

By the Committees on Environmental Preservation and Conservation; Communications and Public Utilities; and Senators Bennett, Lynn, Fasano and Atwater

592-2411-07

1 A bill to be entitled

2 An act relating to energy; creating s.

3 288.10894, F.S.; creating the Florida

4 Alternative Energy Development Corporation;

5 providing legislative findings; providing

6 definitions; requiring that the corporation

7 comply with public-meetings and public-records

8 laws; providing for the organization, purpose,

9 and duties of the corporation; providing for

10 the membership of the board of directors of the

11 corporation; requiring the disclosure of

12 financial interests by board members; requiring

13 an annual report; creating s. 288.10895, F.S.;

14 creating the Alternative Energy Incentive

15 Program for the purpose of encouraging economic

16 development and research; providing

17 definitions; providing for the program to be

18 operated by the Florida Alternative Energy

19 Development Corporation; providing the

20 qualification criteria for a business to

21 receive an award under the program; providing a

22 grant-application process and requirements for

23 such application; providing for an evaluation

24 and award process; requiring that the

25 corporation validate the performance of

26 projects funded under the program; amending s.

27 377.703, F.S.; deleting provisions requiring

28 that the Department of Environmental Protection

29 conduct energy research and development, plan

30 for the development of renewable energy

31 resources, promote the development and use of

1 renewable energy resources, and create a
2 database of all energy programs in the state;
3 amending s. 212.08, F.S.; increasing the
4 limitation on a tax exemption for materials
5 used in the distribution of biodiesel and
6 ethanol; clarifying the definition of the term
7 "ethanol"; creating an annual tax holiday for
8 energy-efficient products; defining the term
9 "energy-efficient product"; authorizing the
10 Department of Revenue to adopt rules; requiring
11 the Florida Alternative Energy Development
12 Corporation rather than the Department of
13 Environmental Protection to certify eligibility
14 for the sales tax exemption for equipment,
15 technology, and other materials for renewable
16 energy; amending s. 213.053, F.S.; providing
17 for the Department of Revenue to provide
18 information to the Florida Alternative Energy
19 Development Corporation rather than the
20 Department of Environmental Protection for
21 purposes of administering the sales tax
22 exemption and the corporate income tax credit;
23 amending s. 220.192, F.S.; requiring the
24 Florida Alternative Energy Development
25 Corporation rather than the Department of
26 Environmental Protection to determine
27 eligibility for the corporate income tax
28 credits for investments in renewable energy
29 technologies; amending s. 377.803, F.S.;
30 defining the term "corporation" for purposes of
31 the Florida Renewable Energy Technologies and

1 Energy Efficiency Act; amending s. 377.804,
2 F.S.; providing for the Florida Alternative
3 Energy Development Corporation rather than the
4 Department of Environmental Protection to
5 administer the Renewable Energy Technologies
6 Grants Program; amending s. 377.806, F.S.;
7 requiring the Florida Alternative Energy
8 Development Corporation rather than the
9 Department of Environmental Protection to
10 administer the Solar Energy Incentives Program;
11 creating s. 366.915, F.S.; creating the Florida
12 Renewable Portfolio Standard Act; providing
13 legislative findings; providing definitions;
14 requiring public utilities to sell a minimum
15 amount of renewable energy; authorizing the
16 Public Service Commission to adopt rules;
17 amending s. 366.91, F.S.; redefining the term
18 "renewable energy"; creating s. 366.925, F.S.;
19 providing a short title; directing the Public
20 Service Commission to develop rules requiring
21 all public utilities to develop net-metering
22 programs; providing for a customer to receive
23 credit for electricity generated by renewable
24 energy systems owned by the customer; directing
25 the commission to adopt rules setting the
26 standards that renewable energy systems must
27 meet in order for customers to qualify for the
28 program; requiring every wholesaler of diesel
29 fuel to a marina within the state to offer
30 biodiesel for sale; creating s. 403.0874, F.S.;
31 requiring the Department of Environmental

1 Protection to conduct an inventory of
2 greenhouse gas emissions; amending s. 366.04,
3 F.S.; authorizing the Public Service Commission
4 to review and approve sales and transfers of
5 public utility assets, including in a merger;
6 authorizing the commission to adopt rules;
7 creating s. 212.086, F.S.; providing a
8 financial incentive for the purchase of an
9 alternative motor vehicle; providing that any
10 person who purchases an alternative motor
11 vehicle from a sales tax dealer is eligible for
12 a refund of the sales tax paid; requiring that
13 the alternative motor vehicle be certified
14 under the Internal Revenue Code of 1986, as
15 amended, as a new qualified hybrid motor
16 vehicle, new qualified alternative fuel motor
17 vehicle, new qualified fuel cell motor vehicle,
18 or new advanced lean-burn technology motor
19 vehicle; requiring that an application for
20 refund be filed with the Department of Revenue;
21 providing that the total dollar amount of
22 refunds is limited to the total amount of
23 appropriations in any fiscal year; authorizing
24 a request for a refund to be held for payment
25 in the following fiscal year under certain
26 circumstances; requiring the department to
27 adopt rules; providing for future repeal of the
28 program; amending s. 255.252, F.S.; requiring
29 an inventory of state-owned buildings and an
30 energy efficiency project schedule for
31 guaranteed energy-performance savings contract

1 improvements; amending s. 287.063, F.S.;
2 requiring that the term of payment for
3 consolidated equipment finance contracts may
4 not extend beyond the anticipated useful life
5 of the equipment financed; deleting the
6 requirement that the Chief Financial Officer
7 establish criteria that prohibits a state
8 agency from obligating an annualized amount of
9 payments for certain deferred payment
10 purchases; amending s. 287.064, F.S.; extending
11 the period of time allowed for repayment of
12 funds under the guaranteed energy-performance
13 savings contract; amending s. 489.145, F.S.;
14 clarifying certain definitions; providing
15 additional requirements for a state agency to
16 enter into a guaranteed energy-performance
17 savings contract; providing for financing of
18 contracts related to guaranteed
19 energy-performance savings; requiring the
20 Department of Financial Services to review
21 proposals to ensure that the most effective
22 financing is used; requiring the Office of the
23 Chief Financial Officer to develop model
24 contractual and related documents; requiring
25 that contracts or leases submitted by a state
26 agency to the Office of Chief Financial Officer
27 meet certain criteria; amending s. 366.93,
28 F.S.; revising definitions related to certain
29 power plants to include integrated gasification
30 combined cycle power plants; requiring the
31 Public Service Commission to implement rules

1 related to integrated gasification combined
2 cycle power plant cost recovery; requiring a
3 report; amending s. 403.519, F.S.; providing
4 requirements and procedures for determination
5 of need for integrated gasification combined
6 cycle power plants; providing an exemption from
7 purchased power supply bid rules under certain
8 circumstances; requiring a study, rulemaking,
9 and a report by the Department of Community
10 Affairs; amending s. 287.151, F.S.; providing
11 definitions; providing a schedule of deadlines
12 by which certain percentages of the vehicles
13 purchased by a state agency, state university,
14 or local government within the 12 months
15 immediately preceding each deadline must be
16 hybrid, flex-fuel, biodiesel, or compressed
17 natural gas vehicles; providing that all
18 vehicles purchased by such entities after July
19 1, 2011, must be hybrid, flex-fuel, biodiesel,
20 or compressed natural gas vehicles; providing
21 appropriations; providing effective dates.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Effective upon this act becoming a law,
26 section 288.10894, Florida Statutes, is created to read:

27 288.10894 Florida Alternative Energy Development
28 Corporation; findings; creation; membership; organization;
29 purpose; duties; powers.--

30 (1) The Legislature finds that it is in the public
31 interest to promote alternative energy technologies in this

1 state, including alternative fuels and technologies for
2 electric power plants and motor vehicles, energy conservation,
3 distributed generation, advanced transmission methods, and
4 pollution and greenhouse gas control. Both Florida and the
5 United States in general are overly dependent on foreign oil
6 to meet the energy needs of buildings and motor vehicles.
7 Alternative energy and energy conservation technologies have
8 the potential to decrease this dependency, minimize volatility
9 of fuel cost, and improve environmental conditions. In-state
10 research, development, deployment, and use of these
11 technologies can make the state a leader in new and innovative
12 technologies and encourage investment and economic development
13 in this state.

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

15 (a) "Corporation" means the Florida Alternative Energy
16 Development Corporation.

17 (b) "Alternative energy" means energy technologies
18 that are undeveloped or less than established in current
19 markets. The term includes, but is not limited to: biomass;
20 agricultural products and byproducts; municipal solid waste,
21 including landfill injection, landfill mining, and landfill
22 gas; solar thermal and solar photovoltaic energy; geothermal;
23 ocean energy, including wave or thermal; hydrogen fuel; fuel
24 cells; energy conservation, including building, equipment, and
25 appliance efficiency technologies; enhancements to the
26 transmission of electricity, including advanced transmission
27 lines; distributed generation; ethanol, biodiesel, and similar
28 synthetic fuels; and technologies relating to impacts of
29 pollutants and greenhouse gases.

30 (3)(a) There is created a public corporation and a
31 public body corporate and politic, to be known as the "Florida

1 Alternative Energy Development Corporation." It is declared to
2 be the intent of and constitutional construction by the
3 Legislature that the Florida Alternative Energy Development
4 Corporation constitutes an entrepreneurial public corporation
5 organized to provide and promote the public welfare by
6 administering the governmental function of promoting the
7 development of alternative energy in Florida and that the
8 corporation is not a department of the executive branch of
9 state government within the scope and meaning of s. 6, Art. IV
10 of the State Constitution, and is not functionally located
11 within any state agency or department.

12 (b) The corporation is constituted as a public
13 instrumentality, and the exercise by the corporation of the
14 power conferred by this act is considered to be the
15 performance of an essential public function. The corporation
16 shall constitute an agency for the purposes of s. 120.52. The
17 corporation is subject to chapter 119, subject to exceptions
18 applicable to the corporation, and to the provisions of
19 chapter 286; however, the corporation shall be entitled to
20 provide notice of internal review committee meetings for
21 competitive proposals or procurement to applicants by mail or
22 facsimile rather than by means of publication. The corporation
23 is not governed by chapter 607, but by the provisions of this
24 section. If for any reason the establishment of the
25 corporation is deemed in violation of law, such provision is
26 severable and the remainder of this act remains in full force
27 and effect.

28 (c) The corporation is a corporation primarily acting
29 as an instrumentality of the state, within the meaning of s.
30 768.28.

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1 (4) The corporation is the principal organization in
2 the state for promotion of alternative energy technology. Its
3 goals are to minimize dependence on foreign oil, with the
4 maximum overall benefit to the State of Florida, and, where
5 possible, to minimize the impact of greenhouse gases. It is to
6 accomplish these goals by consolidating in-state resources and
7 activities into a unified forum to better coordinate,
8 facilitate, and fund research, development, deployment, and
9 use of alternative energy technologies. To make better use of
10 limited resources, the corporation should focus on projects
11 having near-term, in-state benefits. Additionally, in making
12 decisions concerning research, development, or deployment
13 projects, and in awarding grants and other outlays, the
14 corporation should determine which of the following elements
15 of product and market development to focus upon in order to
16 achieve the greatest benefit with respect to research and
17 manufacturing, in the wholesale and retail markets, and for
18 consumers. More specifically, the corporation shall:

19 (a) Bring together existing resources by:

20 1. Assisting in the integration of state-government
21 energy programs.

22 2. Developing an information exchange system,
23 including:

24 a. Creating a computer database, accessible by any
25 interested person, by gathering and indexing all information
26 concerning activities in this state related to programs of
27 alternative energy technology research, development, and
28 deployment in universities, at all levels of government
29 agencies, and in private industry. The database must include a
30 current index and profile of all research activities,
31 identified by alternative energy technology area, including a

1 summary of the project, the amount and sources of funding,
2 anticipated completion dates, or, in case of completed
3 research, the conclusions, recommendations, and applicability
4 of research to state government and private-sector functions.

5 b. Developing an interactive electronic information
6 point where interested persons can find information and
7 connect with other interested persons.

8 c. Holding conferences for the purpose of providing
9 additional information exchange and educating the public.

10 (b) Administer state-funded grants and capital outlay
11 programs, including developing an application program to
12 determine awards of those grants and outlays, and assist
13 interested persons in obtaining additional funding for
14 alternative energy technology projects.

15 (c) Explore the problems faced by those developing
16 technology in Florida and determine where the problems lie,
17 i.e., in research, development, obtaining start-up capital and
18 financing, or finding buyers for the technology, and then
19 assist in resolving these problems.

20 (d) In cooperation with Enterprise Florida, Inc.,
21 promote the state as a location for businesses having
22 operations related to alternative energy technologies.

23 (e) Develop recommendations for legislation to
24 establish a state energy policy. The corporation shall
25 continually review the state energy policy and recommend to
26 the Legislature any additional necessary changes or
27 improvements. The recommendations of the corporation shall be
28 based on the guiding principles of reliability, efficiency,
29 affordability, and diversity, and more specifically on the
30 following principles:

31

1 1. The state should have a reliable electric supply
2 with adequate reserves.

3 2. The transmission and delivery of electricity should
4 be reliable.

5 3. The generation, transmission, and delivery of
6 electricity should be accomplished with the least detriment to
7 the environment and public health.

8 4. The generation, transmission, and delivery of
9 electricity should be accomplished compatibly with the goals
10 of growth management.

11 5. Electricity generation, transmission, and delivery
12 facilities should be reasonably secure from damage, taking all
13 factors into consideration, and recovery from damage should be
14 prompt.

15 6. Electric rates should be affordable as to base
16 rates and all recovery-clause additions, with sufficient
17 incentives for utilities to achieve this goal.

