

## CHAMBER ACTION

Senate House Comm: RCS 3/19/2008

The Committee on Environmental Preservation and Conservation (Saunders) recommended the following amendment:

## Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Section 112.219, Florida Statutes, is created to read:

112.219 Public employee telecommuting programs. --

- (1) As used in this section, the term:
- (a) "Public employing entity" or "entity" means any state government administrative unit listed in chapter 20 or the State Constitution, including water management districts, the Senate, the House of Representatives, the state courts system, the State University System, the Community College System, or any other

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agency, commission, council, office, board, authority, department, or official of state government.

- (b) "Telecommuting" means a work arrangement whereby selected public employees are allowed to perform the normal duties and responsibilities of their positions through the use of computers or telecommunications while at home or another place apart from the employees' usual place of work.
- "Qualified telecommuting employee" means an employee who is selected for the telecommuting program, based on the requirements of his or her employment position and his or her ability to perform assigned work at an offsite location, and who meets the following criteria:
- 1. The employee has demonstrated an ability to complete his or her assigned work with minimal supervision;
- 2. The job classification, workload characteristics, or position of the employee has been identified by the public employing entity as appropriate for telecommuting; and
- 3. The employee is not under a performance-improvement plan or disciplinary action that indicates a need for close supervision of his or her assigned work.
- (d) "Telecommuting schedule" means the work schedule of a qualified telecommuting employee indicating the days each week, or weeks each month, that the employee will be telecommuting and those days or weeks that the employee will be at the onsite work location. The schedule must be composed in such a way that the employee's work location for any given day is readily ascertainable. Occasional variations from the schedule are acceptable based on the needs of the entity and the ability of

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the employee to accomplish assigned state business.

- "Telecommuting site" means the location of the qualified telecommuting employee during the hours his or her telecommuting schedule indicates he or she is telecommuting.
- (f) "Onsite work location" means the office or location that a public employing entity normally provides for its qualified telecommuting employee.
  - (2) Each public employing entity shall:
- (a) Establish and coordinate the public employee telecommuting program and administer this section for its own employees.
- (b) Appoint an organization-wide telecommuting coordinator to promote telecommuting and provide technical assistance within the entity.
- (c) Identify employees who are participating in the telecommuting program and their job classifications through its respective personnel or payroll information management system.
- (3) By September 30, 2009, each employing public entity shall complete a telecommuting plan that includes a current listing of the job classifications and positions that the entity considers appropriate for telecommuting. The proposed telecommuting plan must give equal consideration to civil service and exempt positions in the selection of employees to participate in the telecommuting program. The telecommuting plan must also:
- (a) Provide measurable financial benefits associated with reduced requirements for office space, reductions in energy consumption, and reductions in associated emissions of

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greenhouse gases resulting from telecommuting. Employing public entities operating in office space that is owned or managed by the Department of Management Services shall consult the facilities program in order to ensure its consistency with the strategic leasing plan required under s. 255.249(3)(b).

- (b) Provide that an employee's participation in a telecommuting program will not adversely affect his or her eligibility for advancement or any other employment rights or benefits.
- (c) Provide that participation by an employee in a telecommuting program is voluntary, and that the employee may elect to cease to participate in the telecommuting program at any time.
- (d) Allow for the termination of an employee's participation in the program if the employee's continued participation would not be in the best interests of the public employing entity.
- (e) Provide that an employee may not participate in the program if the employee is under a performance-improvement plan.
- (f) Ensure that employees participating in the program are subject to the same rules regarding attendance, leave, performance reviews, and separation action as are other employees.
- (g) Establish the reasonable conditions that the public employing entity will impose in order to ensure the appropriate use and maintenance of any equipment or items provided for use at a qualified telecommuting employee's telecommuting site, including the installation and maintenance of any telephone

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equipment and ongoing communications services at the telecommuting site which must be used only for official purposes.

- (h) Prohibit public maintenance of an employee's personal equipment used in telecommuting, including any liability for personal equipment and costs for personal utility expenses associated with telecommuting.
- (i) Describe the security controls that the entity considers appropriate for use at the telecommuting site.
- (j) Provide that qualified telecommuting employees are covered by workers' compensation under chapter 440 when performing official duties at an alternate worksite, such as the home.
- (k) Prohibit employees engaged in a telecommuting program from conducting face-to-face state business at the telecommuting site.
- (1) Require a written agreement specifying the terms and conditions of telecommuting, including verification by the employee that the telecommuting site provides work space that is free of safety and fire hazards, together with an agreement that holds the state harmless against all claims, excluding workers' compensation claims, resulting from an employee working in the telecommuting site. The agreement must be signed and agreed to by the qualified telecommuting employee and the supervisor.
- (4) The telecommuting plan for each public employing entity, and pertinent supporting documents, shall be posted on the entity's website to allow access by employees and the public.

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Section 2. Subsection (3) of section 186.007, Florida Statutes, is amended to read:

186.007 State comprehensive plan; preparation; revision.--

In the state comprehensive plan, the Executive Office of the Governor may include goals, objectives, and policies related to the following program areas: economic opportunities; agriculture; employment; public safety; education; energy; global climate change; health concerns; social welfare concerns; housing and community development; natural resources and environmental management; recreational and cultural opportunities; historic preservation; transportation; and governmental direction and support services.

Section 3. Section 193.804, Florida Statutes, is created to read:

## 193.804 Assessment of solar energy devices.--

- (1) If a taxpayer adds any solar energy device to his or her homestead, the value of the solar energy device shall not be added to the assessed value of the property for purposes of property taxes. A taxpayer claiming the right to a solar energy device assessment for ad valorem taxes shall so state in a return filed as provided by law giving a brief description of the device. The property appraiser may require the taxpayer to produce such additional evidence as may be necessary to prove the taxpayer's right to have the property subject to a solar energy device assessment.
- (2) If a property appraiser questions whether a taxpayer is entitled, in whole or in part, to a solar energy device assessment under this section, he or she may refer the matter to

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the Department of Environmental Protection for a recommendation. If the property appraiser refers the matter, he or she shall notify the taxpayer of such action. The Department of Environmental Protection shall immediately consider whether the taxpayer is entitled to the solar energy device assessment and certify its recommendation to the property appraiser.

(3) The Department of Environmental Protection shall adopt rules to administer the solar energy device assessment provisions of this section.

Section 4. Paragraph (ccc) of subsection (7) of section 212.08, Florida Statutes, is amended to read:

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

(7) MISCELLANEOUS EXEMPTIONS. -- Exemptions provided to any entity by this chapter do not inure to any transaction that is otherwise taxable under this chapter when payment is made by a representative or employee of the entity by any means, including, but not limited to, cash, check, or credit card, even when that representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this subsection do not inure to any transaction that is otherwise taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity obtains or provides other documentation as

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required by the department. Eligible purchases or leases made with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an exempt purchase with a certificate that is not in strict compliance with this subsection and the rules is liable for and shall pay the tax. The department may adopt rules to administer this subsection.

- (ccc) Equipment, machinery, and other materials for renewable energy technologies. --
  - 1. As used in this paragraph, the term:
- a. "Biodiesel" means the mono-alkyl esters of long-chain fatty acids derived from plant or animal matter for use as a source of energy and meeting the specifications for biodiesel and biodiesel blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Biodiesel may refer to biodiesel blends designated BXX, where XX represents the volume percentage of biodiesel fuel in the blend.
- "Ethanol" means an nominally anhydrous denatured alcohol produced by the conversion of carbohydrates fermentation of plant sugars meeting the specifications for fuel ethanol and fuel ethanol blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Ethanol may refer to fuel ethanol blends designated EXX, where XX represents the volume percentage of fuel ethanol in the blend.
- c. "Hydrogen fuel cells" means equipment using hydrogen or a hydrogen-rich fuel in an electrochemical process to generate energy, electricity, or the transfer of heat.

