

14 (a) Three percent from January 1, 2008, through
15 December 31, 2008.

16 (b) Five percent from January 1, 2009, through
17 December 31, 2009.

18 (c) Seven percent from January 1, 2010, through
19 December 31, 2010.

20 (d) Ten percent from January 1, 2011, through December
21 31, 2011.

22 (2) As used in this section, the term:

23 (a) "Biodiesel" means the mono-alkyl esters of
24 long-chain fatty acids derived from plant or animal matter for
25 use as a source of energy and meeting the specifications for
26 biodiesel and biodiesel blended with petroleum products as
27 adopted by the department.

28 (b) "Biodiesel blended fuel" means a fuel mixture
29 containing 10 percent or more biodiesel with the balance
30 comprised of diesel fuel and meeting the specifications for
31 biodiesel blends as adopted by the department.

1 (c) "Biofuel" means E85 fuel ethanol, E10 motor fuel,
2 biodiesel, and biodiesel blended fuel.

3 (d) "E85 fuel ethanol" means ethanol blended with
4 gasoline and formulated with a nominal percentage of 85
5 percent ethanol by volume and meeting the applicable fuel
6 quality specifications as adopted by the department.

7 (e) "E10 motor fuel" means a motor fuel blend
8 consisting of nominal percentages of 90 percent gasoline by
9 volume and 10 percent ethanol by volume and meeting the fuel
10 quality specifications for gasoline as adopted by the
11 department.

12 (f) "Ethanol or fuel ethanol" means an anhydrous
13 denatured alcohol produced by the conversion of carbohydrates
14 and meeting the specifications for fuel ethanol as adopted by
15 the department.

16 (g) "Fuel dispenser" means a pump, meter, or similar
17 device used to measure and deliver motor fuel or diesel fuel
18 on a retail basis.

19 (h) "Retail dealer" means any person who is engaged in
20 the business of selling fuel at retail at posted retail
21 prices.

22 (i) "Retail motor fuel site" means a geographic
23 location in this state where a retail dealer sells or offers
24 for sale motor fuel, diesel fuel, or biofuel to the general
25 public.

26 (3)(a) Subject to specific appropriation, a retail
27 dealer who sells biofuel through fuel dispensers at retail
28 motor fuel sites is entitled to an incentive payment, which
29 shall be computed as follows:

30 1. An incentive of 1 cent for each gallon of E10 motor
31 fuel sold through a fuel dispenser.

1 2. An incentive of 3 cents for each gallon of E85 fuel
2 ethanol sold through a fuel dispenser.

3 3. An incentive of 1 cent for each gallon of biodiesel
4 blended fuel sold through a fuel dispenser.

5 4. An incentive of 3 cents for each gallon of
6 biodiesel sold through a fuel dispenser.

7 (b) The incentive may be claimed for biofuel sold on
8 or after January 1, 2008. Beginning in 2009, each applicant
9 claiming an incentive under this section must first apply to
10 the department by February 1 of each year for an allocation of
11 the available incentive for the preceding calendar year. The
12 department shall develop an application form. The application
13 form shall, at a minimum, require a sworn affidavit from each
14 retail dealer certifying the following information:

15 1. The name and principal address of the retail
16 dealer.

17 2. The address of the retail dealer's retail motor
18 fuel sites from which it sold biofuels during the preceding
19 calendar year.

20 3. The total gallons of E10 ethanol sold through fuel
21 dispensers.

22 4. The total gallons of E85 ethanol sold through fuel
23 dispensers.

24 5. The total gallons of biodiesel blended fuel sold
25 through fuel dispensers.

26 6. The total gallons of biodiesel sold through fuel
27 dispensers.

28 7. Any other information deemed necessary by the
29 department to adequately ensure that the incentive allowed
30 under this section is made only to qualified Florida retail
31 dealers.

1 (c) The department shall determine the amount of the
2 incentive allowed under this section.

3 (4) If the amount of incentives applied for each year
4 exceeds the amount appropriated, the department shall pay to
5 each applicant a prorated amount based on each applicant's
6 gallorage of qualified biofuel sold and dispensed which is
7 eligible for the incentive under this section.

8 (5) The department may adopt rules pursuant to ss.
9 120.536(1) and 120.54 to implement and administer this
10 section, including rules prescribing forms, the documentation
11 needed to substantiate a claim for the incentive, and the
12 specific procedures and guidelines for claiming the incentive.