18 7. The state should have a reliable supply of motor
19 vehicle fuels under normal circumstances and during hurricanes
20 and other emergency situations.

21 8. In-state research, development, and deployment of
22 alternative energy technologies and alternative motor vehicle
23 fuels should be encouraged.

24 9. When possible, the resources of the state should be
25 used in achieving the goals enumerated in this subsection.

26 10. Consumers of energy should be encouraged and given
27 incentives to be more efficient in their use of energy.

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29 It is the specific intent of the Legislature that this section
30 does not in any way change the powers, duties, and
31 responsibilities of the Public Service Commission or the

1 powers, duties, and responsibilities assigned by the Florida
2 Electrical Power Plant Siting Act, ss. 403.501-403.518.

3 (5) The corporation shall establish one or more
4 corporate offices, at least one of which must be located in
5 Leon County.

6 (6) The corporation shall be governed by a board of
7 directors consisting of the following members:

8 (a) The Governor or his or her designee.

9 (b) The Commissioner of Agriculture or his or her
10 designee.

11 (c) The Chief Financial Officer or his or her
12 designee.

13 (d) The Attorney General or his or her designee.

14 (e) A member appointed by the President of the Senate.

15 (f) A member appointed by the Speaker of the House of
16 Representatives.

17 (g) The chairman of the Florida Public Service
18 Commission or his or her designee.

19 (h) The president of Enterprise Florida, Inc., or his
20 or her designee.

21 (i) A representative from the State Board of
22 Education, selected by the members of that board.

23 (j) For one initial term, the current chairman of the
24 Florida Energy Commission and one other member of that
25 commission to be selected by the commission members.

26 (k) Any additional board members selected by a
27 consensus of all existing members of the governing board to
28 assist the corporation in carrying out its functions and
29 duties under this section.

30 (7) A member's term of office may not exceed 4 years,
31 and a member may not serve more than two consecutive terms.

1 (8) The Governor shall serve as chairperson of the
2 board. The members of the board of directors must select a
3 vice chairperson biennially, upon selection of any new
4 members. The corporation's president shall keep a record of
5 the proceedings of the board of directors, act as custodian of
6 all books, documents, and papers filed with the board of
7 directors, and keep the minutes of the board of directors.

8 (9) The board of directors must meet at least once
9 each year, upon the call of the chairperson, at the request of
10 the vice chairperson, or at the request of a majority of the
11 membership. A majority of the total number of all directors
12 constitutes a quorum. The board may take official action by a
13 majority vote of the members present at any meeting at which a
14 quorum is present.

15 (10) Members of the board of directors serve without
16 compensation, but members, the president, and staff may be
17 reimbursed for all reasonable, necessary, and actual expenses,
18 as determined by the board.

19 (11) Each member of the board of directors who is not
20 otherwise required to file a financial disclosure pursuant to
21 s. 8, Art. II of the State Constitution or s. 112.3144 must
22 file a disclosure of financial interests pursuant to s.
23 112.3145.

24 (12) The corporation's board of directors must appoint
25 a corporate president and establish and adjust the president's
26 compensation. The president is the chief administrative and
27 operational officer of the board of directors and of the
28 corporation, and shall direct and supervise other employees in
29 accomplishing the goals and tasks set forth in this section.

30 (13) State officers, agencies, departments, boards,
31 and commissions may provide such services to the corporation

1 within each entity's respective functions as may be requested
2 by the corporation. Upon request of the corporation, the
3 Governor may temporarily transfer to the corporation any
4 officers or employees as are considered necessary from time to
5 time in order to assist the corporation in carrying out its
6 functions and duties under this section. Officers and
7 employees so transferred do not lose their career service,
8 select exempt, or senior management status or rights.

9 (14) The corporation shall receive funding from the
10 state through the Florida Alternative Energy Development
11 Corporation Trust Fund pursuant to general law. The board of
12 directors, officers, and employees of the corporation are
13 responsible for the prudent use of all public and private
14 funds within the corporation's control and must ensure that
15 the use of such funds is in accordance with applicable laws,
16 bylaws, and contractual requirements. In performing all of its
17 functions, the corporation shall take all possible steps to
18 ensure the maximum benefit to the state. As part of its
19 duties, the corporation shall establish strategic priorities,
20 consistent with this section, to guide funding and resource
21 allocations and ensure the best use of available resources.

22 (15) By December 31 each year, the corporation must
23 submit an annual report to the Governor, the Commissioner of
24 Agriculture, the Chief Financial Officer, the Attorney
25 General, the President of the Senate, and the Speaker of the
26 House of Representatives containing:

27 (a) A detailed description of the corporation's
28 activities and accomplishments for the year.

29 (b) A certified audit by an independent public
30 accountant of resources and expenditures prepared by an
31 independent certified public accountant.

1 (c) A statement of the corporation's strategic
2 priorities and an explanation of their use in guiding resource
3 allocations.

4 Section 2. Effective upon this act becoming a law,
5 section 288.10895, Florida Statutes, is created to read:

6 288.10895 Alternative Energy Incentive Program.--

7 (1) PROGRAM CREATED.--The Alternative Energy Incentive
8 Program is created and shall be operated by the Florida
9 Alternative Energy Development Corporation. The program shall
10 encourage economic development and research and development in
11 the state which will commercialize alternative energy
12 innovations and develop new alternative energy manufacturing,
13 blending, power generation, and distribution facilities.

14 (2) DEFINITIONS.--As used in this section, the term:

15 (a) "Alternative energy" means electrical, mechanical,
16 or thermal energy produced from a method that uses one or more
17 of the following fuels or energy sources: ethanol, biodiesel,
18 biomass, biogas, waste heat, fuel cells, hydrogen, solar,
19 hydro, wind, or geothermal.

20 (b) "Average private-sector wage" means the statewide
21 average wage in the private sector or the average of all
22 private-sector wages in the county or in the standard
23 metropolitan area in which the project is located as
24 determined by the Agency for Workforce Innovation.

25 (c) "Commission" means the Administration Commission,
26 as set forth in s. 14.202.

27 (d) "Corporation" means the Florida Alternative Energy
28 Development Corporation.

29 (e) "Jobs" means full-time equivalent positions, as
30 that term is consistent with terms used by the Agency for
31 Workforce Innovation and the United States Department of Labor

1 for purposes of unemployment compensation tax administration
2 and employment estimation, resulting directly from a project
3 in this state. The term does not include temporary
4 construction jobs.

5 (f) "Match" or "matching funds" means actual cash
6 outlays contributed, including, but not limited to, cash
7 outlays for wages, rental expenses, travel expenses,
8 unrecovered indirect costs, and purchases of material and
9 supplies as a direct benefit to the project, or noncash
10 contributions necessary and reasonable for proper and
11 efficient accomplishment of project objectives. The value of
12 noncash contributions shall be established using the following
13 guidelines:

14 1. Rates for donated or volunteer services of any
15 person must be consistent with their regular rate of pay, or
16 the rate of pay of those paid for similar work at a similar
17 level of experience in the labor market, including the value
18 of fringe benefits.

19 2. The value of donated expendable property, such as
20 office supplies or workshop supplies, may not exceed the fair
21 market value of the property.

22 3. The value of donated real property, such as land,
23 may not exceed the fair market value of the property.

24 4. Donated space must be valued at fair rental value
25 of comparable space and facilities in a privately owned
26 building in the same locale.

27 5. The value of loaned equipment may not exceed its
28 fair rental value.

29 6. Rates for donated travel expense must be valued at
30 the approved state rate as defined in s. 112.061.

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1 (g) "President" means the president of the Florida
2 Alternative Energy Development Corporation.

3 (3) ALTERNATIVE ENERGY BUSINESS PROJECT.--

4 (a) "Business project" is defined as the location to
5 or expansion in this state of a business that grows, harvests,
6 and processes feedstock or other raw materials used in the
7 creation of alternative energy; manufactures, blends, or
8 distributes alternative energy; generates power for sale in
9 this state from an alternative energy source; or develops new
10 or expanded infrastructure in this state for the
11 commercialization or distribution of alternative energy.

12 (b) In order to qualify for consideration under the
13 Alternative Energy Incentive Program, a business project must,
14 at a minimum, establish to the satisfaction of the corporation
15 that:

16 1. The business project is located in this state;

17 2. The jobs created by the business project pay an
18 estimated annual average wage that equals at least 130 percent
19 of the average private-sector wage. The average wage
20 requirement may be waived if the corporation determines that
21 the merits of the individual project or the specific
22 circumstances warrant such action;

23 3. The business project includes matching funds
24 provided by the applicant, the local community, or other
25 available sources. The match requirement may be waived if the
26 corporation determines that the merits of the individual
27 project or the specific circumstances warrant such action; and

28 4. The business project meets one of the following
29 criteria:

30 a. Results in the creation of at least 20 direct, new
31 jobs at the business;

1 b. Consists of an activity that grows, harvests, and
2 processes feedstock or other raw materials in this state which
3 are then used in the production of alternative energy or is
4 the activity or product that uses such feedstock or other raw
5 materials grown or produced in this state;

6 c. Has a cumulative investment of at least \$50 million
7 within a 5-year period; or

8 d. Incorporates an innovative new technology or an
9 innovative application of an existing technology.

10 (4) ALTERNATIVE ENERGY RESEARCH AND DEVELOPMENT
11 PROJECT.--

12 (a) "Research and development project" is defined as
13 basic and applied research that is conducted in this state in
14 the sciences or engineering and that relates to the
15 development, manufacturing, blending, or use of new and
16 existing alternative energy technologies. A research and
17 development project does not include market research, routine
18 consumer product testing, sales research, research in the
19 social sciences or psychology, nontechnological activities, or
20 technical services.

21 (b) In order to qualify for consideration under the
22 Alternative Energy Incentive Program, a research and
23 development project must, at a minimum, establish to the
24 satisfaction of the corporation that:

25 1. The research and development project will be
26 located in this state;

27 2. The jobs created by the research and development
28 project will pay an estimated annual average wage that equals
29 at least 130 percent of the average private-sector wage. The
30 average wage requirement may be waived if the corporation
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1 determines that the merits of the individual project or the
2 specific circumstances warrant such action;

3 3. The research and development project includes
4 matching funds provided by the applicant, a public or private
5 university or research institution, the local community, or
6 other available sources. The match requirement may be waived
7 if the corporation determines that the merits of the
8 individual project or the specific circumstances warrant such
9 action;

10 4. The research and development project includes a
11 plan for significant collaboration with a higher education
12 institution in the state; and

13 5. The research and development project includes a
14 plan for the commercialization of the research through direct
15 use by the applicant in this state or the transfer or
16 licensing of new technology to Florida-based businesses that
17 produce alternative energy for use or sale within the state.

18 (5) APPLICATION REQUIREMENTS.--A business project or
19 research and development project applicant must submit a
20 written application to the corporation showing how the award
21 would support the location of new operations in this state or
22 the expansion of an existing operation in this state. The
23 application must include, but need not be limited to:

24 (a) The applicant's federal employer identification
25 number, unemployment account number, state sales tax
26 registration number, or related documentation. If such numbers
27 are not available at the time of application, the numbers must
28 be submitted to the corporation in writing before the
29 disbursement of any payments under this section.

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1 (b) The location in this state at which the business
2 project or the research and development project is located or
3 is to be located.

4 (c) A description of the type of business activity,
5 product, or research and development undertaken by the
6 applicant, including six-digit North American Industry
7 Classification System codes for all activities included in the
8 project.

9 (d) The applicant's projected investment in the
10 business project or the research and development project.

11 (e) The total investment, from all sources, in the
12 business project or the research and development project.

13 (f) The number of net new full-time equivalent jobs in
14 this state the applicant anticipates having created as of
15 December 31 of each year in the business project or the
16 research and development project and the average annual wage
17 of such jobs.

18 (g) The total number of full-time equivalent employees
19 currently employed by the applicant in this state, if
20 applicable.

21 (h) The anticipated commencement date of the business
22 project or the research and development project.

23 (i) A detailed explanation of why funding under the
24 Alternative Energy Incentive Program is needed to induce the
25 applicant to expand or locate in the state and whether an
26 award would cause the applicant to locate or expand in this
27 state.

28 (j) If applicable, an estimate of the proportion of
29 the revenues resulting from the business project or the
30 research and development project which will be generated
31 outside this state.

1 (k) A recommendation for specific performance criteria
2 the applicant would be expected to achieve in order to receive
3 payments from the fund and penalties or sanctions for failure
4 to meet or maintain performance conditions.

5 (l) The potential for the business project or the
6 research and development project to stimulate additional
7 investment and employment opportunities that equal or exceed
8 130 percent of the average private-sector wage.

9 (m) A description of the extent to which the research
10 and development project:

11 1. Is likely to develop a new, emerging, or evolving
12 form of alternative energy.

13 2. Has or could have a significant collaborative
14 research and development relationship with one or more
15 universities or community colleges in this state.

16 3. Will be used by the applicant within this state or
17 transferred or licensed to Florida-based businesses.

18 (6) AWARD AMOUNT.--The corporation may negotiate the
19 proposed amount of an award for any applicant meeting the
20 requirements of this section. In negotiating such award, the
21 corporation shall consider the amount of the incentive needed
22 to cause the applicant to locate or expand in this state in
23 conjunction with other relevant effect and cost information
24 and analysis as described in this section.

25 (7) RECOMMENDATION.--After fully considering all of
26 the criteria identified in this section and completing the
27 evaluation, the president shall recommend to the commission
28 the approval or disapproval of an award. In recommending
29 approval of an award, the president shall include proposed
30 performance conditions that the applicant must meet in order
31 to obtain incentive funds and any other conditions that must

1 be met before the receipt of any incentive funds. The
2 commission shall consult with the President of the Senate and
3 the Speaker of the House of Representatives before giving
4 approval for an award. Upon approval of an award, the
5 Executive Office of the Governor shall release the funds
6 pursuant to the legislative consultation and review
7 requirements set forth in s. 216.177.