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- d. "Wind energy" or "wind turbines" means rotary mechanical equipment that uses wind to produce at least 10kW of electrical energy.
  - The sale or use of the following in the state is exempt from the tax imposed by this chapter:
  - Hydrogen-powered vehicles, materials incorporated into hydrogen-powered vehicles, and hydrogen-fueling stations, up to a limit of \$2 million in tax each state fiscal year for all taxpayers.
  - b. Commercial stationary hydrogen fuel cells, up to a limit of \$1 million in tax each state fiscal year for all taxpayers.
  - c. Materials used in the distribution of biodiesel (B10-B100) and ethanol (E10-E100), including fueling infrastructure, transportation, and storage, up to a limit of \$1 million in tax each state fiscal year for all taxpayers. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify for the exemption provided in this sub-subparagraph.
  - d. Wind turbines, up to a limit of \$1 million in tax each state fiscal year for all taxpayers.
  - The Department of Environmental Protection shall provide to the department a list of items eligible for the exemption provided in this paragraph.
  - 4.a. The exemption provided in this paragraph shall be available to a purchaser only through a refund of previously paid taxes. Only the initial purchase of an eligible item from the manufacturer is subject to refund. A purchaser who has received a refund on an eligible item must notify any subsequent

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purchaser of the item that the item is no longer eligible for a refund of tax paid. This notification must be provided to the subsequent purchaser on the sales invoice or other proof of purchase.

- b. To be eligible to receive the exemption provided in this paragraph, a purchaser shall file an application with the Department of Environmental Protection. The application shall be developed by the Department of Environmental Protection, in consultation with the department, and shall require:
- The name and address of the person claiming the refund.
- A specific description of the purchase for which a refund is sought, including, when applicable, a serial number or other permanent identification number.
- (III) The sales invoice or other proof of purchase showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the property was purchased.
- (IV) A sworn statement that the information provided is accurate and that the requirements of this paragraph have been met.
- c. Within 30 days after receipt of an application, the Department of Environmental Protection shall review the application and shall notify the applicant of any deficiencies. Upon receipt of a completed application, the Department of Environmental Protection shall evaluate the application for exemption and issue a written certification that the applicant is eligible for a refund or issue a written denial of such

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267 certification within 60 days after receipt of the application. The Department of Environmental Protection shall provide the 268 269 department with a copy of each certification issued upon 270 approval of an application.

- Each certified applicant shall be responsible for forwarding a certified copy of the application and copies of all required documentation to the department within 6 months after certification by the Department of Environmental Protection.
- The provisions of s. 212.095 do not apply to any refund application made pursuant to this paragraph. A refund approved pursuant to this paragraph shall be made within 30 days after formal approval by the department.
- The Department of Environmental Protection may adopt by rule the form for the application for a certificate, requirements for the content and format of information submitted to the Department of Environmental Protection in support of the application, other procedural requirements, and criteria by which the application will be determined. The department may adopt all other rules pursuant to ss. 120.536(1) and 120.54 to administer this paragraph, including rules establishing additional forms and procedures for claiming this exemption.
- g. The Department of Environmental Protection shall be responsible for ensuring that the total amounts of the exemptions authorized do not exceed the limits as specified in subparagraph 2.
- The Department of Environmental Protection shall determine and publish on a regular basis the amount of sales tax funds remaining in each fiscal year.

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6. This paragraph expires July 1, 2010, except as it relates to wind turbines. The provisions of this paragraph relating to wind turbines expire July 1, 2012.

Section 5. Subsections (1), (2), and (6) of section 220.192, Florida Statutes, are amended to read:

220.192 Renewable energy technologies investment tax credit.--

- (1) DEFINITIONS. -- For purposes of this section, the term:
- (a) "Biodiesel" means biodiesel as defined in s. 212.08(7)(ccc).
  - (b) "Eligible costs" means:
- 1. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$3 million per state fiscal year for all taxpayers, in connection with an investment in hydrogen-powered vehicles and hydrogen vehicle fueling stations in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.
- 2. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$1.5 million per state fiscal year for all taxpayers, and limited to a maximum of \$12,000 per fuel cell, in connection with an investment in commercial stationary hydrogen fuel cells in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.

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- 3. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2006, and June 30, 2010, up to a limit of \$14 <del>\$6.5</del> million per state fiscal year for all taxpayers, in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100) and ethanol (E10-E100) in the state, including the costs of constructing, installing, and equipping such technologies in the state. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify as an eligible cost under this subparagraph.
- 4. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs incurred between July 1, 2008, and June 30, 2012, up to a limit of \$9 million per state fiscal year for all taxpayers, in connection with an investment in the production of wind energy.
- (c) "Ethanol" means ethanol as defined in s. 212.08(7)(ccc).
- "Hydrogen fuel cell" means hydrogen fuel cell as (d) defined in s. 212.08(7)(ccc).
- (e) "Wind energy" or "wind turbine" has the same meaning as in s. 212.08(7)(ccc).
  - (2) TAX CREDIT.--
- For tax years beginning on or after January 1, 2007, a credit against the tax imposed by this chapter shall be granted in an amount equal to the eligible costs. Credits may be used in tax years beginning January 1, 2007, and ending December 31, 2010, after which the credit shall expire. If the credit is not fully used in any one tax year because of insufficient tax

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liability on the part of the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2007, and ending December 31, 2012, after which the credit carryover expires and may not be used. A taxpayer that files a consolidated return in this state as a member of an affiliated group under s. 220.131(1) may be allowed the credit on a consolidated return basis up to the amount of tax imposed upon the consolidated group. Any eligible cost for which a credit is claimed and which is deducted or otherwise reduces federal taxable income shall be added back in computing adjusted federal income under s. 220.13.

- 1. For tax years beginning on or after January 1, 2009, a credit against the tax imposed by this chapter shall be granted in an amount equal to the eligible costs related to wind energy. Credits may be used in tax years beginning January 1, 2009, and ending December 31, 2012, after which period the credit expires. If the credit is not fully used in any one tax year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2009, and ending December 31, 2014, after which period the credit carryover expires and may not be used.
- 2. A taxpayer who files a consolidated return in this state as a member of an affiliated group under s. 220.131(1) may be allowed the credit on a consolidated return basis up to the amount of tax imposed upon the consolidated group. Any eligible cost for which a credit is claimed and which is deducted or otherwise reduces federal taxable income shall be added back when computing adjusted federal income under s. 220.13.

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- (b) A corporation and a subsequent transferee allowed the tax credit may transfer the tax credit, in whole or in part, to any taxpayer by written agreement, without transferring any ownership interest in the property generating the tax credit or any interest in the entity that owns the property. A transferee is entitled to apply the credits against the tax, and such transfer has the same effect as if the transferee had incurred the eligible costs.
- 1. To perfect the transfer, the transferor must provide a written transfer statement providing notice to the Department of Revenue of the assignor's intent to transfer the tax credits to the assignee; the date the transfer is effective; the assignee's name, address, federal taxpayer identification number, and tax period; and the amount of tax credits to be transferred. The Department of Revenue shall issue, upon receipt of a transfer statement conforming to the requirements of this section, a certificate to the assignee reflecting the tax credit amounts transferred, a copy of which shall be attached to each tax return by an assignee in which such tax credits are used.
- 2. Tax credits derived by such entities treated as corporations under this section which are not transferred by such entities to other taxpayers under this subsection must be passed through to the taxpayers designated as partners, members, or owners, respectively, in any manner agreed to by such persons, whether or not the persons are allocated or allowed any portion of the federal energy tax credit with respect to the eligible costs.

