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CHAMBER ACTION

Senate

House

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Floor: 14/AD/2R
4/17/2008 10:30 AM

1 Senator Saunders moved the following amendment:

2
3 Senate Amendment (with directory and title amendments)

4 Delete line(s) 2142-2261

5 and insert:

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

7 (a) "Renewable energy credit" or "REC" means a product that
8 represents the unbundled, separable, and renewable attribute of
9 renewable energy produced in Florida and is equivalent to 1
10 megawatt-hour of electricity generated by a source of renewable
11 energy located in Florida.

12 (b) "Provider" means an electric utility or utility as
13 defined in s. 366.8255(1) (a).

14 (c) "Renewable Energy" means energy produced from a method
15 that uses one or more of the following fuels or energy sources:
16 solar thermal, solar hot water, geothermal energy, or as provided
17 in s. 366.91(2) (b).



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18 (d) "Renewable portfolio standard" or "RPS" means the
19 minimum percentage of total annual retail electricity sales by a
20 provider to consumers in Florida, which shall be supplied by
21 renewable energy produced in Florida.

22 (4) (a) The commission shall adopt rules for a renewable
23 portfolio standard requiring each provider to supply renewable
24 energy to its customers, whether directly, by procurement, or
25 through renewable energy credits. In developing the RPS rule,
26 the commission shall consult the Department of Environmental
27 Protection and the Florida Energy and Climate Commission. The
28 commission shall present a draft rule for legislative
29 consideration by February 1, 2009. The rule may not be
30 implemented until ratified by the Legislature.

31 (b) In developing the rule, the commission shall evaluate
32 the current and forecasted levelized cost in cents per kilowatt
33 hour through 2020 and current and forecasted installed capacity
34 in kilowatts for each renewable energy generation method through
35 2020.

36 (c) The commission's rule shall include methods of managing
37 the cost of compliance with the portfolio standard, whether
38 through direct supply, through the procurement of renewable
39 power, or through the purchase of renewable energy credits. The
40 commission shall have rulemaking authority for providing annual
41 cost recovery and incentive-based adjustments to authorized rates
42 of return on common equity to providers to incentivize renewable
43 energy. Notwithstanding s. 366.91(3) and (4), upon the effective
44 date of the rule, the commission is authorized to approve
45 projects and power sales agreements with renewable power
46 producers, and the sale of renewable energy credits which are

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47 needed to comply with the RPS. In the event of any conflict,
48 this section shall supersede s. 366.91(3) and (4).

49 (d) The commission's rule shall provide for appropriate
50 compliance measures and the conditions under which compliance
51 shall be excused due to a determination by the commission that
52 the supply of renewable energy or renewable energy credits was
53 not adequate to satisfy the demand for such energy, or that the
54 cost of securing renewable energy or renewable energy credits was
55 cost-prohibitive.

56 (e) The commission's rule shall provide added weight to
57 energy provided by wind and solar energy over other forms of
58 renewable energy, whether directly supplied, procured, or
59 indirectly obtained through the purchase of renewable energy
60 credits.

61 (f) The commission's rule shall determine an appropriate
62 period of time for which renewable energy credits may be used for
63 purposes of compliance with the renewable portfolio standard.

64 (g) The commission's rule shall:

65 1. Determine an appropriate period of time for which
66 renewable energy credits may be used for purposes of compliance
67 with the renewable portfolio standard.

68 2. Provide for the monitoring of compliance with and
69 enforcement of the requirements of this section.

70 3. Ensure that energy credited toward compliance with the
71 provisions of this section are not credited toward any other
72 purpose.

73 4. Develop procedures to track and account for renewable
74 energy credits, including ownership of renewable energy credits
75 that are derived from a customer-owned renewable energy facility
76 as a result of any action by a customer of an electric power

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77 supplier that is independent of a program sponsored by the
78 electric power supplier.

79 (h) The commission's rule shall provide for the conditions
80 and options for the repeal or alteration of the rule in the event
81 that new provisions of federal law supplant or conflict with the
82 rule.

83 (i) Beginning on April 1 of the year following the effective
84 date of the rule, each provider shall submit a report to the
85 commission describing the steps that have been taken in the
86 previous year and the steps that will be taken in the future to
87 add renewable energy to the provider's energy supply portfolio.
88 The report shall state whether the provider was in compliance
89 with the RPS during the previous year and how it will comply with
90 the RPS in the upcoming year.

91 (5) In order to demonstrate the feasibility and viability of
92 clean energy systems, the commission shall provide for full cost
93 recovery under the environmental cost-recovery clause of all
94 reasonable and prudent costs incurred by a provider for renewable
95 energy projects that are zero greenhouse gas emitting at the
96 point of generation, up to a total of 110 megawatts statewide,
97 and for which the provider has secured necessary land, zoning
98 permits, and transmission rights within the state. Such costs
99 shall be deemed reasonable and prudent for purposes of cost
100 recovery so long as the provider has used reasonable and
101 customary industry practices in the design, procurement, and
102 construction of the project in a cost-effective manner
103 appropriate to the location of the facility. The provider shall
104 report to the commission as part of the cost-recovery proceedings
105 the construction costs, in-service costs, operating and
106 maintenance costs, hourly energy production of the renewable



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107 energy project, and any other information deemed relevant by the
108 commission. Any provider constructing a clean energy facility
109 pursuant to this section shall file for cost recovery no later
110 than July 1, 2009.

111 (6) Each municipal electric utility and rural electric
112 cooperative shall develop standards for the promotion,
113 encouragement, and expansion of the use of renewable energy
114 resources and energy conservation and efficiency measures. On or
115 before April 1, 2009, and annually thereafter, each municipal
116 electric utility and electric cooperative shall submit to the
117 commission a report that identifies such standards.

118 (7) No provision in this section shall be construed to
119 impede or impair terms and conditions in existing contracts.

120 ~~(3) The commission may adopt appropriate goals for~~
121 ~~increasing the use of existing, expanded, and new Florida~~
122 ~~renewable energy resources. The commission may change the goals.~~
123 ~~The commission may review and reestablish the goals at least~~
124 ~~once every 5 years.~~

125 (8)(4) The commission shall adopt rules to administer and
126 implement the provisions of this section.