8 (8) CERTIFICATION.--Upon approval by the commission
9 and release of the funds as set forth in subsection (7), the
10 president shall issue a letter certifying the applicant as
11 qualified for an award. The corporation and the applicant
12 shall enter into an agreement that sets forth the conditions
13 for payment of funds under the Alternative Energy Incentive
14 Program, including, but not limited to, the total amount of
15 funds awarded, the performance conditions that must be met in
16 order to obtain the award or portions of the award, the
17 methodology for validating performance, the schedule of
18 payments, and sanctions for failure to meet performance
19 conditions, including any clawback provisions.

20 (9) VALIDATION.--The corporation shall validate the
21 performance of business projects and research and development
22 projects that have received an award under the Alternative
23 Energy Incentive Program. At the conclusion of an award
24 agreement, or its earlier termination, the corporation shall,
25 within 90 days, report the results of the award under the
26 Alternative Energy Incentive Program to the members of the
27 commission, the President of the Senate, and the Speaker of
28 the House of Representatives.

29 Section 3. Effective upon this act becoming a law,
30 subsection (3) of section 377.703, Florida Statutes, is
31 amended to read:

1 377.703 Additional functions of the Department of
2 Environmental Protection; energy emergency contingency plan;
3 federal and state conservation programs.--

4 (3) DEPARTMENT OF ENVIRONMENTAL PROTECTION;
5 DUTIES.--The Department of Environmental Protection shall, in
6 addition to assuming the duties and responsibilities provided
7 by ss. 20.255 and 377.701, perform the following functions
8 consistent with the development of a state energy policy:

9 (a) The department shall assume the responsibility for
10 development of an energy emergency contingency plan to respond
11 to serious shortages of primary and secondary energy sources.
12 Upon a finding by the Governor, implementation of any
13 emergency program shall be upon order of the Governor that a
14 particular kind or type of fuel is, or that the occurrence of
15 an event which is reasonably expected within 30 days will make
16 the fuel, in short supply. The department shall then respond
17 by instituting the appropriate measures of the contingency
18 plan to meet the given emergency or energy shortage. The
19 Governor may utilize the provisions of s. 252.36(5) to carry
20 out any emergency actions required by a serious shortage of
21 energy sources.

22 (b) The department shall constitute the responsible
23 state agency for performing or coordinating the functions of
24 any federal energy programs delegated to the state, including
25 energy supply, demand, conservation, or allocation.

26 (c) The department shall analyze present and proposed
27 federal energy programs and make recommendations regarding
28 those programs to the Governor.

29 (d) The department shall coordinate efforts to seek
30 federal support or other support for state energy conservation
31 activities, ~~including energy conservation, research, or~~

1 ~~development,~~ and shall be the state agency responsible for the
2 coordination of multiagency energy conservation programs and
3 plans.

4 ~~(e) The department shall analyze energy data collected~~
5 ~~and prepare long range forecasts of energy supply and demand~~
6 ~~in coordination with the Florida Public Service Commission,~~
7 ~~which shall have responsibility for electricity and natural~~
8 ~~gas forecasts. To this end, the forecasts shall contain:~~

9 ~~1. An analysis of the relationship of state economic~~
10 ~~growth and development to energy supply and demand, including~~
11 ~~the constraints to economic growth resulting from energy~~
12 ~~supply constraints.~~

13 ~~2. Plans for the development of renewable energy~~
14 ~~resources and reduction in dependence on depletable energy~~
15 ~~resources, particularly oil and natural gas, and an analysis~~
16 ~~of the extent to which renewable energy sources are being~~
17 ~~utilized in the state.~~

18 ~~3. Consideration of alternative scenarios of statewide~~
19 ~~energy supply and demand for 5, 10, and 20 years, to identify~~
20 ~~strategies for long range action, including identification of~~
21 ~~potential social, economic, and environmental effects.~~

22 ~~4. An assessment of the state's energy resources,~~
23 ~~including examination of the availability of commercially~~
24 ~~developable and imported fuels, and an analysis of anticipated~~
25 ~~effects on the state's environment and social services~~
26 ~~resulting from energy resource development activities or from~~
27 ~~energy supply constraints, or both.~~

28 ~~(e)(f)~~ The department shall make a report, as
29 requested by the Governor or the Legislature, reflecting its
30 activities and making recommendations of policies for
31 improvement of the state's response to energy supply and

1 demand and its effect on the health, safety, and welfare of
2 the people of Florida. The report shall include a report from
3 the Florida Public Service Commission on electricity and
4 natural gas and information on energy conservation programs
5 conducted and under way in the past year and shall include
6 recommendations for energy conservation programs for the
7 state, including, but not limited to, the following factors:

8 1. Formulation of specific recommendations for
9 improvement in the efficiency of energy utilization in
10 governmental, residential, commercial, industrial, and
11 transportation sectors.

12 2. Collection and dissemination of information
13 relating to energy conservation.

14 3. Development and conduct of educational and training
15 programs relating to energy conservation.

16 4. An analysis of the ways in which state agencies are
17 seeking to implement s. 377.601(4), the state energy policy,
18 and recommendations for better fulfilling this policy.

19 ~~(f)~~(g) The department has authority to adopt rules
20 pursuant to ss. 120.536(1) and 120.54 to implement the
21 provisions of this act.

22 ~~(h) Promote the development and use of renewable~~
23 ~~energy resources, in conformance with the provisions of~~
24 ~~chapter 187 and s. 377.601, by:~~

25 ~~1. Establishing goals and strategies for increasing~~
26 ~~the use of solar energy in this state.~~

27 ~~2. Aiding and promoting the commercialization of solar~~
28 ~~energy technology, in cooperation with the Florida Solar~~
29 ~~Energy Center, Enterprise Florida, Inc., and any other~~
30 ~~federal, state, or local governmental agency which may seek to~~
31

1 ~~promote research, development, and demonstration of solar~~
2 ~~energy equipment and technology.~~

3 ~~3. Identifying barriers to greater use of solar energy~~
4 ~~systems in this state, and developing specific recommendations~~
5 ~~for overcoming identified barriers, with findings and~~
6 ~~recommendations to be submitted annually in the report to the~~
7 ~~Legislature required under paragraph (f).~~

8 ~~4. In cooperation with the Department of~~
9 ~~Transportation, the Department of Community Affairs,~~
10 ~~Enterprise Florida, Inc., the Florida Solar Energy Center, and~~
11 ~~the Florida Solar Energy Industries Association, investigating~~
12 ~~opportunities, pursuant to the National Energy Policy Act of~~
13 ~~1992 and the Housing and Community Development Act of 1992,~~
14 ~~for solar electric vehicles and other solar energy~~
15 ~~manufacturing, distribution, installation, and financing~~
16 ~~efforts which will enhance this state's position as the leader~~
17 ~~in solar energy research, development, and use.~~

18 ~~5. Undertaking other initiatives to advance the~~
19 ~~development and use of renewable energy resources in this~~
20 ~~state.~~

21
22 ~~In the exercise of its responsibilities under this paragraph,~~
23 ~~the department shall seek the assistance of the solar energy~~
24 ~~industry in this state and other interested parties and is~~
25 ~~authorized to enter into contracts, retain professional~~
26 ~~consulting services, and expend funds appropriated by the~~
27 ~~Legislature for such purposes.~~

28 (g)(i) The department shall promote energy
29 conservation in all energy use sectors throughout the state
30 and shall constitute the state agency primarily responsible
31 for this function. To this end, the department shall

1 | coordinate the energy conservation programs of all state
2 | agencies and review and comment on the energy conservation
3 | programs of all state agencies.

4 | ~~(j) The department shall serve as the state~~
5 | ~~clearinghouse for indexing and gathering all information~~
6 | ~~related to energy programs in state universities, in private~~
7 | ~~universities, in federal, state, and local government~~
8 | ~~agencies, and in private industry and shall prepare and~~
9 | ~~distribute such information in any manner necessary to inform~~
10 | ~~and advise the citizens of the state of such programs and~~
11 | ~~activities. This shall include developing and maintaining a~~
12 | ~~current index and profile of all research activities, which~~
13 | ~~shall be identified by energy area and may include a summary~~
14 | ~~of the project, the amount and sources of funding, anticipated~~
15 | ~~completion dates, or, in case of completed research,~~
16 | ~~conclusions, recommendations, and applicability to state~~
17 | ~~government and private sector functions. The department shall~~
18 | ~~coordinate, promote, and respond to efforts by all sectors of~~
19 | ~~the economy to seek financial support for energy activities.~~
20 | ~~The department shall provide information to consumers~~
21 | ~~regarding the anticipated energy use and energy saving~~
22 | ~~characteristics of products and services in coordination with~~
23 | ~~any federal, state, or local governmental agencies as may~~
24 | ~~provide such information to consumers.~~

25 | (h)~~(k)~~ The department shall coordinate energy-related
26 | programs of state government, including, but not limited to,
27 | the programs provided in this section. To this end, the
28 | department shall:

29 | 1. Provide assistance to other state agencies,
30 | counties, municipalities, and regional planning agencies to
31 | further and promote their energy planning activities.

1 2. Require, in cooperation with the Department of
2 Management Services, all state agencies to operate state-owned
3 and state-leased buildings in accordance with energy
4 conservation standards as adopted by the Department of
5 Management Services. Every 3 months, the Department of
6 Management Services shall furnish the department data on
7 agencies' energy consumption in a format mutually agreed upon
8 by the two departments.

9 3. Promote the development and use of ~~renewable energy~~
10 ~~resources, energy efficiency technologies, and~~ conservation
11 measures.

12 4. Promote the recovery of energy from wastes,
13 including, but not limited to, the use of waste heat, the use
14 of agricultural products as a source of energy, and recycling
15 of manufactured products. Such promotion shall be conducted in
16 conjunction with, and after consultation with, the Department
17 of Environmental Protection, the Florida Public Service
18 Commission where electrical generation or natural gas is
19 involved, and any other relevant federal, state, or local
20 governmental agency having responsibility for resource
21 recovery programs.

22 (i)~~(l)~~ The department shall develop, coordinate, and
23 promote a comprehensive research plan for state programs. Such
24 plan shall be consistent with state energy policy and shall be
25 updated on a biennial basis.

26 (j)~~(m)~~ In recognition of the devastation to the
27 economy of this state and the dangers to the health and
28 welfare of residents of this state caused by Hurricane Andrew,
29 and the potential for such impacts caused by other natural
30 disasters, the department shall include in its energy
31 emergency contingency plan and provide to the Department of

1 Community Affairs for inclusion in the state model energy
2 efficiency building code specific provisions to facilitate the
3 use of cost-effective solar energy technologies as emergency
4 remedial and preventive measures for providing electric power,
5 street lighting, and water heating service in the event of
6 electric power outages.

7 Section 4. Effective July 1, 2007, paragraph (ccc) of
8 subsection (7) of section 212.08, Florida Statutes, is
9 amended, and subsection (19) is added to that section, to
10 read:

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

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

1 certificate that is not in strict compliance with this
2 subsection and the rules is liable for and shall pay the tax.
3 The department may adopt rules to administer this subsection.

4 (ccc) Equipment, machinery, and other materials for
5 renewable energy technologies.--

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

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

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

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

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

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

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

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

11 3. The Department of Environmental Protection shall
12 provide to the department a list of items eligible for the
13 exemption provided in this paragraph.

14 4.a. The exemption provided in this paragraph shall be
15 available to a purchaser only through a refund of previously
16 paid taxes.

17 b. To be eligible to receive the exemption provided in
18 this paragraph, a purchaser shall file an application with the
19 Department of Environmental Protection. The application shall
20 be developed by the Department of Environmental Protection, in
21 consultation with the department, and shall require:

22 (I) The name and address of the person claiming the
23 refund.

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

27 (III) The sales invoice or other proof of purchase
28 showing the amount of sales tax paid, the date of purchase,
29 and the name and address of the sales tax dealer from whom the
30 property was purchased.

31

1 (IV) A sworn statement that the information provided
2 is accurate and that the requirements of this paragraph have
3 been met.

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

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

20 e. The provisions of s. 212.095 do not apply to any
21 refund application made pursuant to this paragraph. A refund
22 approved pursuant to this paragraph shall be made within 30
23 days after formal approval by the department.

24 f. The department may adopt all rules pursuant to ss.
25 120.536(1) and 120.54 to administer this paragraph, including
26 rules establishing forms and procedures for claiming this
27 exemption.

28 g. The Department of Environmental Protection shall be
29 responsible for ensuring that the total amounts of the
30 exemptions authorized do not exceed the limits as specified in
31 subparagraph 2.

1 5. The Department of Environmental Protection shall
2 determine and publish on a regular basis the amount of sales
3 tax funds remaining in each fiscal year.

4 6. This paragraph expires July 1, 2010.

5 (19) ENERGY-EFFICIENT PRODUCTS.--

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

29 (b) Notwithstanding chapter 120, the Department of
30 Revenue may adopt rules to administer paragraph (a).
31

1 Section 5. Effective July 1, 2008, paragraph (ccc) of
2 subsection (7) of section 212.08, Florida Statutes, as amended
3 by this act, is amended to read:

4 212.08 Sales, rental, use, consumption, distribution,
5 and storage tax; specified exemptions.--The sale at retail,
6 the rental, the use, the consumption, the distribution, and
7 the storage to be used or consumed in this state of the
8 following are hereby specifically exempt from the tax imposed
9 by this chapter.

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

28 (ccc) Equipment, machinery, and other materials for
29 renewable energy technologies.--

30 1. As used in this paragraph, the term:
31

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

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

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

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

21 a. Hydrogen-powered vehicles, materials incorporated
22 into hydrogen-powered vehicles, and hydrogen-fueling stations,
23 up to a limit of \$2 million in tax each state fiscal year for
24 all taxpayers.