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- (6) RULES.--The Department of Revenue may shall have the authority to adopt rules relating to:
- The forms required to claim a tax credit under this (a) section, the requirements and basis for establishing an entitlement to a credit, and the examination and audit procedures required to administer this section.
- (b) The implementation and administration of the provisions allowing a transfer of tax credits, including rules prescribing forms, reporting requirements, and the specific procedures, guidelines, and requirements necessary for a tax credit to be transferred.
- Section 6. Paragraphs (f) and (g) are added to subsection (2) and paragraphs (j) and (k) are added to subsection (3) of section 220.193, Florida Statutes, to read:
  - 220.193 Florida renewable energy production credit. --
  - (2) As used in this section, the term:
- (f) "Sale" or "sold" means the use of electricity by the producer of such electricity which decreases the amount of electricity that the producer would otherwise have to purchase.
- (g) "Taxpayer" includes a general partnership, limited partnership, limited liability company, trust, or other artificial entity in which a corporation, as defined in s. 220.03(1)(e), owns an interest and is taxed as a partnership or is disregarded as a separate entity from the corporation under chapter 220.
- (3) An annual credit against the tax imposed by this section shall be allowed to a taxpayer, based on the taxpayer's production and sale of electricity from a new or expanded

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Florida renewable energy facility. For a new facility, the credit shall be based on the taxpayer's sale of the facility's entire electrical production. For an expanded facility, the credit shall be based on the increases in the facility's electrical production that are achieved after May 1, 2006.

- (j) A credit authorized by this section shall be attributed to a corporation according to its proportional ownership interest in a taxpayer. In addition to the authority granted to the department in subsection (4), the department may adopt rules and forms to implement this subsection, including specific procedures and guidelines for notifying the department that a credit is attributed to a corporation and for a corporation to claim such credit.
- (k) A taxpayer's use of the credit granted pursuant to this section does not reduce the amount of any credit available to such taxpayer under s. 220.186.

Section 7. Paragraph (d) of subsection (3) of section 255.249, Florida Statutes, is amended to read:

255.249 Department of Management Services; responsibility; department rules. --

(3)

(d) By June 30 of each year, each state agency shall annually provide to the department all information regarding agency programs affecting the need for or use of space by that agency, reviews of lease-expiration schedules for each geographic area, active and planned full-time equivalent data, business case analyses related to consolidation plans by an agency, telecommuting plans, and current occupancy and

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relocation costs, inclusive of furnishings, fixtures and equipment, data, and communications.

Section 8. Section 255.251, Florida Statutes, is amended to read:

255.251 Energy Conservation and Sustainable in Buildings Act; short title.--Sections 255.251-255.258 may This act shall be cited as the "Florida Energy Conservation and Sustainable in Buildings Act of 1974."

Section 9. Section 255.252, Florida Statutes, is amended to read:

255.252 Findings and intent.--

- Operating and maintenance expenditures associated with energy equipment and with energy consumed in state-financed and leased buildings represent a significant cost over the life of a building. Energy conserved by appropriate building design not only reduces the demand for energy but also reduces costs for building operation. For example, commercial buildings are estimated to use from 20 to 80 percent more energy than would be required if energy-conserving designs were used. The size, design, orientation, and operability of windows, the ratio of ventilating air to air heated or cooled, the level of lighting consonant with space-use requirements, the handling of occupancy loads, and the ability to zone off areas not requiring equivalent levels of heating or cooling are but a few of the considerations necessary to conserving energy.
- Significant efforts are needed to build energyefficient state-owned buildings that meet environmental standards and underway by the General Services Administration,

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the National Institute of Standards and Technology, and others to detail the considerations and practices for energy conservation in buildings. Most important is that energyefficient designs provide energy savings over the life of the building structure. Conversely, energy-inefficient designs cause excess and wasteful energy use and high costs over that life. With buildings lasting many decades and with energy costs escalating rapidly, it is essential that the costs of operation and maintenance for energy-using equipment and sustainable materials be included in all design proposals for state-owned state buildings.

(3) In order that such energy-efficiency and sustainable materials considerations become a function of building design, and also a model for future application in the private sector, it shall be the policy of the state that buildings constructed and financed by the state be designed and constructed in accordance with the United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) rating system, with a goal of meeting the Platinum level rating, the Green Building Initiative's Green Globes rating system, or the Florida Green Building Coalition standards in a manner which will minimize the consumption of energy used in the operation and maintenance of such buildings. It is further the policy of the state, when economically feasible, to retrofit existing state-owned buildings in a manner that which will minimize the consumption of energy used in the operation and maintenance of such buildings.

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(4) In addition to designing and constructing new buildings to be energy-efficient, it shall be the policy of the state to operate, maintain, and renovate existing state facilities, or provide for their renovation, in accordance with the United States Green Building Council's Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) for smaller renovations, or the United States Green Building Council's Leadership in Energy and Environmental Design for New Construction (LEED-NC) for major renovations, with a goal of achieving the Platinum level rating, the Green Building Initiative's Green Globes rating system, or the Florida Green Building Coalition standards in order to in a manner which will minimize energy consumption and maximize building sustainability as well as ensure that facilities leased by the state are operated so as to minimize energy use. State government entities Agencies are encouraged to consider shared savings financing of such energy efficiency and conservation projects, using contracts which split the resulting savings for a specified period of time between the state government entity agency and the private firm or cogeneration contracts which otherwise permit the state to lower its net energy costs. Such energy contracts may be funded from the operating budget.

(5) Each state government entity occupying space within buildings owned or managed by the Department of Management Services must identify and compile a list of projects determined to be suitable for a guaranteed energy performance savings contract pursuant to s. 489.145. The list of projects compiled by each state government entity shall be submitted to the

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Department of Management Services by December 31, 2008, and must include all criteria used to determine suitability. The list of projects shall be developed from the list of state-owned facilities greater than 5,000 square feet in area and for which the state government entity is responsible for paying the expenses of utilities and other operating expenses as they relate to energy use. In consultation with each state government entity executive officer, by July 1, 2009, the department shall prioritize all projects deemed suitable by each state government entity and shall develop an energy efficiency project schedule based on factors such as project magnitude, efficiency and effectiveness of energy conservation measures to be implemented, and other factors that may prove to be advantageous to pursue. The schedule shall provide the deadline for improvements to be made to state-owned buildings under a guaranteed energy performance savings contract.

Section 10. Section 255.253, Florida Statutes, is amended to read:

255.253 Definitions; ss. 255.251-255.258.--

- "Department" means the Department of Management Services.
  - (2) "Facility" means a building or other structure.
- "Energy performance index or indices" (EPI) means a number describing the energy requirements at the building boundary of a facility, per square foot of floor space or per cubic foot of occupied volume, as appropriate under defined internal and external ambient conditions over an entire seasonal cycle. As experience develops on the energy performance achieved

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with state building, the indices (EPI) will serve as a measure of building performance with respect to energy consumption.

- "Life-cycle costs" means the cost of owning, operating, and maintaining the facility over the life of the structure. This may be expressed as an annual cost for each year of the facility's use.
- "Shared savings financing" means the financing of energy conservation measures and maintenance services through a private firm which may own any purchased equipment for the duration of a contract, which may shall not exceed 10 years unless so authorized by the department. The Such contract shall specify that the private firm will be recompensed either out of a negotiated portion of the savings resulting from the conservation measures and maintenance services provided by the private firm or, in the case of a cogeneration project, through the payment of a rate for energy lower than would otherwise have been paid for the same energy from current sources.
- (6) "State government entity" means any state government entity listed in chapter 20 or the State Constitution.
- (7) "Sustainable building" means a building that is healthy and comfortable for its occupants and is economical to operate while conserving resources, including energy, water, raw materials, and land, and minimizing the generation and use of toxic materials and waste in its design, construction, landscaping, and operation.
- (8) "Sustainable building rating" means a rating established by the United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) rating

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system, the Green Building Initiative's Green Globes rating system, or the Florida Green Building Coalition standards.