13 Section 27. Section 570.959, Florida Statutes, is
14 created to read:

15 570.959 Florida Biofuel Production Incentive
16 Program.--

17 (1) The purpose of this section is to encourage the
18 development and expansion of facilities that produce biofuels
19 in this state from crops, agricultural waste and residues, and
20 other biomass produced in Florida by providing economic
21 incentives to do so.

22 (2) As used in this section, the term:

23 (a) "Biodiesel" means the mono-alkyl esters of
24 long-chain fatty acids derived from plant or animal matter for
25 use as a source of energy and meeting the specifications for
26 biodiesel and biodiesel blended with petroleum products as
27 adopted by the department.

28 (b) "Biofuel" means ethanol or biodiesel.

29 (c) "Ethanol" or "fuel ethanol" means an anhydrous
30 denatured alcohol produced by the conversion of carbohydrates
31

1 and meeting the specifications for fuel ethanol adopted by the
2 department.

3 (d) "Florida biofuel production" means production of
4 biofuel in the state from crops, agricultural waste and
5 residues, and other biomass produced in Florida.

6 (3) In order to be eligible for the incentive provided
7 in this section, a producer must have registered and have met
8 the requirements contained in chapter 206.

9 (4) An incentive, subject to appropriation, shall be
10 paid to a producer based on Florida biofuel production as
11 follows:

12 (a) The incentive shall be 5 cents for each gallon of
13 unblended Florida biofuel produced, exclusive of denaturant,
14 during a given calendar year and sold to an unrelated blender
15 of biofuel.

16 (b) The incentive may be earned for production on or
17 after January 1, 2008. Beginning in 2009, each producer
18 claiming an incentive under this section must first apply to
19 the department by February 1 of each year for an allocation of
20 available incentives. The department shall develop an
21 application form that shall, at a minimum, require a sworn
22 affidavit from each producer certifying the production that
23 forms the basis of the application and certifying that all
24 information contained in the application is true and correct.

25 (c) The department shall determine whether or not such
26 production is eligible for the incentive under this section.

27 (d) If the amount of incentives applied for each year
28 exceeds the amount appropriated, the department shall pay to
29 each applicant a prorated amount based on the percentage of
30 biofuel produced that is eligible for the incentive under this
31 section.

1 (5) The department may adopt rules pursuant to ss.
2 120.536(1) and 120.54 to implement and administer this
3 section, including rules prescribing forms, the documentation
4 needed to substantiate a claim for the incentive, and the
5 specific procedures and guidelines for claiming the incentive.

6 Section 28. (1) The Florida Building Commission shall
7 convene a workgroup comprised of representatives from the
8 Florida Energy Commission, the Department of Community
9 Affairs, the Building Officials Association of Florida, the
10 Florida Energy Office, the Florida Home Builders Association,
11 the Association of Counties, the League of Cities, and other
12 stakeholders to develop a model residential energy efficiency
13 ordinance that provides incentives to meet energy efficiency
14 standards. The commission must report back to the Legislature
15 with a developed ordinance by March 1, 2008.

16 (2) The Florida Building Commission shall, in
17 consultation with the Florida Energy Commission, the Building
18 Officials Association of Florida, the Florida Energy Office,
19 the Florida Home Builders Association, the Association of
20 Counties, the League of Cities, and other stakeholders, review
21 the Florida Energy Code for Building Construction.
22 Specifically, the commission shall revisit the analysis of
23 cost-effectiveness which serves as the basis for energy
24 efficiency levels for residential buildings, identify
25 cost-effective means to improve energy efficiency in
26 commercial buildings, and compare the code to the
27 International Energy Conservation Code and the American
28 Society of Heating, Air-Conditioning, and Refrigeration
29 Engineers Standards 90.1 and 90.2. The commission shall
30 provide a report with a standard to the Legislature by March
31

1 1, 2008, which may be adopted for the construction of all new
2 residential, commercial, and government buildings.

3 (3) The Florida Building Commission, in consultation
4 with the Florida Solar Energy Center, the Florida Energy
5 Commission, the Department of Environmental Protection's
6 Energy Office, and the Florida Home Builders Association,
7 shall develop and implement a public awareness campaign that
8 promotes energy efficiency and the benefits of building green
9 by January 1, 2008. The campaign shall include enhancement of
10 an existing website from which all citizens can obtain
11 information pertaining to green building practices and
12 calculate anticipated savings from use of those options as
13 well as learn about energy efficiency strategies that may be
14 used in their existing home or when building a home. The
15 campaign shall focus on the benefits of promoting energy
16 efficiency to the purchasers of new homes, the various green
17 building standards available, and the promotion of various
18 energy efficient products through existing trade shows. The
19 campaign shall also include strategies for utilizing print
20 advertising, press releases, and television advertising to
21 promote voluntary compliance with green building practices.