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

28 c. Materials used in the distribution of biodiesel
29 (B10-B100) and ethanol (E10-100), including fueling
30 infrastructure, transportation, and storage, up to a limit of
31 \$2 million in tax each state fiscal year for all taxpayers.

1 Gasoline fueling station pump retrofits for ethanol (E10-E100)
2 distribution qualify for the exemption provided in this
3 sub-subparagraph.

4 3. The Florida Alternative Energy Development
5 Corporation ~~Department of Environmental Protection~~ shall
6 provide to the department a list of items eligible for the
7 exemption provided in this paragraph.

8 4. The exemption provided in this paragraph shall be
9 available only to the end user of the equipment, machinery, or
10 other materials.

11 5.4.a. The exemption provided in this paragraph shall
12 be available to a purchaser only through a refund of
13 previously paid taxes.

14 b. To be eligible to receive the exemption provided in
15 this paragraph, a purchaser shall file an application with the
16 Florida Alternative Energy Development Corporation ~~Department~~
17 ~~of Environmental Protection~~. The application shall be
18 developed by the Florida Alternative Energy Development
19 Corporation ~~Department of Environmental Protection~~, in
20 consultation with the department, and shall require:

21 (I) The name and address of the person claiming the
22 refund.

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

26 (III) The sales invoice or other proof of purchase
27 showing the amount of sales tax paid, the date of purchase,
28 and the name and address of the sales tax dealer from whom the
29 property was purchased.

30
31

1 (IV) A sworn statement that the information provided
2 is accurate and that the requirements of this paragraph have
3 been met.

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

18 d. Each certified applicant shall be responsible for
19 forwarding a certified copy of the application and copies of
20 all required documentation to the department within 6 months
21 after certification by the Florida Alternative Energy
22 Development Corporation ~~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 Florida Alternative Energy Development
2 Corporation ~~Department of Environmental Protection~~ shall be
3 responsible for ensuring that the total amounts of the
4 exemptions authorized do not exceed the limits as specified in
5 subparagraph 2.

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

9 ~~7.6.~~ This paragraph expires July 1, 2010.

10 Section 6. Effective July 1, 2008, paragraph (y) of
11 subsection (8) of section 213.053, Florida Statutes, is
12 amended to read:

13 213.053 Confidentiality and information sharing.--

14 (8) Notwithstanding any other provision of this
15 section, the department may provide:

16 (y) Information relative to ss. 212.08(7)(ccc) and
17 220.192 to the Florida Alternative Energy Development
18 Corporation ~~Department of Environmental Protection~~ for use in
19 the conduct of its official business.

20
21 Disclosure of information under this subsection shall be
22 pursuant to a written agreement between the executive director
23 and the agency. Such agencies, governmental or
24 nongovernmental, shall be bound by the same requirements of
25 confidentiality as the Department of Revenue. Breach of
26 confidentiality is a misdemeanor of the first degree,
27 punishable as provided by s. 775.082 or s. 775.083.

28 Section 7. Effective July 1, 2007, subsection (1) of
29 section 220.192, Florida Statutes, is amended to read:

30 220.192 Renewable energy technologies investment tax
31 credit.--

1 (1) DEFINITIONS.--For purposes of this section, the
2 term:
3 (a) "Biodiesel" means biodiesel as defined in s.
4 212.08(7)(ccc).
5 (b) "Eligible costs" means:
6 1. Seventy-five percent of all capital costs,
7 operation and maintenance costs, and research and development
8 costs incurred between July 1, 2006, and June 30, 2010, up to
9 a limit of \$3 million per state fiscal year for all taxpayers,
10 in connection with an investment in hydrogen-powered vehicles
11 and hydrogen vehicle fueling stations in the state, including,
12 but not limited to, the costs of constructing, installing, and
13 equipping such technologies in the state.
14 2. Seventy-five percent of all capital costs,
15 operation and maintenance costs, and research and development
16 costs incurred between July 1, 2006, and June 30, 2010, up to
17 a limit of \$1.5 million per state fiscal year for all
18 taxpayers, and limited to a maximum of \$12,000 per fuel cell,
19 in connection with an investment in commercial stationary
20 hydrogen fuel cells in the state, including, but not limited
21 to, the costs of constructing, installing, and equipping such
22 technologies in the state.
23 3. Seventy-five percent of all capital costs,
24 operation and maintenance costs, and research and development
25 costs incurred between July 1, 2006, and June 30, 2010, up to
26 a limit of ~~\$13~~\$6.5 million per state fiscal year for all
27 taxpayers, in connection with an investment in the production,
28 storage, and distribution of biodiesel (B10-B100) and ethanol
29 (E10-E100) in the state, including the costs of constructing,
30 installing, and equipping such technologies in the state.
31 Gasoline fueling station pump retrofits for ethanol (E10-E100)

1 distribution qualify as an eligible cost under this
2 subparagraph.

3 (c) "Ethanol" means ethanol as defined in s.
4 212.08(7)(ccc).

5 (d) "Hydrogen fuel cell" means hydrogen fuel cell as
6 defined in s. 212.08(7)(ccc).

7 Section 8. Effective July 1, 2008, section 220.192,
8 Florida Statutes, as amended by this act, is amended to read:

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

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

13 (a) "Biodiesel" means biodiesel as defined in s.
14 212.08(7)(ccc).

15 (b) "Eligible costs" means:

16 1. Seventy-five percent of all capital costs,
17 operation and maintenance costs, and research and development
18 costs incurred between July 1, 2006, and June 30, 2010, up to
19 a limit of \$3 million per state fiscal year for all taxpayers,
20 in connection with an investment in hydrogen-powered vehicles
21 and hydrogen vehicle fueling stations in the state, including,
22 but not limited to, the costs of constructing, installing, and
23 equipping such technologies in the state.

24 2. Seventy-five percent of all capital costs,
25 operation and maintenance costs, and research and development
26 costs incurred between July 1, 2006, and June 30, 2010, up to
27 a limit of \$1.5 million per state fiscal year for all
28 taxpayers, and limited to a maximum of \$12,000 per fuel cell,
29 in connection with an investment in commercial stationary
30 hydrogen fuel cells in the state, including, but not limited
31

1 to, the costs of constructing, installing, and equipping such
2 technologies in the state.

3 3. Seventy-five percent of all capital costs,
4 operation and maintenance costs, and research and development
5 costs incurred between July 1, 2006, and June 30, 2010, up to
6 a limit of \$13 million per state fiscal year for all
7 taxpayers, in connection with an investment in the production,
8 storage, and distribution of biodiesel (B10-B100) and ethanol
9 (E10-E100) in the state, including the costs of constructing,
10 installing, and equipping such technologies in the state.
11 Gasoline fueling station pump retrofits for ethanol (E10-E100)
12 distribution qualify as an eligible cost under this
13 subparagraph.

14 (c) "Ethanol" means ethanol as defined in s.
15 212.08(7)(ccc).

16 (d) "Hydrogen fuel cell" means hydrogen fuel cell as
17 defined in s. 212.08(7)(ccc).

18 (2) TAX CREDIT.--For tax years beginning on or after
19 January 1, 2007, a credit against the tax imposed by this
20 chapter shall be granted in an amount equal to the eligible
21 costs. Credits may be used in tax years beginning January 1,
22 2007, and ending December 31, 2010, after which the credit
23 shall expire. If the credit is not fully used in any one tax
24 year because of insufficient tax liability on the part of the
25 corporation, the unused amount may be carried forward and used
26 in tax years beginning January 1, 2007, and ending December
27 31, 2012, after which the credit carryover expires and may not
28 be used. A taxpayer that files a consolidated return in this
29 state as a member of an affiliated group under s. 220.131(1)
30 may be allowed the credit on a consolidated return basis up to
31 the amount of tax imposed upon the consolidated group. Any

1 eligible cost for which a credit is claimed and which is
2 deducted or otherwise reduces federal taxable income shall be
3 added back in computing adjusted federal income under s.
4 220.13.

5 (3) CORPORATE APPLICATION PROCESS.--Any corporation
6 wishing to obtain tax credits available under this section
7 must submit to the Florida Alternative Energy Development
8 Corporation ~~Department of Environmental Protection~~ an
9 application for tax credit which ~~that~~ includes a complete
10 description of all eligible costs for which the corporation is
11 seeking a credit and a description of the total amount of
12 credits sought. The Florida Alternative Energy Development
13 Corporation ~~Department of Environmental Protection~~ shall make
14 a determination on the eligibility of the applicant for the
15 credits sought and certify the determination to the applicant
16 and the Department of Revenue. The corporation must attach the
17 Florida Alternative Energy Development Corporation's
18 ~~Department of Environmental Protection's~~ certification to the
19 tax return on which the credit is claimed. The Florida
20 Alternative Energy Development Corporation ~~is Department of~~
21 ~~Environmental Protection shall be~~ responsible for ensuring
22 that the corporate income tax credits granted in each fiscal
23 year do not exceed the limits provided for in this section.
24 The Florida Alternative Energy Development Corporation ~~may~~
25 ~~Department of Environmental Protection is authorized to~~ adopt
26 the necessary rules, guidelines, and application materials for
27 the application process.

28 (4) TAXPAYER APPLICATION PROCESS.--To claim a credit
29 under this section, each taxpayer must apply to the Florida
30 Alternative Energy Development Corporation ~~Department of~~
31 ~~Environmental Protection~~ for an allocation of each type of

1 annual credit by the date established by the Florida
2 Alternative Energy Development Corporation ~~Department of~~
3 ~~Environmental Protection~~. The application form may be
4 established by the Florida Alternative Energy Development
5 Corporation ~~Department of Environmental Protection~~ and shall
6 include an affidavit from each taxpayer certifying that all
7 information contained in the application, including all
8 records of eligible costs claimed as the basis for the tax
9 credit, are true and correct. Approval of the credits under
10 this section shall be accomplished on a first-come,
11 first-served basis, based upon the date complete applications
12 are received by the Florida Alternative Energy Development
13 Corporation ~~Department of Environmental Protection~~. A taxpayer
14 shall submit only one complete application based upon eligible
15 costs incurred within a particular state fiscal year. The
16 corporation may not accept incomplete placeholder applications
17 ~~will not be accepted~~ and such an application does ~~will~~ not
18 secure a place in the first-come, first-served application
19 line. If a taxpayer does not receive a tax credit allocation
20 due to the exhaustion of the annual tax credit authorizations,
21 ~~then~~ such taxpayer may reapply in the following year for those
22 eligible costs and shall be given ~~will have~~ priority over
23 other applicants for the allocation of credits.

24 (5) ADMINISTRATION; AUDIT AUTHORITY; RECAPTURE OF
25 CREDITS.--

26 (a) In addition to its existing audit and
27 investigation authority, the Department of Revenue may perform
28 any additional financial and technical audits and
29 investigations, including examining the accounts, books, and
30 records of the tax credit applicant, which ~~that~~ are necessary
31 to verify the eligible costs included in the tax credit return

1 and to ensure compliance with this section. The Florida
2 Alternative Energy Development Corporation ~~Department of~~
3 ~~Environmental Protection~~ shall provide technical assistance
4 when requested by the Department of Revenue on any technical
5 audits or examinations performed pursuant to this section.

6 (b) It is grounds for forfeiture of previously claimed
7 and received tax credits if the Department of Revenue
8 determines, as a result of either an audit or examination or
9 from information received from the Florida Alternative Energy
10 Development Corporation ~~Department of Environmental~~
11 ~~Protection~~, that a taxpayer received tax credits pursuant to
12 this section to which the taxpayer was not entitled. The
13 taxpayer is responsible for returning forfeited tax credits to
14 the Department of Revenue, and such funds shall be paid into
15 the General Revenue Fund of the state.

16 (c) The Florida Alternative Energy Development
17 Corporation ~~Department of Environmental Protection~~ may revoke
18 or modify any written decision granting eligibility for tax
19 credits under this section if it is discovered that the tax
20 credit applicant submitted any false statement,
21 representation, or certification in any application, record,
22 report, plan, or other document filed in an attempt to receive
23 tax credits under this section. The Florida Alternative Energy
24 Development Corporation ~~Department of Environmental Protection~~
25 shall immediately notify the Department of Revenue of any
26 revoked or modified orders affecting previously granted tax
27 credits. Additionally, the taxpayer must notify the Department
28 of Revenue of any change in its tax credit claimed.

29 (d) The taxpayer shall file with the Department of
30 Revenue an amended return or such other report as the
31 Department of Revenue prescribes by rule and shall pay any

1 required tax and interest within 60 days after the taxpayer
2 receives notification from the Florida Alternative Energy
3 Development Corporation ~~Department of Environmental Protection~~
4 that previously approved tax credits have been revoked or
5 modified. If the revocation or modification order is
6 contested, the taxpayer shall file an amended return or other
7 report as provided in this paragraph within 60 days after a
8 final order is issued following proceedings.

9 (e) A notice of deficiency may be issued by the
10 Department of Revenue at any time within 3 years after the
11 taxpayer receives formal notification from the Florida
12 Alternative Energy Development Corporation ~~Department of~~
13 ~~Environmental Protection~~ that previously approved tax credits
14 have been revoked or modified. If a taxpayer fails to notify
15 the Department of Revenue of any changes to its tax credit
16 claimed, a notice of deficiency may be issued at any time.

17 (6) RULES.--The Department of Revenue may ~~shall have~~
18 ~~the authority to~~ adopt rules relating to the forms required to
19 claim a tax credit under this section, the requirements and
20 basis for establishing an entitlement to a credit, and the
21 examination and audit procedures required to administer this
22 section.