Section 11. Section 255.254, Florida Statutes, is amended to read:

255.254 No facility constructed or leased without lifecvcle costs.--

(1) A No state government entity may not agency shall lease, construct, or have constructed, within limits prescribed herein, a facility without having secured from the department an a proper evaluation of life-cycle costs, as computed by an architect or engineer. Furthermore, construction shall proceed only upon disclosing to the department, for the facility chosen, the life-cycle costs as determined in s. 255.255, its sustainable building rating goal, and the capitalization of the initial construction costs of the building. The life-cycle costs and the sustainable building rating goal shall be  $\frac{1}{2}$  primary considerations consideration in the selection of a building design. Such analysis shall be required only for construction of buildings with an area of 5,000 square feet or greater. For leased buildings  $\frac{1}{2}$  of 5,000  $\frac{20,000}{2}$  square feet or greater within a given building boundary, an energy performance a lifecycle analysis consisting of a projection of the annual energy consumption costs in dollars per square foot of major energyconsuming equipment and systems based on actual expenses, from the last 3 years, and projected forward for the term of the proposed lease shall be performed, and a lease shall only be made only if where there is a showing that the energy life-cycle costs incurred by the state are minimal compared to available

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like facilities. Any building leased by the state from a private-sector vendor must include, as a part of the lease, provisions for monthly energy-use data to be collected and submitted monthly to the department by the owner of the building.

- (2) On and after January 1, 1979, a no state government entity may not agency shall initiate construction or have construction initiated, prior to approval thereof by the department, on a facility or self-contained unit of any facility, the design and construction of which incorporates or contemplates the use of an energy system other than a solar energy system when the life-cycle costs analysis prepared by the department has determined that a solar energy system is the most cost-efficient energy system for the facility or unit.
- (3) After September 30, 1985, when any state government entity agency must replace or supplement major items of energyconsuming equipment in existing state-owned or leased facilities or any self-contained unit of any facility with other major items of energy-consuming equipment, the selection of such items shall be made on the basis of a life-cycle cost analysis of alternatives in accordance with rules promulgated by the department under s. 255.255.

Section 12. Subsection (1) of section 255.255, Florida Statutes, is amended to read:

255.255 Life-cycle costs.--

The department shall adopt promulgate rules and procedures, including energy conservation performance guidelines, based on sustainable building ratings, for

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conducting a life-cycle cost analysis of alternative architectural and engineering designs and alternative major items of energy-consuming equipment to be retrofitted in existing state-owned or leased facilities and for developing energy performance indices to evaluate the efficiency of energy utilization for competing designs in the construction of statefinanced and leased facilities.

Section 13. Section 255.257, Florida Statutes, is amended to read:

255.257 Energy management; buildings occupied by state government entities agencies .--

- (1) ENERGY CONSUMPTION AND COST DATA. -- Each state government entity agency shall collect data on energy consumption and cost. The data gathered shall be on state-owned facilities and metered state-leased facilities of 5,000 net square feet or more. These data will be used in the computation of the effectiveness of the state energy management plan and the effectiveness of the energy management program of each of the state government entity agencies. Collected data shall be reported to the department annually in a format prescribed by the department.
- (2) ENERGY MANAGEMENT COORDINATORS. -- Each state government entity agency, the Florida Public Service Commission, the Department of Military Affairs, and the judicial branch shall appoint a coordinator whose responsibility shall be to advise the head of the state government entity agency on matters relating to energy consumption in facilities under the control of that head or in space occupied by the various units

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comprising that state government entity agency, in vehicles operated by that state government entity agency, and in other energy-consuming activities of the state government entity agency. The coordinator shall implement the energy management program agreed upon by the state government entity agency concerned and assist the department in the development of the State Energy Management Plan.

- CONTENTS OF THE STATE ENERGY MANAGEMENT PLAN. -- The (3) Department of Management Services shall may develop a State Energy Management Plan consisting of, but not limited to, the following elements:
  - (a) Data-gathering requirements;
  - Building energy audit procedures; (b)
  - (c) Uniform data analysis procedures;
  - (d) Employee energy education program measures;
  - (e) Energy consumption reduction techniques;
- Training program for state government entity agency energy management coordinators; and
  - (q) Guidelines for building managers.

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The plan shall include a description of the actions that each state government entity must take in order to reduce consumption of electricity and nonrenewable energy sources used for space heating and cooling, ventilation, lighting, water heating, and transportation. The state energy office shall provide technical assistance to the department in the development of the State Energy Management Plan.

(4) ENERGY AND ENVIRONMENTAL DESIGN. --

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- (a) Each state government entity shall adopt the standards of the United States Green Building Council's Leadership in Energy and Environmental Design for New Construction (LEED-NC) for all new buildings, with a goal of achieving the LEED-NC Platinum level rating for each construction project the Green Building Initiative's Green Globes rating system, or the Florida Green Building Coalition standards.
- (b) Each state government entity shall implement the United States Green Building Council's Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) the Green Building Initiative's Green Globes rating system, or the Florida Green Building Coalition standards. A state government entity may prioritize implementation of LEED-EB standards the Green Building Initiative's Green Globes rating system, or the Florida Green Building Coalition standards in order to gain the greatest environmental benefit within its existing budget for property management.
- (c) A state government entity may not enter into a new leasing agreement for office space that does not meet Energy Star building standards, except when determined by the appropriate state government entity executive that no other viable or cost-effective alternative exists.
- (d) Each state government entity shall develop energyconservation measures and guidelines for new and existing office space if the state government entity occupies more than 5,000 square feet. The conservation measures shall focus on programs that reduce energy consumption and, when established, provide a net reduction in occupancy costs.

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Section 14. Section 286.275, Florida Statutes, is created to read:

286.275 Climate friendly public business.--

- (1) The Legislature recognizes the importance of leadership by state government in the area of energy efficiency and in reducing the greenhouse gas emissions of state government operations. The following shall pertain to all state government entities, as defined in this section, when conducting public business:
- (a) The Department of Management Services shall develop the Florida Climate Friendly Preferred Products List. In maintaining that list, the department, in consultation with the Department of Environmental Protection, shall continually assess products that are currently available for purchase under state term contracts and identify specific products and vendors that provide clear energy efficiency or other environmental benefits over competing products. When procuring products from state term contracts, state government entities shall first consult the Florida Climate Friendly Preferred Products List and procure such products if the cost does not exceed by 5 percent the most cost-effective alternative commodity not included on the list.
- (b) Effective July 1, 2008, state government entities shall contract for meeting and conference space only with hotels or conference facilities that have received the "Green Lodging" designation from the Department of Environmental Protection for best practices in water, energy, and waste-efficiency standards, unless the responsible state government entity's chief executive officer makes a determination that no other viable alternative

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exists. The Department of Environmental Protection may adopt rules to administer the Green Lodging Program.