22 Section 29. (1) The Legislature declares that there
23 is an important state interest in promoting the construction
24 of energy efficient and sustainable buildings. Government
25 leadership is vital to demonstrate the state's commitment to
26 energy conservation, saving taxpayers money, and raising
27 public awareness of energy-rating systems.

28 (2) All county, municipal, and public community
29 college buildings shall be constructed to meet the United
30 States Green Building Council (USGBC) Leadership in Energy and
31 Environmental Design (LEED) rating system, Green Building

1 Initiative's Green Globes rating system, or a nationally
2 recognized, high-performance green building rating system as
3 approved by the Department of Management Services. This
4 section shall apply to all county, municipal, and public
5 community college buildings the architectural plans for which
6 are started after July 1, 2008.

7 Section 30. School district biodiesel usage.--

8 (1) By January 1, 2008, a minimum of 20 percent of
9 total diesel fuel purchases for use by school districts shall
10 be biodiesel, subject to availability.

11 (2) If a school district contracts with another
12 government entity or private entity to provide transportation
13 services for any of its pupils, the biodiesel blend fuel
14 requirement established pursuant to subsection (1) shall be
15 part of that contract. However, this requirement shall apply
16 only to contracts entered into on or after July 1, 2007.

17 Section 31. (1) The Legislature recognizes the need
18 for expanded collaboration between the public and private
19 sectors and increased public/private joint ventures in the
20 areas of energy research, alternative fuel production, space
21 exploration, and technological advances in the energy and
22 aerospace industries.

23 (2) Subject to appropriation, there is created within
24 the Executive Office of the Governor the Florida Energy,
25 Aerospace, and Technology Fund (F.E.A.T.) to encourage a state
26 partnership with the Federal Government and the private sector
27 to identify business and investment opportunities and target
28 performance goals for those investments in the areas of
29 alternative energy development and production infrastructure;
30 biofuel, wind power, and solar energy technology development
31 and applications; ethanol production and systems for

1 conversion and use of ethanol fuels; cryogenics and
2 hydrogen-based technology applications, storage, and
3 conversion systems; hybrid engine power systems conversion
4 technologies and production facilities; aerospace industry
5 expansion or development opportunities; aerospace facility
6 modifications and upgrades; build outs; new spaceport, range,
7 and ground support infrastructure; new aerospace facilities
8 and laboratories; new simulation, communications, and command
9 and control systems; and other aerospace manufacturing and
10 maintenance support infrastructure.

11 (3) A complete and detailed report shall be provided
12 to the Governor, the President of the Senate, and the Speaker
13 of the House of Representatives, setting forth the following:

14 (a) An accounting of all state funds committed and
15 invested by the fund;

16 (b) A qualitative and quantitative assessment of each
17 fund investment against the investment performance goals
18 established for investment, as well as an assessment of
19 overall fund performance against investment objectives
20 established for the fund overall; and

21 (c) An evaluation of all activities of the fund and
22 recommendations for changes.

23 Section 32. Research and Demonstration Cellulosic
24 Ethanol Plant.--

25 (1) CONSTRUCTION; STANDARDS.--There shall be
26 constructed a multifaceted Research and Demonstration
27 Cellulosic Ethanol Plant designed to conduct research and to
28 demonstrate and advance the commercialization of
29 cellulose-to-ethanol technology, including technology licensed
30 from the University of Florida, and to facilitate further
31

1 research and testing of multiple cellulosic feedstocks in
2 Florida.

3 (a) This plant, referred to in this section as the
4 facility, shall be used to convert the initially treated
5 material through to the final ethanol product.

6 (b) To save in capital costs, this facility shall be
7 situated near an industrial site with infrastructure already
8 developed, thus avoiding or reducing significant capital costs
9 in waste treatment and roads. This site shall be served by a
10 range of suppliers and transportation companies and be in good
11 proximity to gasoline and ethanol blending facilities on
12 either coast of Florida. This industrial site shall have the
13 capacity to provide steam and electric power; waste treatment;
14 and a steady stream of feedstocks, including, but not limited
15 to, bagasse, woody biomass, and cane field residues to allow a
16 commercial scale plant to operate year-round.