23 (7) PUBLICATION.--The Florida Alternative Energy
24 Development Corporation ~~Department of Environmental Protection~~
25 shall determine and publish on a regular basis the amount of
26 available tax credits remaining in each fiscal year.

27 Section 9. Effective July 1, 2008, section 377.803,
28 Florida Statutes, is amended to read:

29 377.803 Definitions.--As used in ss. 377.801-377.806,
30 the term:

31

1 (1) "Act" means the Florida Renewable Energy
2 Technologies and Energy Efficiency Act.

3 (2) "Corporation" means the Florida Alternative Energy
4 Development Corporation.

5 ~~(2) "Approved metering equipment" means a device~~
6 ~~capable of measuring the energy output of a solar thermal~~
7 ~~system that has been approved by the commission.~~

8 (3) "Commission" means the Florida Public Service
9 Commission.

10 ~~(4) "Department" means the Department of Environmental~~
11 ~~Protection.~~

12 ~~(4)(5)~~ "Person" means an individual, partnership,
13 joint venture, private or public corporation, association,
14 firm, public service company, or any other public or private
15 entity.

16 ~~(5)(6)~~ "Renewable energy" means electrical,
17 mechanical, or thermal energy produced from a method that uses
18 one or more of the following fuels or energy sources:
19 hydrogen, biomass, solar energy, geothermal energy, wind
20 energy, ocean energy, waste heat, ~~or~~ hydroelectric power,
21 ethanol, or biodiesel.

22 ~~(6)(7)~~ "Renewable energy technology" means any
23 technology that generates or utilizes a renewable energy
24 resource.

25 ~~(7)(8)~~ "Solar energy system" means equipment that
26 provides for the collection and use of incident solar energy
27 for water heating, space heating or cooling, or other
28 applications that would normally require a conventional source
29 of energy such as petroleum products, natural gas, or
30 electricity that performs primarily with solar energy. In
31 other systems in which solar energy is used in a supplemental

1 way, only those components that collect and transfer solar
2 energy shall be included in this definition.

3 ~~(8)(9)~~ "Solar photovoltaic system" means a device that
4 converts incident sunlight into electrical current.

5 ~~(9)(10)~~ "Solar thermal system" means a device that
6 traps heat from incident sunlight in order to heat water.

7 Section 10. Effective July 1, 2008, section 377.804,
8 Florida Statutes, is amended to read:

9 377.804 Renewable Energy Technologies Grants
10 Program.--

11 (1) The Renewable Energy Technologies Grants Program
12 is established within the corporation ~~department~~ to provide
13 renewable energy matching grants for demonstration,
14 commercialization, research, and development projects relating
15 to renewable energy technologies.

16 (2) Matching grants for renewable energy technology
17 demonstration, commercialization, research, and development
18 projects may be made to any of the following:

19 (a) Municipalities and county governments.

20 (b) Established for-profit companies licensed to do
21 business in the state.

22 (c) Universities and colleges in the state.

23 (d) Utilities located and operating within the state.

24 (e) Not-for-profit organizations.

25 (f) Other qualified persons, as determined by the
26 corporation ~~department~~.

27 (3) The corporation ~~department~~ may adopt rules
28 pursuant to ss. 120.536(1) and 120.54 to provide for
29 application requirements, provide for ranking of applications,
30 and administer the awarding of grants under this program.

31

1 (4) Factors the corporation ~~department~~ shall consider
2 in awarding grants include, but are not limited to:

3 (a) The availability of matching funds or other
4 in-kind contributions applied to the total project from an
5 applicant. The corporation ~~department~~ shall give greater
6 preference to projects that provide such matching funds or
7 other in-kind contributions.

8 (b) The degree to which the project stimulates
9 in-state capital investment and economic development in
10 metropolitan and rural areas, including the creation of jobs
11 and the future development of a commercial market for
12 renewable energy technologies.

13 (c) The extent to which the proposed project has been
14 demonstrated to be technically feasible based on pilot project
15 demonstrations, laboratory testing, scientific modeling, or
16 engineering or chemical theory that supports the proposal.

17 (d) The degree to which the project incorporates an
18 innovative new technology or an innovative application of an
19 existing technology.

20 (e) The degree to which a project generates thermal,
21 mechanical, or electrical energy by means of a renewable
22 energy resource that has substantial long-term production
23 potential.

24 (f) The degree to which a project demonstrates
25 efficient use of energy and material resources.

26 (g) The degree to which the project fosters overall
27 understanding and appreciation of renewable energy
28 technologies.

29 (h) The ability to administer a complete project.

30 (i) Project duration and timeline for expenditures.
31

1 (j) The geographic area in which the project is to be
2 conducted in relation to other projects.

3 (k) The degree of public visibility and interaction.

4 (5) The corporation ~~department~~ shall solicit the
5 expertise of other state agencies in evaluating project
6 proposals. State agencies shall cooperate with the Department
7 of Environmental Protection and provide such assistance as
8 requested.

9 ~~(6) The department shall coordinate and actively
10 consult with the Department of Agriculture and Consumer
11 Services during the review and approval process of grants
12 relating to bioenergy projects for renewable energy
13 technology, and the departments shall jointly determine the
14 grant awards to these bioenergy projects. No grant funding
15 shall be awarded to any bioenergy project without such joint
16 approval. Factors for consideration in awarding grants may
17 include, but are not limited to, the degree to which:~~

18 ~~(a) The project stimulates in state capital investment
19 and economic development in metropolitan and rural areas,
20 including the creation of jobs and the future development of a
21 commercial market for bioenergy.~~

22 ~~(b) The project produces bioenergy from Florida grown
23 crops or biomass.~~

24 ~~(c) The project demonstrates efficient use of energy
25 and material resources.~~

26 ~~(d) The project fosters overall understanding and
27 appreciation of bioenergy technologies.~~

28 ~~(e) Matching funds and in kind contributions from an
29 applicant are available.~~

30 ~~(f) The project duration and the timeline for
31 expenditures are acceptable.~~

1 ~~(g) The project has a reasonable assurance of~~
2 ~~enhancing the value of agricultural products or will expand~~
3 ~~agribusiness in the state.~~

4 ~~(h) Preliminary market and feasibility research has~~
5 ~~been conducted by the applicant or others and shows there is a~~
6 ~~reasonable assurance of a potential market.~~

7 Section 11. Effective July 1, 2008, section 377.806,
8 Florida Statutes, is amended to read:

9 377.806 Solar Energy System Incentives Program.--

10 (1) PURPOSE.--The Solar Energy System Incentives
11 Program is established within the corporation department to
12 provide financial incentives for the purchase and installation
13 of solar energy systems. Any resident of the state who
14 purchases and installs a new solar energy system of 2
15 kilowatts or larger for a solar photovoltaic system, a solar
16 energy system that provides at least 50 percent of a
17 building's hot water consumption for a solar thermal system,
18 or a solar thermal pool heater, from July 1, 2006, through
19 June 30, 2010, is eligible for a rebate on a portion of the
20 purchase price of that solar energy system. Payment of a
21 rebate may be made only to the end user of an eligible system.

22 (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE.--

23 (a) Eligibility requirements.--A solar photovoltaic
24 system qualifies for a rebate if:

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

27 2. The system complies with state interconnection
28 standards as provided by the commission.

29 3. The system complies with all applicable building
30 codes as defined by the local jurisdictional authority.
31

1 (b) Rebate amounts.--The rebate amount shall be set at
2 \$4 per watt based on the total wattage rating of the system.
3 The maximum allowable rebate per solar photovoltaic system
4 installation shall be as follows:

- 5 1. Twenty thousand dollars for a residence.
- 6 2. One hundred thousand dollars for a place of
7 business, a publicly owned or operated facility, or a facility
8 owned or operated by a private, not-for-profit organization,
9 including condominiums or apartment buildings.

10 (3) SOLAR THERMAL SYSTEM INCENTIVE.--

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

- 13 1. The system is installed by a state-licensed solar
14 or plumbing contractor.
- 15 2. The system complies with all applicable building
16 codes as defined by the local jurisdictional authority.

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

- 19 1. Five hundred dollars for a residence.
- 20 2. Fifteen dollars per 1,000 Btu up to a maximum of
21 \$5,000 for a place of business, a publicly owned or operated
22 facility, or a facility owned or operated by a private,
23 not-for-profit organization, including condominiums or
24 apartment buildings. ~~Btu must be verified by approved metering
25 equipment.~~

26 (4) SOLAR THERMAL POOL HEATER INCENTIVE.--

27 (a) Eligibility requirements.--A solar thermal pool
28 heater qualifies for a rebate if the system is installed by a
29 state-licensed solar or plumbing contractor and the system
30 complies with all applicable building codes as defined by the
31 local jurisdictional authority.

1 (b) Rebate amount.--Authorized rebates for
2 installation of solar thermal pool heaters shall be \$100 per
3 installation.

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

7 (6) LIMITS.--Rebates are limited to one per type of
8 system described in paragraph (2)(a) per resident, per state
9 fiscal year.

10 (7)(6) REBATE AVAILABILITY.--The corporation
11 ~~department~~ shall determine and publish on a regular basis the
12 amount of rebate funds remaining in each fiscal year. The
13 total dollar amount of all rebates issued by the department is
14 subject to the total amount of appropriations in any fiscal
15 year for this program. If funds are insufficient during the
16 current fiscal year, any requests for rebates received during
17 that fiscal year may be processed during the following fiscal
18 year. Requests for rebates received in a fiscal year that are
19 processed during the following fiscal year shall be given
20 priority over requests for rebates received during the
21 following fiscal year.

22 (7) RULES.--The corporation ~~department~~ shall adopt
23 rules pursuant to ss. 120.536(1) and 120.54 to develop rebate
24 applications and administer the issuance of rebates.

25 Section 12. Effective July 1, 2007, section 366.915,
26 Florida Statutes, is created to read:

27 366.915 Minimum purchase of renewable energy.--

28 (1) This section may be cited as the "Florida
29 Renewable Portfolio Standard Act."

30 (2)(a) The Legislature finds that it is in the
31 public's interest to:

1 1. Encourage investment in renewable energy resources
2 in order to expand environmentally sustainable methods of
3 generating electricity.

4 2. Stimulate the economic growth of this state.

5 3. Enhance the continued diversification of the fuel
6 sources for electricity used in the state.

7 (b) The Legislature further finds and declares that a
8 program requiring public utilities to use renewable energy is
9 a way to encourage investments in renewable energy resources,
10 stimulate economic growth within the state, and enhance the
11 continued diversification of the state's energy resources.

12 (3) As used in this section, the term:

13 (a) "Biomass" means a power source that is comprised
14 of, but not limited to, combustible residues or gases from
15 forest products manufacturing, agricultural and orchard crops,
16 waste products from livestock and poultry operations and food
17 processing, urban wood waste, municipal solid waste, municipal
18 liquid waste treatment operations, and landfill gas.

19 (b) "Renewable energy" means electrical energy
20 produced from a method that uses one or more of the following
21 fuels or energy sources: hydrogen produced from sources other
22 than fossil fuels, biomass, solar energy, geothermal energy,
23 wind energy, ocean energy, and hydroelectric power. The term
24 also includes energy-efficiency resources, such as waste heat
25 from sulfuric acid manufacturing operations and combined heat
26 and power. It also includes nuclear and coal fuel when coal is
27 used in a facility having potential carbon-dioxide-capturing
28 technology.

29 (4) Each public utility, as defined in s. 366.02,
30 shall ensure that by 2015 and for each year thereafter, at
31 least 50 percent of all new net energy for load, using 2006 as

1 a base year, is derived from renewable energy produced in this
2 state.

3 (5) If a public utility must procure renewable energy
4 in order to satisfy the requirements of this section, the
5 public utility shall use a competitive-procurement process,
6 give priority to entities that produce renewable energy in
7 this state, and use sources of renewable energy which are not
8 related to or affiliated with the public utility, except when,
9 and only to the extent that, such entities collectively cannot
10 produce enough renewable energy to satisfy the requirements of
11 this section.

12 (6) The Public Service Commission may adopt rules to
13 ensure that the procurement of renewable energy by public
14 utilities is conducted in a fair and impartial manner,
15 consistent with the goals set forth in this section. The
16 Public Service Commission also may develop an accreditation
17 process to ensure that any entities providing renewable energy
18 in this state satisfy the goals of this section.

19 Section 13. Effective July 1, 2007, paragraph (b) of
20 subsection (2) of section 366.91, Florida Statutes, is amended
21 to read:

22 366.91 Renewable energy.--

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

24 (b) "Renewable energy" means electrical energy
25 produced from a method that uses one or more of the following
26 fuels or energy sources: hydrogen produced from sources other
27 than fossil fuels, biomass, solar energy, geothermal energy,
28 wind energy, ocean energy, and hydroelectric power. The term
29 also includes the ~~alternative~~ energy efficiency resources
30 ~~resource~~, waste heat, from sulfuric acid manufacturing
31 operations, and combined heat and power.

1 Section 14. Effective July 1, 2007, section 366.925,
2 Florida Statutes, is created to read:

3 366.925 Electric utilities; net metering.--

4 (1) This section may be cited as the "Florida Net
5 Metering Conservation Act."

6 (2) The commission shall develop rules requiring all
7 public utilities to develop net-metering programs that meet
8 the requirements of this subsection. Each utility shall make
9 available meters that measure both energy production and
10 consumption by the customer. The customer shall receive credit
11 at the full retail rate for energy generated by an eligible
12 system. If the customer's system generates more energy than
13 the customer consumes during a billing cycle, the utility
14 shall pay the customer for the excess generation at its full
15 avoided cost, as set forth in s. 366.051.

16 (3) The commission shall develop rules setting the
17 interconnection requirements and other standards that
18 renewable energy systems must meet in order to ensure public
19 safety and reliability for customers who participate in the
20 net-metering program.