- (c) The Department of Environmental Protection is authorized to establish voluntary technical assistance programs in accordance with s. 403.074. Such programs may include the Clean Marinas, Clean Boatyards, Clean Retailers, Clean Boaters, and Green Yards Programs. The programs may include certifications, designations, or other forms of recognition. The department may implement some or all of these programs through rulemaking; however, the rules may not impose requirements on a person who does not wish to participate in a program. Each state government entity shall patronize businesses that have received such certifications or designations to the greatest extent practical.
- (d) Each state government entity shall ensure that all maintained vehicles meet minimum maintenance schedules that have been shown to reduce fuel consumption, including maintaining appropriate tire pressures and tread depth, replacing fuel filters and emission filters at recommended intervals, using proper motor oils, and performing timely motor maintenance. Each state government entity shall measure and report compliance to the Department of Management Services through the equipment management information system database.
- (e) When procuring a new vehicle, each state government entity shall first define the intended purpose for the vehicle and determine for which of the following use classes the vehicle is being procured:
  - 1. State business travel, designated operator;



- 797 2 State business travel, pool operators; 798
  - 3. Construction, agricultural, or maintenance work;
  - 4. Conveyance of passengers;
  - 5. Conveyance of building or maintenance materials and supplies;
  - 6. Off-road vehicles, motorcycles, or all-terrain vehicles;
    - 7. Emergency response; or
    - 8. Other.

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Vehicles in subparagraphs 1. through 8., when being processed for purchase or leasing agreements, must be selected for the greatest fuel efficiency available for a given use class when fuel-economy data are available. Exceptions may be made for certain individual vehicles in subparagraph 7. when accompanied, during the procurement process, by documentation indicating that the operator or operators will exclusively be emergency first responders or have special documented need for exceptional vehicle-performance characteristics. Any request for an exception must be approved by the purchasing entity's chief executive officer and any exceptional vehicle-performance characteristics must be denoted as a part of the procurement process prior to purchase.

(f) All state government entities shall use ethanol and biodiesel-blended fuels when available. State government entities administering central fueling operations for stateowned vehicles shall procure biofuels for fleet needs to the greatest extent practicable.



(2) As used in this section, the term "state government entity" means any state government entity listed in chapter 20 or the State Constitution.

Section 15. Paragraph (b) of subsection (2) and subsection (5) of section 287.063, Florida Statutes, are amended to read:

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

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- The Chief Financial Officer shall establish, by rule, criteria for approving purchases made under deferred-payment contracts which require the payment of interest. Criteria shall include, but not be limited to, the following provisions:
- 1. No contract shall be approved in which interest exceeds the statutory ceiling contained in this section. However, the interest component of any master equipment financing agreement entered into for the purpose of consolidated financing of a deferred-payment, installment sale, or lease-purchase shall be deemed to comply with the interest rate limitation of this section so long as the interest component of every interagency agreement under such master equipment financing agreement complies with the interest rate limitation of this section.
- 2. No deferred-payment purchase for less than \$30,000 shall be approved, unless it can be satisfactorily demonstrated and documented to the Chief Financial Officer that failure to make such deferred-payment purchase would adversely affect an agency in the performance of its duties. However, the Chief Financial Officer may approve any deferred-payment purchase if

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the Chief Financial Officer determines that such purchase is economically beneficial to the state.

- 3. No agency shall obligate an annualized amount of payments for deferred-payment purchases in excess of current operating capital outlay appropriations, unless specifically authorized by law or unless it can be satisfactorily demonstrated and documented to the Chief Financial Officer that failure to make such deferred-payment purchase would adversely affect an agency in the performance of its duties.
- 3.4. No contract shall be approved which extends payment beyond 5 years, unless it can be satisfactorily demonstrated and documented to the Chief Financial Officer that failure to make such deferred-payment purchase would adversely affect an agency in the performance of its duties. The payment term may not exceed the useful life of the equipment unless the contract provides for the replacement or the extension of the useful life of the equipment during the term of the deferred payment contract.
- (5) For purposes of this section, the annualized amount of any such deferred payment commodity contract must be supported from available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation category as defined in chapter 216, which that the Chief Financial Officer has determined is appropriate or that the Legislature has designated for payment of the obligation incurred under this section.

Section 16. Subsections (10) and (11) of section 287.064, Florida Statutes, are amended to read:

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287.064 Consolidated financing of deferred-payment purchases. --

- (10) Costs incurred pursuant to a guaranteed energy performance savings contract, including the cost of energy conservation measures, each as defined in s. 489.145, may be financed pursuant to a master equipment financing agreement; however, the costs of training, operation, and maintenance may not be financed. The period of time for repayment of the funds drawn pursuant to the master equipment financing agreement under this subsection may exceed 5 years but may not exceed 20  $\frac{10}{10}$ years for energy conservation measures under s. 489.145, excluding the costs of training, operation, and maintenance. The quaranteed energy performance savings contractor shall provide for the replacement or the extension of the useful life of the equipment during the term of the contract.
- (11) For purposes of consolidated financing of deferred payment commodity contracts under this section by a state agency, any such contract must be supported from available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation category as defined in chapter 216, which that the Chief Financial Officer has determined is appropriate or that the Legislature has designated for payment of the obligation incurred under this section.

Section 17. Present paragraphs (a) through (n) of subsection (2) of section 288.1089, Florida Statutes, are redesignated as paragraphs (b) through (o), respectively, and a new paragraph (a) is added to that subsection, subsection (3) of

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that section is amended, and paragraph (d) is added to subsection (4) of that section, to read:

288.1089 Innovation Incentive Program. --

- (2) As used in this section, the term:
- (a) "Alternative and renewable energy" means electrical, mechanical, or thermal energy produced from a method that uses one or more of the following fuels or energy sources: ethanol, cellulosic ethanol, biobutanol, biodiesel, biomass, biogas, hydrogen fuel cells, ocean energy, hydrogen, solar, hydro, wind, or geothermal.
- To be eligible for consideration for an innovation incentive award, an innovation business, or research and development entity, or alternative and renewable energy project must submit a written application to Enterprise Florida, Inc., before making a decision to locate new operations in this state or expand an existing operation in this state. The application must include, but not be limited to:
- The applicant's federal employer identification number, unemployment account number, and state sales tax registration number. If such numbers are not available at the time of application, they must be submitted to the office in writing prior to the disbursement of any payments under this section.
- The location in this state at which the project is (b) located or is to be located.
- (c) A description of the type of business activity, product, or research and development undertaken by the applicant, including six-digit North American Industry

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936 Classification System codes for all activities included in the 937 project.

- (d) The applicant's projected investment in the project.
- (e) The total investment, from all sources, in the project.
- The number of net new full-time equivalent jobs in this state the applicant anticipates having created as of December 31 of each year in the project and the average annual wage of such jobs.
- The total number of full-time equivalent employees currently employed by the applicant in this state, if applicable.
  - The anticipated commencement date of the project.
- (i) A detailed explanation of why the innovation incentive is needed to induce the applicant to expand or locate in the state and whether an award would cause the applicant to locate or expand in this state.
- If applicable, an estimate of the proportion of the revenues resulting from the project that will be generated outside this state.
- (4) To qualify for review by the office, the applicant must, at a minimum, establish the following to the satisfaction of Enterprise Florida, Inc., and the office:
- (d) For an alternative and renewable energy project in this state, the project must:
- 1. Demonstrate a plan for significant collaboration with an institution of higher education.
  - 2. Provide the state, at a minimum, a break-even return on

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investment within a 20-year period.

3. Include matching funds provided by the applicant or other available sources. This requirement may be waived if the office and the department determine that the merits of the individual project or the specific circumstances warrant such action.