17 (c) The facility shall also be located near
18 pre-existing on-site technical support staff and other
19 resources for electrical, mechanical, and instrumentation
20 services. In addition, this facility shall have access to
21 pre-existing on-site laboratory facilities and scientific
22 personnel and shall include the critical aspects of tying in
23 with existing facilities and meeting with construction codes
24 and permit requirements.

25 (d) The facility, of which the University of Florida
26 shall act as owner and proprietor, shall include a permanent
27 research and development laboratory operated as a satellite
28 facility of the Institute of Food and Agriculture Sciences at
29 the University of Florida.

30 (e) There shall be a scientific and technical advisory
31 panel to advise on the technology to be applied.

1 (f) Ownership of all patents, copyrights, trademarks,
2 licenses, and rights or interests thereunder or therein shall
3 vest in the state. The university, pursuant to s. 1004.23,
4 shall have full right of use and full right to retain the
5 revenues derived therefrom.

6 (2) TECHNOLOGY AND INFORMATION TRANSFER TO
7 AGRICULTURAL USERS.--

8 (a) The Senior Vice President of the Institute of Food
9 and Agriculture Sciences (IFAS) at the University of Florida
10 shall ensure that applicable, nonproprietary research results
11 and technologies from the plant authorized under this
12 initiative are adapted, made available, and disseminated
13 through IFAS's respective services, as appropriate.

14 (b) Not later than 2 years after the date of the
15 enactment of this act, the Senior Vice President of the
16 Institute of Food and Agriculture Sciences at the University
17 of Florida shall submit to the Legislature a report on the
18 activities conducted by IFAS's services under this subsection.

19 Section 33. (1) The Florida Energy Commission shall
20 conduct a study in conjunction with the Florida Public Service
21 Commission and the Department of Agriculture and Consumer
22 Services to recommend an appropriate Renewable Portfolio
23 Standard for the State of Florida.

24 (2) The study shall include current and future
25 availability of renewable fuels, incentives to attract large
26 scale renewable energy development, proposed changes to
27 current regulatory and market practices to encourage renewable
28 energy development, the impact on utility costs and rates,
29 environmental benefits of a Renewable Portfolio Standard, and
30 economic development associated with Florida renewable energy.

31

1 (3) The Florida Energy Commission shall hold public
2 hearings on these and other related issues and submit a report
3 containing specific recommendations to the Legislature no
4 later than January 31, 2008.

5 Section 34. For the 2007-2008 fiscal year, the sum of
6 \$65,763 is appropriated from the General Revenue Fund to the
7 Department of Revenue for the purpose of administering the
8 Energy Efficient Sales Tax Holiday.

9 Section 35. For the 2007-2008 fiscal year, the sum of
10 \$20 million in nonrecurring funds is appropriated from the
11 General Revenue Fund to the University of Florida's Institute
12 of Food and Agriculture Sciences for the purpose of
13 establishing the Research and Demonstration Cellulosic Ethanol
14 Plant.

15 Section 36. For the 2007-2008 fiscal year, the sum of
16 \$40 million in nonrecurring funds is appropriated from the
17 General Revenue Fund to the Department of Environmental
18 Protection for the purpose of funding the Renewable Energy
19 Technologies Grants Program authorized in s. 377.804, Florida
20 Statutes.

21 Section 37. For the 2007-2008 fiscal year, the sum of
22 \$2.5 million in nonrecurring funds is appropriated from the
23 General Revenue Fund to the Department of Environmental
24 Protection for the purpose of funding commercial and consumer
25 solar rebates authorized in s. 377.806, Florida Statutes.

26 Section 38. For the 2007-2008 fiscal year, the sum of
27 \$10 million in nonrecurring funds is appropriated from the
28 General Revenue Fund to the Department of Agriculture and
29 Consumer Services for the purpose of funding the Farm-to-Fuel
30 Grants program authorized in s. 570.957, Florida Statutes.

31

1 Section 39. For the 2007-2008 fiscal year, the sum of
2 \$12.6 million in nonrecurring funds is appropriated from the
3 General Revenue Fund to the Administrative Trust Fund of the
4 Department of Revenue for the purpose of paying sales tax
5 refunds as authorized in s. 212.086, Florida Statutes.

6 Section 40. For the 2007-2008 fiscal year, the sum of
7 \$100,000 in nonrecurring funds is appropriated from the
8 General Revenue Fund to the Department of Community Affairs
9 for the purposes of convening a workgroup to develop a model
10 residential energy efficient ordinance and reviewing the
11 cost-effectiveness of energy efficiency measures in the
12 construction of certain buildings.