21 Section 15. Effective July 1, 2007, every wholesaler
22 of diesel to a marina within this state must offer biodiesel
23 for sale.

24 Section 16. Effective July 1, 2007, section 403.0874,
25 Florida Statutes, is created to read:

26 403.0874 Greenhouse gas inventories.--

27 (1) The department shall develop greenhouse gas
28 inventories that account for annual greenhouse gases emitted
29 into and removed from the atmosphere, and that forecast gases
30 emitted into and removed from the atmosphere, for all major
31 greenhouse gases and for time periods that are determined

1 sufficient by the department to provide for adequate analysis
2 and planning.

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

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

15 Section 17. Effective July 1, 2007, subsection (2) of
16 section 366.04, Florida Statutes, is amended, and subsection
17 (7) is added to that section, to read:

18 366.04 Jurisdiction of commission.--

19 (2) In the exercise of its jurisdiction, the
20 commission shall have power over electric utilities for the
21 following purposes:

22 (a) To prescribe uniform systems and classifications
23 of accounts.

24 (b) To prescribe a rate structure for all electric
25 utilities.

26 (c) To require electric power conservation and
27 reliability within a coordinated grid, for operational as well
28 as emergency purposes.

29 (d) To approve territorial agreements between and
30 among rural electric cooperatives, municipal electric
31 utilities, and other electric utilities under its

1 jurisdiction. However, nothing in this chapter shall be
2 construed to alter existing territorial agreements as between
3 the parties to such agreements.

4 (e) To resolve, upon petition of a utility or on its
5 own motion, any territorial dispute involving service areas
6 between and among rural electric cooperatives, municipal
7 electric utilities, and other electric utilities under its
8 jurisdiction. In resolving territorial disputes, the
9 commission may consider, but not be limited to consideration
10 of, the ability of the utilities to expand services within
11 their own capabilities and the nature of the area involved,
12 including population, the degree of urbanization of the area,
13 its proximity to other urban areas, and the present and
14 reasonably foreseeable future requirements of the area for
15 other utility services.

16 (f) To prescribe and require the filing of periodic
17 reports and other data as may be reasonably available and as
18 necessary to exercise its jurisdiction hereunder.

19 (g) To review and approve or deny proposed sales and
20 transfers of utility assets, including a proposed merger or
21 acquisition of the utility.

22
23 No provision of this chapter shall be construed or applied to
24 impede, prevent, or prohibit any municipally owned electric
25 utility system from distributing at retail electrical energy
26 within its corporate limits, as such corporate limits exist on
27 July 1, 1974; however, existing territorial agreements shall
28 not be altered or abridged hereby.

29 (7) The commission may establish rules and standards
30 of conduct to insulate and protect the public from business
31 practices and merger activity that would adversely affect the

1 credit rating and financial standing of the state's regulated
2 public utilities. The commission has specific authority to
3 approve, deny, or impose conditions upon mergers between a
4 public utility and another entity or a public utility's
5 affiliated parent or holding company and another entity. As
6 used in this subsection, the term "assets" includes, but is
7 not limited to, real assets, financial assets, construction
8 work in progress, and allowances for funds used during
9 construction. However, the commission may establish by rule
10 minimum levels of value of asset transfer which shall be
11 deemed immaterial because the amount involved would not
12 adversely affect the utility and therefore is not subject to
13 this subsection. In the exercise of this jurisdiction, the
14 commission has the powers set forth in this subsection.

15 (a) The commission may restrict and mandate the use
16 and terms of a sale or transfer of utility assets. This
17 includes a restriction against using utility assets as
18 collateral or a guarantee for any nonutility business. A
19 regulated public utility doing business in this state may not,
20 without first obtaining the commission's approval:

21 1. Sell, lease, transfer, assign, or otherwise dispose
22 of the whole of the property of such regulated public utility
23 which is necessary or useful in the performance of its duties
24 to the public or any part thereof of a value in excess of
25 those values provided in this subsection, or sell, lease,
26 assign or otherwise dispose of any franchise, permit, or right
27 to maintain and operate such regulated public utility or
28 public utility property or to perform any service as a public
29 utility;

30 2. Mortgage or otherwise encumber the whole or any
31 part of the property of such regulated public utility which is

1 necessary or useful in the performance of its duties to the
2 public, including any franchise, permit, or right to maintain
3 and operate such public utility or public utility property or
4 to perform any service as a public utility; or

5 3. By any means whatsoever, directly or indirectly,
6 merge, consolidate, or interconnect any of its lines, plants,
7 systems, or other property whatsoever, including any
8 franchise, permit, or right to maintain or operate any public
9 utility property or to perform any service as a public
10 utility, or any part thereof, with any other public utility.

11
12 However, a sale, assignment, lease, or transfer of
13 utility-related facilities or assets, or any portion thereof,
14 may occur prior to commission approval if the contract for
15 sale, lease, assignment, or transfer is made contingent upon
16 commission approval.

17 (b) A merger or combination affecting any public
18 utility, affiliated parent, or holding company may not occur
19 through acquisition or control by stock purchase or otherwise
20 without the approval of the commission and a determination
21 that the proposed merger or combination affecting any public
22 utility through acquisition or control by stock purchase or
23 otherwise is in the public interest and will fulfill the
24 commitments, obligations, and representations of the public
25 utility. However, a merger or combination affecting any public
26 utility made through acquisition or control by stock purchase
27 or otherwise may occur prior to the commission's approval if
28 such action is made contingent upon commission approval.

29 (c) In its determination of whether a transaction is
30 in the public interest, the commission may consider whether:
31

1 1. The transaction will adversely affect the adequacy,
2 efficiency, and reliability of the electric service that is
3 provided to the public utility's end-use customers;

4 2. The transaction will result in increased cost of
5 the electric service that is provided to the public utility's
6 end-use customers without offsetting benefits;

7 3. The transaction will harm the financial condition
8 of the public utility; and

9 4. Comparable economic savings can be achieved through
10 other means, including no transaction, while avoiding the
11 possible adverse consequences of the proposed transaction.

12 (d) The commission may approve, deny, or require
13 modification of any request submitted under this subsection. A
14 public utility seeking review under this subsection shall file
15 a petition with the commission coincident with or prior to
16 filing a similar petition to the Federal Energy Regulatory
17 Commission pursuant to s. 1289, EPACK 2005, s. 203(a) of the
18 Federal Power Act, 16 U.S.C. s. 824b(a). In support of the
19 petition, the public utility shall file direct testimony and
20 supporting documents at the time the initial petition is
21 submitted to the commission.

22 (e) The commission may adopt rules to administer this
23 subsection, including setting material asset value thresholds.

24 Section 18. Section 212.086, Florida Statutes, is
25 created to read:

26 212.086 Energy Efficient Motor Vehicle Sales Tax
27 Refund Program.--

28 (1) The Energy Efficient Motor Vehicle Sales Tax
29 Refund Program is established to provide financial incentives
30 for the purchase of alternative motor vehicles as specified by
31 this section.

1 (2) Any person who purchases an alternative motor
2 vehicle from a sales tax dealer in the state is eligible for a
3 refund of the sales tax paid under this chapter. The sales tax
4 that is eligible for refund shall be computed on the sales
5 price of the alternative motor vehicle up to a maximum sales
6 price of \$15,000.

7 (3) In order to qualify for the sales tax refund under
8 this section, the alternative motor vehicle must be certified
9 as a new qualified hybrid motor vehicle, new qualified
10 alternative fuel motor vehicle, new qualified fuel cell motor
11 vehicle, or new advanced lean-burn technology motor vehicle by
12 the Internal Revenue Service for the income tax credit for
13 alternative motor vehicles under s. 30B of the Internal
14 Revenue Code of 1986, as amended.

15 (4) Notwithstanding ss. 212.095 and 215.26, an
16 application for refund must be filed with the department
17 within 90 days after purchase of the alternative motor vehicle
18 and must contain the following:

19 (a) The name and address of the person claiming the
20 refund.

21 (b) A specific description of the alternative motor
22 vehicle for which a refund is sought, including the vehicle
23 identification number.

24 (c) The sales invoice or other proof of purchase
25 showing the amount of sales tax paid, the date of purchase,
26 and the name and address of the sales tax dealer from whom the
27 alternative motor vehicle was purchased.

28 (d) A sworn statement that the information provided is
29 accurate and that the requirements of this section have been
30 met.

31

1 (5) The total dollar amount of all refunds issued by
2 the department is limited to the total amount of
3 appropriations in any fiscal year for this program. The
4 department may approve refunds up to the amount appropriated
5 for this refund program based on the date of filing an
6 application for refund pursuant to subsection (4). If the
7 funds are insufficient during the current fiscal year, any
8 requests for refund received during that fiscal year may be
9 processed during the following fiscal year, subject to the
10 appropriation, and have priority over new applications for
11 refund filed in the following fiscal year. The provisions of
12 s. 213.255 do not apply to requests for refund which are held
13 for payment in the following fiscal year.

14 (6) The department shall adopt rules pursuant to ss.
15 120.536(1) and 120.54 to administer this section, including
16 rules establishing forms and procedures for claiming this
17 refund.

18 (7) A taxpayer who receives a refund pursuant to s.
19 212.08(7)(ccc) may not be allowed a refund provided in this
20 section.

21 (8) This section is repealed July 1, 2010.

22 Section 19. For the 2007-2008 fiscal year, the sum of
23 \$ million is appropriated from the General Revenue Fund to
24 the Administrative Trust Fund of the Department of Revenue for
25 the purpose of paying sales tax refunds as provided in this
26 act.

27 Section 20. Subsection (5) is added to section
28 255.252, Florida Statutes, to read:

29 255.252 Findings and intent.--

30 (5) Each state agency must identify and compile a list
31 of all state-owned buildings within its inventory which it

1 determines are suitable to consider for a guaranteed
2 energy-performance savings contract pursuant to s. 489.145.
3 Such list shall be submitted to the Department of Management
4 Services by December 31, 2007, and shall include any criteria
5 used to determine suitability. The list of suitable buildings
6 shall be developed from the list of state-owned facilities of
7 more than 5,000 square feet in area for which the agency pays
8 for the expenses of utilities and other operating expenses as
9 they relate to energy use. In consultation with each
10 department secretary or director, by March 1, 2008, the
11 Department of Management Services shall evaluate each agency's
12 facilities found suitable for energy conservation projects,
13 and shall develop an energy efficiency project schedule based
14 on factors such as project magnitude, efficiency and
15 effectiveness of energy conservation measures to be
16 implemented, and other factors that may be advantageous to
17 pursue. Such schedule shall provide the deadline for
18 guaranteed energy-performance savings contract improvements to
19 be made to the state-owned buildings.

20 Section 21. Paragraph (b) of subsection (2) and
21 subsection (5) of section 287.063, Florida Statutes, are
22 amended to read:

23 287.063 Deferred-payment commodity contracts; preaudit
24 review.--

25 (b) The Chief Financial Officer shall establish, by
26 rule, criteria for approving purchases made under
27 deferred-payment contracts which require the payment of
28 interest. Criteria shall include, but not be limited to, the
29 following provisions:

30 1. No contract shall be approved in which interest
31 exceeds the statutory ceiling contained in this section.

1 | However, the interest component of any master equipment
2 | financing agreement entered into for the purpose of
3 | consolidated financing of a deferred-payment, installment
4 | sale, or lease-purchase shall be deemed to comply with the
5 | interest rate limitation of this section so long as the
6 | interest component of every interagency agreement under such
7 | master equipment financing agreement complies with the
8 | interest rate limitation of this section.

9 | 2. No deferred-payment purchase for less than \$30,000
10 | shall be approved, unless it can be satisfactorily
11 | demonstrated and documented to the Chief Financial Officer
12 | that failure to make such deferred-payment purchase would
13 | adversely affect an agency in the performance of its duties.
14 | However, the Chief Financial Officer may approve any
15 | deferred-payment purchase if the Chief Financial Officer
16 | determines that such purchase is economically beneficial to
17 | the state.

18 | ~~3. No agency shall obligate an annualized amount of~~
19 | ~~payments for deferred payment purchases in excess of current~~
20 | ~~operating capital outlay appropriations, unless specifically~~
21 | ~~authorized by law or unless it can be satisfactorily~~
22 | ~~demonstrated and documented to the Chief Financial Officer~~
23 | ~~that failure to make such deferred payment purchase would~~
24 | ~~adversely affect an agency in the performance of its duties.~~

25 | 3.4. No contract shall be approved which extends
26 | payment beyond 5 years, unless it can be satisfactorily
27 | demonstrated and documented to the Chief Financial Officer
28 | that failure to make such deferred-payment purchase would
29 | adversely affect an agency in the performance of its duties.
30 | The payment term may not exceed the useful life of the
31 | equipment unless the contract provides for the replacement or

1 the extension of the useful life of the equipment during the
2 term of the loan.

3 (5) For purposes of this section, the annualized
4 amount of any such deferred payment commodity contract must be
5 supported from available recurring funds appropriated to the
6 agency in an appropriation category, ~~other than the expense~~
7 ~~appropriation category~~ as defined in chapter 216, that the
8 Chief Financial Officer has determined is appropriate or that
9 the Legislature has designated for payment of the obligation
10 incurred under this section.

11 Section 22. Subsections (10) and (11) of section
12 287.064, Florida Statutes, are amended to read:

13 287.064 Consolidated financing of deferred-payment
14 purchases.--

15 (10) Costs incurred pursuant to a guaranteed energy
16 performance savings contract, including the cost of energy
17 conservation measures, each as defined in s. 489.145, may be
18 financed pursuant to a master equipment financing agreement;
19 however, the costs of training, operation, and maintenance may
20 not be financed. The period of time for repayment of the funds
21 drawn pursuant to the master equipment financing agreement
22 under this subsection may exceed 5 years but may not exceed 20
23 ~~10~~ years for energy conservation measures pursuant to s.
24 489.145, excluding the costs of training, operation, and
25 maintenance. The guaranteed energy performance savings
26 contractor shall provide for the replacement or the extension
27 of the useful life of the equipment during the term of the
28 contract.