Section 18. Subsections (1) and (7) and paragraph (b) of subsection (8) of section 339.175, Florida Statutes, are amended to read:

339.175 Metropolitan planning organization .--

(1) PURPOSE. -- It is the intent of the Legislature to encourage and promote the safe and efficient management, operation, and development of surface transportation systems that will serve the mobility needs of people and freight and foster economic growth and development within and through urbanized areas of this state while minimizing transportationrelated fuel consumption, and air pollution, and greenhouse gas emissions through metropolitan transportation planning processes identified in this section. To accomplish these objectives, metropolitan planning organizations, referred to in this section as M.P.O.'s, shall develop, in cooperation with the state and public transit operators, transportation plans and programs for metropolitan areas. The plans and programs for each metropolitan area must provide for the development and integrated management and operation of transportation systems and facilities, including pedestrian walkways and bicycle transportation facilities that will function as an intermodal transportation system for the metropolitan area, based upon the prevailing

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principles provided in s. 334.046(1). The process for developing such plans and programs shall provide for consideration of all modes of transportation and shall be continuing, cooperative, and comprehensive, to the degree appropriate, based on the complexity of the transportation problems to be addressed. To ensure that the process is integrated with the statewide planning process, M.P.O.'s shall develop plans and programs that identify transportation facilities that should function as an integrated metropolitan transportation system, giving emphasis to facilities that serve important national, state, and regional transportation functions. For the purposes of this section, those facilities include the facilities on the Strategic Intermodal System designated under s. 339.63 and facilities for which projects have been identified pursuant to s. 339.2819(4).

LONG-RANGE TRANSPORTATION PLAN. -- Each M.P.O. must develop a long-range transportation plan that addresses at least a 20-year planning horizon. The plan must include both longrange and short-range strategies and must comply with all other state and federal requirements. The prevailing principles to be considered in the long-range transportation plan are: preserving the existing transportation infrastructure; enhancing Florida's economic competitiveness; and improving travel choices to ensure mobility. The long-range transportation plan must be consistent, to the maximum extent feasible, with future land use elements and the goals, objectives, and policies of the approved local government comprehensive plans of the units of local government located within the jurisdiction of the M.P.O. Each M.P.O. is encouraged to consider strategies that integrate transportation

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and land use planning to provide for sustainable development and reduce greenhouse gas emissions. The approved long-range transportation plan must be considered by local governments in the development of the transportation elements in local government comprehensive plans and any amendments thereto. The long-range transportation plan must, at a minimum:

- Identify transportation facilities, including, but not limited to, major roadways, airports, seaports, spaceports, commuter rail systems, transit systems, and intermodal or multimodal terminals that will function as an integrated metropolitan transportation system. The long-range transportation plan must give emphasis to those transportation facilities that serve national, statewide, or regional functions, and must consider the goals and objectives identified in the Florida Transportation Plan as provided in s. 339.155. If a project is located within the boundaries of more than one M.P.O., the M.P.O.'s must coordinate plans regarding the project in the long-range transportation plan.
- Include a financial plan that demonstrates how the plan can be implemented, indicating resources from public and private sources which are reasonably expected to be available to carry out the plan, and recommends any additional financing strategies for needed projects and programs. The financial plan may include, for illustrative purposes, additional projects that would be included in the adopted long-range transportation plan if reasonable additional resources beyond those identified in the financial plan were available. For the purpose of developing the long-range transportation plan, the M.P.O. and the

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department shall cooperatively develop estimates of funds that will be available to support the plan implementation. Innovative financing techniques may be used to fund needed projects and programs. Such techniques may include the assessment of tolls, the use of value capture financing, or the use of value pricing.

- (c) Assess capital investment and other measures necessary to:
- Ensure the preservation of the existing metropolitan transportation system including requirements for the operation, resurfacing, restoration, and rehabilitation of major roadways and requirements for the operation, maintenance, modernization, and rehabilitation of public transportation facilities; and
- Make the most efficient use of existing transportation facilities to relieve vehicular congestion and maximize the mobility of people and goods.
- Indicate, as appropriate, proposed transportation enhancement activities, including, but not limited to, pedestrian and bicycle facilities, scenic easements, landscaping, historic preservation, mitigation of water pollution due to highway runoff, and control of outdoor advertising.
- In addition to the requirements of paragraphs (a)-(d), in metropolitan areas that are classified as nonattainment areas for ozone or carbon monoxide, the M.P.O. must coordinate the development of the long-range transportation plan with the State Implementation Plan developed pursuant to the requirements of the federal Clean Air Act.

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In the development of its long-range transportation plan, each M.P.O. must provide the public, affected public agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transit, and other interested parties with a reasonable opportunity to comment on the long-range transportation plan. The long-range transportation plan must be approved by the M.P.O.

- TRANSPORTATION IMPROVEMENT PROGRAM. -- Each M.P.O. shall, in cooperation with the state and affected public transportation operators, develop a transportation improvement program for the area within the jurisdiction of the M.P.O. In the development of the transportation improvement program, each M.P.O. must provide the public, affected public agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transit, and other interested parties with a reasonable opportunity to comment on the proposed transportation improvement program.
- (b) Each M.P.O. annually shall prepare a list of project priorities and shall submit the list to the appropriate district of the department by October 1 of each year; however, the department and a metropolitan planning organization may, in writing, agree to vary this submittal date. The list of project priorities must be formally reviewed by the technical and citizens' advisory committees, and approved by the M.P.O.,

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before it is transmitted to the district. The approved list of project priorities must be used by the district in developing the district work program and must be used by the M.P.O. in developing its transportation improvement program. The annual list of project priorities must be based upon project selection criteria that, at a minimum, consider the following:

- The approved M.P.O. long-range transportation plan; 1.
- The Strategic Intermodal System Plan developed under s. 2. 339.64.
  - The priorities developed pursuant to s. 339.2819(4). 3.
- 1114 The results of the transportation management systems; 4. 1115 and
  - The M.P.O.'s public-involvement procedures; and-
  - 6. To provide for sustainable growth and reduce greenhouse gas emissions.

Section 19. Section 366.82, Florida Statutes, is amended to read:

366.82 Definition; goals; plans; programs; annual reports; energy audits. --

(1) For the purposes of ss. 366.80-366.85 and 403.519, "utility" means any person or entity of whatever form which provides electricity or natural gas at retail to the public, specifically including municipalities or instrumentalities thereof and cooperatives organized under the Rural Electric Cooperative Law and specifically excluding any municipality or instrumentality thereof, any cooperative organized under the Rural Electric Cooperative Law, or any other person or entity providing natural gas at retail to the public whose annual sales

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volume is less than 100 million therms or any municipality or instrumentality thereof and any cooperative organized under the Rural Electric Cooperative Law providing electricity at retail to the public whose annual sales as of July 1, 1993, to end-use customers is less than 2,000 gigawatt hours.

- The commission shall adopt appropriate goals for increasing the efficiency of energy consumption and increasing the development of cogeneration, specifically including goals designed to increase the conservation of expensive resources, such as petroleum fuels, to reduce and control the growth rates of electric consumption, and to reduce the growth rates of weather-sensitive peak demand. The Executive Office of the Governor shall be a party in the proceedings to adopt goals. The commission may change the goals for reasonable cause. The time period to review the goals, however, must shall not exceed 5 years. After the programs and plans to meet those goals are completed, the commission shall determine what further goals, programs, or plans are warranted and, if so, shall adopt them.
- The commission shall publish a notice of proposed rulemaking no later than July 1, 2009, requiring electric utilities to offset 20 percent of their annual load-growth through energy efficiency and conservation measures thereby constituting an energy-efficiency portfolio standard. The commission may allow efficiency investments across generation, transmission, and distribution as well as efficiencies within the user base. As part of the implementation rules, the commission shall create an in-state market for tradable credits enabling those electric utilities that exceed the standard to

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sell credits to those that cannot meet the standard for a given year. This efficiency standard is separate from and exclusive of the renewable portfolio standard that requires electricity providers to obtain a minimum percentage of their power from renewable energy resources.