13 Section 41. For the 2007-2008 fiscal year, the sum of
14 \$334,237 in nonrecurring funds is appropriated from the
15 General Revenue Fund to the Department of Community Affairs
16 for the purposes of developing and implementing a public
17 awareness campaign that promotes energy efficiency and the
18 benefits of building green.

19 Section 42. This act shall take effect July 1, 2007.
20
21
22
23
24
25
26
27
28
29
30
31

1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 2666

4 The committee substitute rewrites the bill to:

5 Provide that the renewable energy source exemption for
6 improved real property is for the amount of the cost of the
7 renewable energy source device.

8 Provide that the sales tax exemption for equipment and
9 machinery used for ethanol is for ethanol produced by the
10 conversion of carbohydrates. Clarifies that only one purchase
11 of an eligible item is subject to a refund.

12 Provide for a sales tax refund on the purchase of certain
13 qualified energy efficient motors vehicles.

14 Allow for the transfer of the corporate income tax credit for
15 renewable energy technologies investment.

16 Provide that buildings constructed and financed by the state
17 must be designed to meet certain "green" standards.

18 Provide that no state agency may construct a facility without
19 having secured from the Department of Management Services
20 (DMS) an evaluation of life-cycle costs based on sustainable
21 building ratings.

22 Extend the repayment period for the financing of certain
23 energy conservation measures.

24 Allow the DMS to conduct an inventory and determine the
25 percentage of motor vehicles purchased with state funds which
26 are flexible fuel vehicles or hybrid vehicles in current use.
27 Requires DMS to purchase such vehicles to increase the
28 percentage of such vehicles in the state's inventory.

29 Provide new provisions relating to the determination of need
30 and cost recovery for an integrated gasification combined
31 cycle power plant.

Designate October as "Energy Efficiency and Conservation
Month."

Clarify that the payment of certain solar energy system
rebates may be made only to the final purchaser of an eligible
system. Limits the rebates to one per type of system per
resident per state fiscal year.

Provide for two energy efficiency and conservation weeks
during which the sales tax may not be collected on certain new
energy-efficient products. One week is in October and the
other is in March.

Increase the membership of the Florida Energy Commission to
allow the Governor to appoint four members. Provides that
certain members are ex-officio members.

Require the Department of Environmental Protection to develop

1 | a greenhouse gas inventory.

2 | Modify the Guaranteed Energy Performance Savings Contracting
3 | Act to include allowable cost avoidance. Requires review of
4 | the contracts by the Office of the Chief Financial Officer.

5 | Create the Farm-to-Fuel Advisory Council within the Department
6 | of Agriculture and Consumer Services.

7 | Create a Farm-to-Fuel Grants Program.

8 | Create a Biofuel Retail Sales Incentive Program. Create a
9 | Biofuel Production Incentive Program.

10 | Require the Florida Building Commission to convene a workgroup
11 | to develop a model residential energy efficiency ordinance.

12 | Require the Florida Building Commission to revisit the
13 | analysis of cost-effective means to improve energy efficiency
14 | in commercial buildings. The commission must report with a
15 | standard which may be adopted for the construction of all new
16 | residential, commercial, and government buildings to the
17 | Legislature.

18 | Require the Florida Building Commission to develop and
19 | implement a public awareness campaign that promotes energy
20 | efficiency and the benefits of building green.

21 | Provide that all county, municipal, and public community
22 | college buildings shall be constructed to meet certain green
23 | building standards.

24 | Provide that a minimum of 20 percent of the total diesel fuel
25 | purchased for use by school districts must be biodiesel,
26 | subject to availability.

27 | Subject to appropriation, create within the Executive Office
28 | of the Governor the Energy Aerospace, and Technology Fund to
29 | encourage a state partnership with the Federal Government and
30 | the private sector to identify business and investment
31 | opportunities and target performance goals for those
investments in the areas of alternative energy development and
production infrastructure.

32 | Provide for the construction of a multifaceted Research and
33 | Demonstration Cellulosic Ethanol Plant.

34 | Require the Florida Energy Commission to conduct a study in
35 | conjunction with the Public Service Commission and the
36 | Department of Agriculture and Consumer Services to recommend
37 | an appropriate Renewable Portfolio Standard for the state of
38 | Florida.

39 | Provide appropriations.

40 |

41 |

42 |

43 |

44 |

45 |