29 (11) For purposes of consolidated financing of
30 deferred payment commodity contracts under this section by a
31 state agency, the annualized amount of any such contract must

1 | be supported from available recurring funds appropriated to
2 | the agency in an appropriation category, ~~other than the~~
3 | ~~expense appropriation category~~ as defined in chapter 216, that
4 | the Chief Financial Officer has determined is appropriate or
5 | that the Legislature has designated for payment of the
6 | obligation incurred under this section.

7 | Section 23. Section 489.145, Florida Statutes, is
8 | amended to read:

9 | 489.145 Guaranteed energy performance savings
10 | contracting.--

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

13 | (2) LEGISLATIVE FINDINGS.--The Legislature finds that
14 | investment in energy conservation measures in agency
15 | facilities can reduce the amount of energy consumed and
16 | produce immediate and long-term savings. It is the policy of
17 | this state to encourage agencies to invest in energy
18 | conservation measures ~~that reduce energy consumption, produce~~
19 | ~~a cost savings for the agency, and improve the quality of~~
20 | ~~indoor air in public facilities and to operate, maintain, and,~~
21 | ~~when economically feasible, build or renovate existing agency~~
22 | ~~facilities in such a manner as~~ to minimize energy consumption
23 | and maximize energy savings. It is further the policy of this
24 | state to encourage agencies to reinvest any energy savings
25 | resulting from energy conservation measures in additional
26 | energy conservation efforts.

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

28 | (a) "Agency" means the state, a municipality, or a
29 | political subdivision.

30 | (b) "Energy conservation measure" means a ~~training~~
31 | ~~program,~~ facility alteration, or an equipment purchase to be

1 used in new construction, including an addition to an existing
2 facility, which reduces energy or energy-related operating
3 costs and includes, but is not limited to:

- 4 1. Insulation of the facility structure and systems
5 within the facility.
- 6 2. Storm windows and doors, caulking or
7 weatherstripping, multiglazed windows and doors,
8 heat-absorbing, or heat-reflective, glazed and coated window
9 and door systems, additional glazing, reductions in glass
10 area, and other window and door system modifications that
11 reduce energy consumption.
- 12 3. Automatic energy control systems.
- 13 4. Heating, ventilating, or air-conditioning system
14 modifications or replacements.
- 15 5. Replacement or modifications of lighting fixtures
16 to increase the energy efficiency of the lighting system,
17 which, at a minimum, must conform to the applicable state or
18 local building code.
- 19 6. Energy recovery systems.
- 20 7. Cogeneration systems that produce steam or forms of
21 energy such as heat, as well as electricity, for use primarily
22 within a facility or complex of facilities.
- 23 8. Energy conservation measures that reduce Btu, kW,
24 or kWh consumed or provide long-term operating cost reductions
25 ~~or significantly reduce Btu consumed.~~
- 26 9. Renewable energy systems, such as solar, biomass,
27 or wind systems.
- 28 10. Devices that reduce water consumption or sewer
29 charges.
- 30 11. Storage systems, such as fuel cells and thermal
31 storage.

1 12. Generating technologies, such as microturbines.

2 13. Any other repair, replacement, or upgrade of
3 existing equipment.

4 (c) "Energy cost savings" means a measured reduction
5 in the cost of fuel, energy consumption, and stipulated
6 operation and maintenance created from the implementation of
7 one or more energy conservation measures when compared with an
8 established baseline for the previous cost of fuel, energy
9 consumption, and stipulated operation and maintenance.

10 (d) "Guaranteed energy performance savings contract"
11 means a contract for the evaluation, recommendation, and
12 implementation of energy conservation measures or
13 energy-related operational savings measures, which, at a
14 minimum, shall include:

15 1. The design and installation of equipment to
16 implement one or more of such measures and, if applicable,
17 operation and maintenance of such measures.

18 2. The amount of any actual annual savings that meet
19 or exceed total annual contract payments made by the agency
20 for the contract and may include allowable cost avoidance. As
21 used in this section, allowable cost-avoidance calculations
22 include, but are not limited to, avoided provable budgeted
23 costs contained in a capital replacement plan less the current
24 undepreciated value of replaced equipment and the replacement
25 cost of the new equipment.

26 3. The finance charges incurred by the agency over the
27 life of the contract.

28 (e) "Guaranteed energy performance savings contractor"
29 means a person or business that is licensed under chapter 471,
30 chapter 481, or this chapter, and is experienced in the
31

1 analysis, design, implementation, or installation of energy
2 conservation measures through energy performance contracts.

3 (4) PROCEDURES.--

4 (a) An agency may enter into a guaranteed energy
5 performance savings contract with a guaranteed energy
6 performance savings contractor to ~~significantly~~ reduce energy
7 consumption or energy-related operating costs of an agency
8 facility through one or more energy conservation measures.

9 (b) Before design and installation of energy
10 conservation measures, the agency must obtain from a
11 guaranteed energy performance savings contractor a report that
12 summarizes the costs associated with the energy conservation
13 measures or energy-related operational cost savings measures
14 and provides an estimate of the amount of the ~~energy~~ cost
15 savings. The agency and the guaranteed energy performance
16 savings contractor may enter into a separate agreement to pay
17 for costs associated with the preparation and delivery of the
18 report; however, payment to the contractor shall be contingent
19 upon the report's projection of energy or operational cost
20 savings being equal to or greater than the total projected
21 costs of the design and installation of the report's energy
22 conservation measures.

23 (c) The agency may enter into a guaranteed energy
24 performance savings contract with a guaranteed energy
25 performance savings contractor if the agency finds that the
26 amount the agency would spend on the energy conservation or
27 energy-related cost saving measures will not likely exceed the
28 amount of the energy or energy-related cost savings for up to
29 20 years from the date of installation, based on the life
30 cycle cost calculations provided in s. 255.255, if the
31 recommendations in the report were followed and if the

1 qualified provider or providers give a written guarantee that
2 the energy or energy-related cost savings will meet or exceed
3 the costs of the system. However, actual computed cost savings
4 must meet or exceed the estimated cost savings provided in
5 program approval. Baseline adjustments used in calculations
6 must be specified in the contract. The contract may provide
7 for installment payments for a period not to exceed 20 years.

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

14 (e) Before entering into a guaranteed energy
15 performance savings contract, an agency must provide published
16 notice of the meeting in which it proposes to award the
17 contract, the names of the parties to the proposed contract,
18 and the contract's purpose.

19 (f) A guaranteed energy performance savings contract
20 may provide for financing, including tax exempt financing, by
21 a third party. The contract for third party financing may be
22 separate from the energy performance contract. A separate
23 contract for third party financing pursuant to this paragraph
24 must include a provision that the third party financier must
25 not be granted rights or privileges that exceed the rights and
26 privileges available to the guaranteed energy performance
27 savings contractor.

28 (g) Financing for guaranteed energy performance
29 savings contracts may be provided under the authority of s.
30 287.064.
31

1 ~~(h)(g)~~ In determining the amount the agency will
2 finance to acquire the energy conservation measures, the
3 agency may reduce such amount by the application of any grant
4 moneys, rebates, or capital funding available to the agency
5 for the purpose of buying down the cost of the guaranteed
6 energy performance savings contract. However, in calculating
7 the life cycle cost as required in paragraph (c), the agency
8 shall not apply any grants, rebates, or capital funding. The
9 Office of the Chief Financial Officer shall review proposals
10 to ensure that the most effective financing is being used.

11 (5) CONTRACT PROVISIONS.--

12 (a) A guaranteed energy performance savings contract
13 must include a written guarantee that may include, but is not
14 limited to the form of, a letter of credit, insurance policy,
15 or corporate guarantee by the guaranteed energy performance
16 savings contractor that annual energy cost savings will meet
17 or exceed the amortized cost of energy conservation measures.

18 (b) The guaranteed energy performance savings contract
19 must provide that all payments, except obligations on
20 termination of the contract before its expiration, may be made
21 over time, but not to exceed 20 years from the date of
22 complete installation and acceptance by the agency, and that
23 the annual savings are guaranteed to the extent necessary to
24 make annual payments to satisfy the guaranteed energy
25 performance savings contract.

26 (c) The guaranteed energy performance savings contract
27 must require that the guaranteed energy performance savings
28 contractor to whom the contract is awarded provide a
29 100-percent public construction bond to the agency for its
30 faithful performance, as required by s. 255.05.

31

1 (d) The guaranteed energy performance savings contract
2 may contain a provision allocating to the parties to the
3 contract any annual energy cost savings that exceed the amount
4 of the energy cost savings guaranteed in the contract.

5 (e) The guaranteed energy performance savings contract
6 shall require the guaranteed energy performance savings
7 contractor to provide to the agency an annual reconciliation
8 of the guaranteed energy or energy-related cost savings. If
9 the reconciliation reveals a shortfall in annual energy or
10 energy-related cost savings, the guaranteed energy performance
11 savings contractor is liable for such shortfall. If the
12 reconciliation reveals an excess in annual ~~energy~~ cost
13 savings, the excess savings may be allocated under paragraph
14 (d) but may not be used to cover potential energy cost savings
15 shortages in subsequent contract years.

16 (f) The guaranteed energy performance savings contract
17 must provide for payments of not less than one-twentieth of
18 the price to be paid within 2 years from the date of the
19 complete installation and acceptance by the agency using
20 straight-line amortization for the term of the loan, and the
21 remaining costs to be paid at least quarterly, not to exceed a
22 20-year term, based on life cycle cost calculations.

23 (g) The guaranteed energy performance savings contract
24 may extend beyond the fiscal year in which it becomes
25 effective; however, the term of any contract expires at the
26 end of each fiscal year and may be automatically renewed
27 annually for up to 20 years, subject to the agency making
28 sufficient annual appropriations based upon continued realized
29 energy savings.

30
31

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

4 (6) PROGRAM ADMINISTRATION AND CONTRACT REVIEW.--The
5 Department of Management Services, with the assistance of the
6 Office of the Chief Financial Officer, may, within available
7 resources, provide technical assistance to state agencies
8 contracting for energy conservation measures and engage in
9 other activities considered appropriate by the department for
10 promoting and facilitating guaranteed energy performance
11 contracting by state agencies. The Office of the Chief
12 Financial Officer, with the assistance of the Department of
13 Management Services, shall ~~may, within available resources,~~
14 develop model contractual and related documents for use by
15 state agencies. Prior to entering into a guaranteed energy
16 performance savings contract, any contract or lease for
17 third-party financing, or any combination of such contracts, a
18 state agency shall submit such proposed contract or lease to
19 the Office of the Chief Financial Officer for review and
20 approval that includes the following:-

21 (a) Supporting information required by s.
22 216.023(4)(a)9.

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

25 (c) Approval by agency head or designee.

26 (d) An agency measurement and verification plan to
27 monitor costs savings.

28 (7) FUNDING REPORT.--For purposes of consolidated
29 financing of deferred payment commodity contracts under this
30 section by a state agency, the annualized amount of any such
31 contract must be supported from available recurring funds

1 appropriated to the agency in an appropriation category, as
2 defined in chapter 216, which the Chief Financial Officer has
3 determined is appropriate or which the Legislature has
4 designated for payment of the obligation incurred under this
5 section.

6
7 The Office of the Chief Financial Officer may not approve any
8 contract submitted under this section which does not meet the
9 requirements of this section.

10 Section 24. Section 366.93, Florida Statutes, is
11 amended to read:

12 366.93 Cost recovery for the siting, design,
13 licensing, and construction of nuclear and integrated
14 gasification combined cycle power plants.--

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

16 (a) "Cost" includes, but is not limited to, all
17 capital investments, including rate of return, any applicable
18 taxes, and all expenses, including operation and maintenance
19 expenses, related to or resulting from the siting, licensing,
20 design, construction, or operation of the nuclear or
21 integrated gasification combined cycle power plant.

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

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

28 ~~(d)(e)~~ "Nuclear power plant" or "plant" is an
29 electrical power plant as defined in s. 403.503(13) which s-
30 ~~403.503(12) that~~ uses nuclear materials for fuel.

31

1 (e) "Power plant" or "plant" means a nuclear power
2 plant or an integrated gasification combined cycle power
3 plant.

4 ~~(f)(d)~~ "Preconstruction" is that period of time after
5 a site has been selected through and including the date the
6 utility completes site clearing work. Preconstruction costs
7 shall be afforded deferred accounting treatment and shall
8 accrue a carrying charge equal to the utility's allowance for
9 funds during construction (AFUDC) rate until recovered in
10 rates.

11 (2) Within 6 months after the enactment of this act,
12 the commission shall establish, by rule, alternative cost
13 recovery mechanisms for the recovery of costs incurred in the
14 siting, design, licensing, and construction of a nuclear or
15 integrated gasification combined cycle power plant. Such
16 mechanisms shall be designed to promote utility investment in
17 nuclear or integrated gasification combined cycle power plants
18 and allow for the recovery in rates of all prudently incurred
19 costs, and shall include, but are not limited to:

20 (a) Recovery through the capacity cost recovery clause
21 of any preconstruction costs.

22 (b) Recovery through an incremental increase in the
23 utility's capacity cost recovery clause rates of the carrying
24 costs on the utility's projected construction cost balance
25 associated with the nuclear or integrated gasification
26 combined cycle power plant. To encourage investment and
27 provide certainty, for nuclear or integrated gasification
28 combined cycle power plant need petitions submitted on or
29 before December 31, 2010, associated carrying costs shall be
30 equal to the pretax AFUDC in effect upon this act becoming
31 law. For nuclear or integrated gasification combined cycle

1 power plants for which need petitions are submitted after
2 December 31, 2010, the utility's existing pretax AFUDC rate is
3 presumed to be appropriate unless determined otherwise by the
4 commission in the determination of need for the nuclear or
5 integrated gasification combined cycle power plant.