(4) (3) Following adoption of goals pursuant to subsection (3)  $\frac{(2)}{(2)}$ , the commission shall require each utility to develop plans and programs to meet the overall goals within its service area. If any plan or program includes loans, collection of loans, or similar banking functions by a utility and the plan is approved by the commission, the utility shall perform such functions, notwithstanding any other provision of the law. The commission may pledge up to \$5 million of the Florida Public Service Regulatory Trust Fund to guarantee such loans. However, no utility shall be required to loan its funds for the purpose of purchasing or otherwise acquiring conservation measures or devices, but nothing herein shall prohibit or impair the administration or implementation of a utility plan as submitted by a utility and approved by the commission under this subsection. If the commission disapproves a plan, it shall specify the reasons for disapproval, and the utility whose plan is disapproved shall resubmit its modified plan within 30 days. Prior approval by the commission shall be required to modify or discontinue a plan, or part thereof, which has been approved. If any utility has not implemented its programs and is not substantially in compliance with the provisions of its approved plan at any time, the commission shall adopt programs required for that utility to achieve the overall goals. Utility programs

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may include variations in rate design, load control, cogeneration, residential energy conservation subsidy, or any other measure within the jurisdiction of the commission which the commission finds likely to be effective; this provision shall not be construed to preclude these measures in any plan or program.

(5) (4) The commission shall require periodic reports from each utility and shall provide the Legislature and the Governor with an annual report by March 1 of the goals it has adopted and its progress toward meeting those goals. The commission shall also consider the performance of each utility pursuant to ss. 366.80-366.85 and 403.519 when establishing rates for those utilities over which the commission has ratesetting authority.

The commission shall require municipal and cooperative utilities that are exempt from the Florida Energy Efficiency and Conservation Act to submit an annual report to the commission identifying energy efficiency and conservation goals and the actions taken to meet those goals.

(7) The commission shall require each utility to offer, or to contract to offer, energy audits to its residential customers. This requirement need not be uniform, but may be based on such factors as level of usage, geographic location, or any other reasonable criterion, so long as all eligible customers are notified. The commission may extend this requirement to some or all commercial customers. The commission shall set the charge for audits by rule, not to exceed the actual cost, and may describe by rule the general form and content of an audit. In the event one utility contracts with

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another utility to perform audits for it, the utility for which the audits are performed shall pay the contracting utility the reasonable cost of performing the audits. Each utility over which the commission has ratesetting authority shall estimate its costs and revenues for audits, conservation programs, and implementation of its plan for the immediately following 6-month period. Reasonable and prudent unreimbursed costs projected to be incurred, or any portion of such costs, may be added to the rates which would otherwise be charged by a utility upon approval by the commission, provided that the commission shall not allow the recovery of the cost of any company imageenhancing advertising or of any advertising not directly related to an approved conservation program. Following each 6-month period, each utility shall report the actual results for that period to the commission, and the difference, if any, between actual and projected results shall be taken into account in succeeding periods. The state plan as submitted for consideration under the National Energy Conservation Policy Act shall not be in conflict with any state law or regulation.

 $(8) \frac{(6)}{(6)}$  (a) Notwithstanding the provisions of s. 377.703, the commission shall be the responsible state agency for performing, coordinating, implementing, or administering the functions of the state plan submitted for consideration under the National Energy Conservation Policy Act and any acts amendatory thereof or supplemental thereto and for performing, coordinating, implementing, or administering the functions of any future federal program delegated to the state which relates to consumption, utilization, or conservation of electricity or

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1244 natural gas; and the commission shall have exclusive 1245 responsibility for preparing all reports, information, analyses, 1246 recommendations, and materials related to consumption, 1247 utilization, or conservation of electrical energy which are required or authorized by s. 377.703. 1248

- The Executive Office of the Governor shall be a party in the proceedings to adopt goals and shall file with the commission comments on the proposed goals including, but not limited to:
- 1. An evaluation of utility load forecasts, including an assessment of alternative supply and demand side resource options.
- 2. An analysis of various policy options which can be implemented to achieve a least-cost strategy.
- (9) The commission shall establish all minimum requirements for energy auditors used by each utility. The commission is authorized to contract with any public agency or other person to provide any training, testing, evaluation, or other step necessary to fulfill the provisions of this subsection.
- (10) The commission shall immediately initiate rulemaking to allow utilities to install solar hot water systems and other renewable energy-efficient technologies in residential homes and commercial facilities while retaining ownership of those systems. Utility expenditures for this purpose shall be placed in the utility's rate base as a capital investment. In applying this subsection, the commission may provide for accelerated depreciation. A utility may apply the credits for the investment

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in solar hot water systems or other renewable energy-efficient technologies to its renewable portfolio standard or its energyefficiency portfolio standard as determined in subsection (3).

Section 20. Paragraph (d) of subsection (1) of section 366.8255, Florida Statutes, is amended to read:

366.8255 Environmental cost recovery.--

- (1) As used in this section, the term:
- "Environmental compliance costs" includes all costs or expenses incurred by an electric utility in complying with environmental laws or regulations, including, but not limited to:
- Inservice capital investments, including the electric utility's last authorized rate of return on equity thereon;
  - 2. Operation and maintenance expenses;
  - 3. Fuel procurement costs;
  - Purchased power costs; 4.
  - 5. Emission allowance costs;
  - 6. Direct taxes on environmental equipment; and
- 7. Costs or expenses prudently incurred by an electric utility pursuant to an agreement entered into on or after the effective date of this act and prior to October 1, 2002, between the electric utility and the Florida Department of Environmental Protection or the United States Environmental Protection Agency for the exclusive purpose of ensuring compliance with ozone ambient air quality standards by an electrical generating facility owned by the electric utility; -
- 8. Costs or expenses prudently incurred for scientific research and geological assessments of carbon capture and

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storage for the purpose of reducing an electric utility's greenhouse gas emissions as defined in s. 403.44 when such costs or expenses are incurred in joint research projects with this state's government agencies and universities; and

9. Costs or expenses prudently incurred for the quantification, reporting, and verification of greenhouse gas emissions by third parties as required for participation in emission registries.

Section 21. Section 377.601, Florida Statutes, is amended to read:

377.601 Legislative intent.--

The Legislature finds that this state's energy security can be increased by lessening dependence on foreign oil, that the impacts of global climate change can be reduced through the reduction of greenhouse gas emissions, and that the implementation of alternative energy technologies can be the source of new jobs and employment opportunities for many Floridians. The Legislature further finds that this state is positioned at the front line against potential impacts of global climate change. Human and economic costs of those impacts can be averted and, where necessary, adapted to by a concerted effort to make this state's communities more resilient and less vulnerable to these impacts. In focusing the government's policy and efforts to protect this state, its residents, and resources, the Legislature believes that a single government entity that has energy and climate change as its specific focus is both desirable and advantageous. the ability to deal effectively with present shortages of resources used in the production of energy

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is aggravated and intensified because of inadequate or nonexistent information and that intelligent response to these problems and to the development of a state energy policy demands accurate and relevant information concerning energy supply, distribution, and use. The Legislature finds and declares that a procedure for the collection and analysis of data on the energy flow in this state is essential to the development and maintenance of an energy profile defining the characteristics and magnitudes of present and future energy demands and availability so that the state may rationally deal with present energy problems and anticipate future energy problems.