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

9 (4) When the nuclear or integrated gasification
10 combined cycle power plant is placed in commercial service,
11 the utility shall be allowed to increase its base rate charges
12 by the projected annual revenue requirements of the nuclear or
13 integrated gasification combined cycle power plant based on
14 the jurisdictional annual revenue requirements of the plant
15 for the first 12 months of operation. The rate of return on
16 capital investments shall be calculated using the utility's
17 rate of return last approved by the commission prior to the
18 commercial inservice date of the nuclear or integrated
19 gasification combined cycle power plant. If any existing
20 generating plant is retired as a result of operation of the
21 nuclear or integrated gasification combined cycle power plant,
22 the commission shall allow for the recovery, through an
23 increase in base rate charges, of the net book value of the
24 retired plant over a period not to exceed 5 years.

25 (5) The utility shall report to the commission
26 annually the budgeted and actual costs as compared to the
27 estimated inservice cost of the nuclear or integrated
28 gasification combined cycle power plant provided by the
29 utility pursuant to s. 403.519(4), until the commercial
30 operation of the nuclear or integrated gasification combined
31 cycle power plant. The utility shall provide such information

1 on an annual basis following the final order by the commission
2 approving the determination of need for the nuclear or
3 integrated gasification combined cycle power plant, with the
4 understanding that some costs may be higher than estimated and
5 other costs may be lower.

6 (6) In the event the utility elects not to complete or
7 is precluded from completing construction of the nuclear or
8 integrated gasification combined cycle power plant, the
9 utility shall be allowed to recover all prudent
10 preconstruction and construction costs incurred following the
11 commission's issuance of a final order granting a
12 determination of need for the nuclear or integrated
13 gasification combined cycle power plant. The utility shall
14 recover such costs through the capacity cost recovery clause
15 over a period equal to the period during which the costs were
16 incurred or 5 years, whichever is greater. The unrecovered
17 balance during the recovery period will accrue interest at the
18 utility's weighted average cost of capital as reported in the
19 commission's earnings surveillance reporting requirement for
20 the prior year.

21 Section 25. Subsection (4) of section 403.519, Florida
22 Statutes, is amended to read:

23 403.519 Exclusive forum for determination of need.--

24 (4) In making its determination on a proposed
25 electrical power plant using nuclear materials or synthesis
26 gas produced by integrated gasification combined cycle power
27 plant as fuel, the commission shall hold a hearing within 90
28 days after the filing of the petition to determine need and
29 shall issue an order granting or denying the petition within
30 135 days after the date of the filing of the petition. The
31 commission shall be the sole forum for the determination of

1 | this matter and the issues addressed in the petition, which
2 | accordingly shall not be reviewed in any other forum, or in
3 | the review of proceedings in such other forum. In making its
4 | determination to either grant or deny the petition, the
5 | commission shall consider the need for electric system
6 | reliability and integrity, including fuel diversity, the need
7 | for base-load generating capacity, and the need for adequate
8 | electricity at a reasonable cost.

9 | (a) The applicant's petition shall include:

10 | 1. A description of the need for the generation
11 | capacity.

12 | 2. A description of how the proposed nuclear or
13 | integrated gasification combined cycle power plant will
14 | enhance the reliability of electric power production within
15 | the state by improving the balance of power plant fuel
16 | diversity and reducing Florida's dependence on fuel oil and
17 | natural gas.

18 | 3. A description of and a nonbinding estimate of the
19 | cost of the nuclear or integrated gasification combined cycle
20 | power plant.

21 | 4. The annualized base revenue requirement for the
22 | first 12 months of operation of the nuclear or integrated
23 | gasification combined cycle power plant.

24 | 5. Information on whether there were any discussions
25 | with any electric utilities regarding ownership of a portion
26 | of the nuclear or integrated gasification combined cycle power
27 | plant by such electric utilities.

28 | (b) In making its determination, the commission shall
29 | take into account matters within its jurisdiction, which it
30 | deems relevant, including whether the nuclear or integrated
31 | gasification combined cycle power plant will:

1 1. Provide needed base-load capacity.

2 2. Enhance the reliability of electric power

3 production within the state by improving the balance of power

4 plant fuel diversity and reducing Florida's dependence on fuel

5 oil and natural gas.

6 3. Provide the most cost-effective source of power,

7 taking into account the need to improve the balance of fuel

8 diversity, reduce Florida's dependence on fuel oil and natural

9 gas, reduce air emission compliance costs, and contribute to

10 the long-term stability and reliability of the electric grid.

11 (c) No provision of rule 25-22.082, Florida

12 Administrative Code, shall be applicable to a nuclear or

13 integrated gasification combined cycle power plant sited under

14 this act, including provisions for cost recovery, and an

15 applicant shall not otherwise be required to secure

16 competitive proposals for power supply prior to making

17 application under this act or receiving a determination of

18 need from the commission.

19 (d) The commission's determination of need for a

20 nuclear or integrated gasification combined cycle power plant

21 shall create a presumption of public need and necessity and

22 shall serve as the commission's report required by s.

23 403.507(4)(a). An order entered pursuant to this section

24 constitutes final agency action. Any petition for

25 reconsideration of a final order on a petition for need

26 determination shall be filed within 5 days after the date of

27 such order. The commission's final order, including any order

28 on reconsideration, shall be reviewable on appeal in the

29 Florida Supreme Court. Inasmuch as delay in the determination

30 of need will delay siting of a nuclear or integrated

31 gasification combined cycle power plant or diminish the

1 opportunity for savings to customers under the federal Energy
2 Policy Act of 2005, the Supreme Court shall proceed to hear
3 and determine the action as expeditiously as practicable and
4 give the action precedence over matters not accorded similar
5 precedence by law.

6 (e) After a petition for determination of need for a
7 nuclear or integrated gasification combined cycle power plant
8 has been granted, the right of a utility to recover any costs
9 incurred prior to commercial operation, including, but not
10 limited to, costs associated with the siting, design,
11 licensing, or construction of the plant, shall not be subject
12 to challenge unless and only to the extent the commission
13 finds, based on a preponderance of the evidence adduced at a
14 hearing before the commission under s. 120.57, that certain
15 costs were imprudently incurred. Proceeding with the
16 construction of the nuclear or integrated gasification
17 combined cycle power plant following an order by the
18 commission approving the need for the nuclear or integrated
19 gasification combined cycle power plant under this act shall
20 not constitute or be evidence of imprudence. Imprudence shall
21 not include any cost increases due to events beyond the
22 utility's control. Further, a utility's right to recover costs
23 associated with a nuclear or integrated gasification combined
24 cycle power plant may not be raised in any other forum or in
25 the review of proceedings in such other forum. Costs incurred
26 prior to commercial operation shall be recovered pursuant to
27 chapter 366.

28 Section 26. The Department of Community Affairs shall,
29 on or before September 1, 2007, review and if warranted under
30 part VI of chapter 533, Florida Statutes, establish, by rule,
31 new or updated energy-conservation standards to improve the

1 energy efficiency of the following products: residential pool
2 pumps, pool heaters and spas, commercial and residential
3 appliances, and electronic equipment. If the department
4 determines that new or updated standards are not so warranted,
5 it shall, on or before September 1, 2007, provide a written
6 report to the Governor and Legislature describing in detail
7 the reason for its determination and, separately for each
8 product, the efficiency improvements considered for the
9 product, the expected life of the product and each improvement
10 considered, how much less electricity would be used in this
11 state if the improvement were established as an energy
12 conservation standard, the cost-effectiveness of each
13 improvement considered, and the method used to determine cost
14 effectiveness.

15 Section 27. Section 287.151, Florida Statutes, is
16 amended to read:

17 287.151 Limitation on classes of motor vehicles
18 procured.--

19 (1) All motor vehicles purchased or leased by the
20 state with funds provided in the General Appropriations Act
21 shall be of the subcompact class except vehicles used for law
22 enforcement purposes by law enforcement officers of the state,
23 used as tow vehicles, routinely used to transport more than
24 three adults or bulk materials, or vehicles operated
25 frequently on unpaved roads. All vehicles purchased shall be
26 of the smallest class that can safely and adequately meet the
27 transportation requirements.

28 (2) No funds in the General Appropriations Act shall
29 be used to purchase any vehicle at prices in excess of the
30 standard prices negotiated by the Department of Management
31 Services.

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

2 (a) "Hybrid vehicle" means a hybrid vehicle, as
3 defined in s. 316.0741.

4 (b) "Flex-fuel vehicle" means a vehicle that:

5 1. Is designed to run on gasoline or a blend of up to
6 85 percent ethanol (E85); and

7 2. Can be operated on a locally available supply of
8 ethanol.

9 (c) "Biodiesel vehicle" means a diesel vehicle that
10 runs on mono-alkyl esters of long chain fatty acids derived
11 from vegetable oils or animal fats which conform to ASTM D6751
12 specifications for use in diesel engines. Biodiesel refers to
13 the pure fuel before blending with diesel fuel. Biodiesel
14 blends are denoted as "BXX" with "XX," representing the
15 percentage of biodiesel contained in the blend. For example,
16 B100 is pure biodiesel and B20 is a blend of 20-percent
17 biodiesel and 80-percent petroleum diesel.

18 (4)(a) By July 1, 2008, at least 25 percent of all new
19 motor vehicles purchased in the prior 12 months by a state
20 agency, state university, or local government through any
21 state purchasing plan must be hybrid, flex-fuel, biodiesel, or
22 compressed natural gas vehicles if the type of vehicle being
23 purchased is available with such propulsion system and
24 otherwise meets the requirements for the vehicle's intended
25 use.

26 (b) By July 1, 2009, at least 50 percent of all new
27 motor vehicles purchased in the prior 12 months by a state
28 agency, state university, or local government through any
29 state purchasing plan must be hybrid, flex-fuel, biodiesel, or
30 compressed natural gas vehicles if the type of vehicle being
31 purchased is available with such propulsion system and

1 otherwise meets the requirements for the vehicle's intended
2 use.

3 (c) By July 1, 2010, at least 75 percent of all new
4 motor vehicles purchased in the prior 12 months by a state
5 agency, state university, or local government through any
6 state purchasing plan must be hybrid, flex-fuel, biodiesel, or
7 compressed natural gas vehicles if the type of vehicle being
8 purchased is available with such propulsion system and
9 otherwise meets the requirements for the vehicle's intended
10 use.

11 (d) By July 1, 2011, at least 90 percent of all new
12 motor vehicles purchased in the prior 12 months by a state
13 agency, state university, or local government through any
14 state purchasing plan must be hybrid, flex-fuel, biodiesel, or
15 compressed natural gas vehicles if the type of vehicle being
16 purchased is available with such propulsion system and
17 otherwise meets the requirements for the vehicle's intended
18 use.

19 (e) Any new motor vehicle purchased after July 1,
20 2011, by a state agency, state university, or local government
21 through any state purchasing plan must be a hybrid, flex-fuel,
22 biodiesel, or compressed natural gas vehicle if the type of
23 vehicle being purchased is available with such propulsion
24 system and otherwise meets the requirements for the vehicle's
25 intended use.

26 Section 28. For the 2007-2008 fiscal year, the sum of
27 \$500,000 is appropriated from the General Revenue Fund to the
28 Florida Alternative Energy Development Corporation Trust Fund
29 for the purpose of funding the activities of the Florida
30 Alternative Energy Development Corporation for the 2007-2008
31 fiscal year.

1 Section 29. For the 2007-2008 fiscal year, the sum of
2 \$40 million is appropriated from the General Revenue Fund to
3 the Florida Alternative Energy Trust Fund for purposes of
4 funding the Alternative Energy Incentive Program.

5 Section 30. For the 2007-2008 fiscal year, the sum of
6 \$15 million is appropriated from the General Revenue Fund to
7 the Florida Alternative Energy Trust Fund for the purpose of
8 funding the Renewable Energy Technologies Grants Program.

9 Section 31. For the 2007-2008 fiscal year, the sum of
10 \$2.5 million is appropriated from the General Revenue Fund to
11 the Department of Environmental Protection for the purpose of
12 funding commercial and consumer solar incentives authorized in
13 s. 377.806, Florida Statutes.

14 Section 32. For the 2007-2008 fiscal year, the sum of
15 \$65,763 is appropriated from the General Revenue Fund to the
16 Department of Revenue for the purpose of administering the
17 energy-efficient products sales tax holiday.

18 Section 33. Except as otherwise expressly provided in
19 this act, this act shall take effect upon becoming a law.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 CS for Senate Bill 996
4 The committee substitute:
5 Revises the membership of the board of directors for the
6 Florida Alternative Energy Development Corporation to include
7 the Commissioner of Agriculture and the Chief Financial
8 Officer.
9 Amends the definition of "business project" for the purposes
10 of the Alternative Energy Incentive Program.
11 Deletes the repeal for the Florida Energy Commission.
12 Deletes the definition of net metering.
13 Revises the provisions relating to consolidated financing of
14 deferred-payment purchases for energy-related or
15 conservation-related equipment.
16 Requires the Department of Community Affairs to establish new
17 or updated energy conservation standards to improve the energy
18 efficiency of certain specified products.
19 Includes integrated gasification combined cycle (IGCC) power
20 plants in the new provisions relating to nuclear plants and
21 the determination of need for a proposed plant, the exemption
22 from the bid rule, and early cost recovery. These are the
23 provisions contained in SB 1202.
24 Provides a phase-in to require the purchase of hybrid,
25 flex-fuel, biodiesel, or compressed natural gas vehicles
26 purchased or leased with funds provided in the appropriations
27 act.
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