- (2) The Legislature further recognizes that every state official dealing with energy problems should have current and reliable information on the types and quantity of energy resources produced, imported, converted, distributed, exported, stored, held in reserve, or consumed within the state.
- (3) It is the intent of the Legislature in the passage of this act to provide the necessary mechanisms for the effective development of information necessary to rectify the present lack of information which is seriously handicapping the state's ability to deal effectively with the energy problem. To this end, the provisions of ss. 377.601-377.608 should be given the broadest possible interpretation consistent with the stated legislative desire to procure vital information.
  - (2) (4) It is the policy of the State of Florida to:
- (a) Recognize and address the potential impacts of global climate change wherever possible. Develop and promote the

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effective use of energy in the state and discourage all forms of energy waste.

- (b) Play a leading role in developing and instituting energy management programs aimed at promoting energy conservation, energy security, and the reduction of greenhouse gas emissions.
- Include energy considerations in all state, regional, and local planning.
- (d) Utilize and manage effectively energy resources used within state agencies.
- (e) Encourage local governments to include energy considerations in all planning and to support their work in promoting energy management programs.
- Include the full participation of citizens in the development and implementation of energy programs.
- Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses, and to reduce those needs whenever possible.
- (h) Promote energy education and the public dissemination of information on energy and its environmental, economic, and social impact.
- (i) Encourage the research, development, demonstration, and application of alternative energy resources, particularly renewable energy resources.
- (j) Consider, in its decisionmaking, the social, economic, security, and environmental impacts of energy-related activities, including the whole life-cycle impacts of any

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potential energy use choices, so that detrimental effects of these activities are understood and minimized.

- Develop and maintain energy emergency preparedness plans to minimize the effects of an energy shortage within Florida.
- Section 22. Subsection (1) and paragraph (f) of subsection (3) of section 377.703, Florida Statutes, are amended to read:
- 377.703 Additional functions of the Department of Environmental Protection; energy emergency contingency plan; federal and state conservation programs. --
- (1) LEGISLATIVE INTENT. -- Recognizing that energy supply and demand questions have become a major area of concern to the state which must be dealt with by effective and well-coordinated state action, it is the intent of the Legislature to promote the efficient, effective, and economical management of energy problems, centralize energy coordination responsibilities, pinpoint responsibility for conducting energy programs, and ensure the accountability of state agencies for the implementation of s.  $377.601 ext{ s. } ext{377.601(4)}$ , the state energy policy. It is the specific intent of the Legislature that nothing in this act shall in any way change the powers, duties, and responsibilities assigned by the Florida Electrical Power Plant Siting Act, part II of chapter 403, or the powers, duties, and responsibilities of the Florida Public Service Commission.
- DEPARTMENT OF ENVIRONMENTAL PROTECTION; DUTIES .-- The Department of Environmental Protection shall, in addition to assuming the duties and responsibilities provided by ss. 20.255

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and 377.701, perform the following functions consistent with the development of a state energy policy:

- The department shall make a report, as requested by the Governor or the Legislature, reflecting its activities and making recommendations of policies for improvement of the state's response to energy supply and demand and its effect on the health, safety, and welfare of the people of Florida. The report shall include a report from the Florida Public Service Commission on electricity and natural gas and information on energy conservation programs conducted and under way in the past year and shall include recommendations for energy conservation programs for the state, including, but not limited to, the following factors:
- 1. Formulation of specific recommendations for improvement in the efficiency of energy utilization in governmental, residential, commercial, industrial, and transportation sectors.
- 2. Collection and dissemination of information relating to energy conservation.
- Development and conduct of educational and training programs relating to energy conservation.
- 4. An analysis of the ways in which state agencies are seeking to implement  $\underline{s}$ . 377.601  $\underline{s}$ . 377.601(4), the state energy policy, and recommendations for better fulfilling this policy.

Section 23. Section 377.804, Florida Statutes, is amended to read:

377.804 Renewable Energy and Energy-Efficient Technologies Grants Program. --

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- The Renewable Energy and Energy-Efficient Technologies (1)Grants Program is established within the department to provide renewable energy matching grants for demonstration, commercialization, research, and development projects relating to renewable energy technologies and innovative technologies that significantly increase energy efficiency for vehicles and commercial buildings.
- Matching grants for renewable energy technology demonstration, commercialization, research, and development projects may be made to any of the following:
  - (a) Municipalities and county governments.
- (b) Established for-profit companies licensed to do business in the state.
  - (c) Universities and colleges in the state.
  - (d) Utilities located and operating within the state.
  - (e) Not-for-profit organizations.
- Other qualified persons, as determined by the department.
- The department may adopt rules pursuant to ss. 120.536(1) and 120.54 to provide for application requirements, provide for ranking of applications, and administer the awarding of grants under this program.
- Factors the department shall consider in awarding grants include, but are not limited to:
- The availability of matching funds or other in-kind contributions applied to the total project from an applicant. The department shall give greater preference to projects that provide such matching funds or other in-kind contributions.

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- 1465 The degree to which the project stimulates in-state capital investment and economic development in metropolitan and 1466 1467 rural areas, including the creation of jobs and the future 1468 development of a commercial market for renewable energy 1469 technologies.
  - The extent to which the proposed project has been demonstrated to be technically feasible based on pilot project demonstrations, laboratory testing, scientific modeling, or engineering or chemical theory that supports the proposal.
  - The degree to which the project incorporates an innovative new technology or an innovative application of an existing technology.
  - The degree to which a project generates thermal, mechanical, or electrical energy by means of a renewable energy resource that has substantial long-term production potential.
  - The degree to which a project demonstrates efficient use of energy and material resources.
  - The degree to which the project fosters overall understanding and appreciation of renewable energy technologies.
    - (h) The ability to administer a complete project.
    - (i) Project duration and timeline for expenditures.
  - The geographic area in which the project is to be ( 🖯 ) conducted in relation to other projects.
    - The degree of public visibility and interaction. (k)
  - The department shall solicit the expertise of other (5) state agencies in evaluating project proposals. State agencies shall cooperate with the Department of Environmental Protection and provide such assistance as requested.

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(6) Each application must be accompanied by an affidavit from the applicant attesting to the veracity of the statements contained in the application.

Section 24. Section 377.806, Florida Statutes, is amended to read:

377.806 Solar Energy System Incentives Program. --

- PURPOSE. -- The Solar Energy System Incentives Program is established within the department to provide financial incentives for the purchase and installation of solar energy systems. Any resident of the state who purchases and installs a new solar energy system of 2 kilowatts or larger for a solar photovoltaic system, a solar energy system that provides at least 50 percent of a building's hot water consumption for a solar thermal system, or a solar thermal pool heater, from July 1, 2006, through June 30, 2010, is eligible for a rebate on a portion of the purchase price of that solar energy system.
  - SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE. --
- Eligibility requirements. -- A solar photovoltaic system qualifies for a rebate if:
- The system is installed by a state-licensed master electrician, electrical contractor, or solar contractor.
- 2. The system complies with state interconnection standards as provided by the commission.
- The system complies with all applicable building codes as defined by the Florida Building Code local jurisdictional authority.
- Rebate amounts. -- The rebate amount shall be set at \$4 (b) per watt based on the total wattage rating of the system. The

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1521 maximum allowable rebate per solar photovoltaic system 1522 installation shall be as follows:

- Twenty thousand dollars for a residence.
- 2. One hundred thousand dollars for a place of business, a publicly owned or operated facility, or a facility owned or operated by a private, not-for-profit organization, including condominiums or apartment buildings.
  - SOLAR THERMAL SYSTEM INCENTIVE. --(3)
- (a) Eliqibility requirements. -- A solar thermal system qualifies for a rebate if:
- The system is installed by a state-licensed solar or plumbing contractor.
- The system complies with all applicable building codes as defined by the Florida Building Code <del>local jurisdictional</del> authority.
- (b) Rebate amounts. -- Authorized rebates for installation of solar thermal systems shall be as follows:
  - Five hundred dollars for a residence.
- Fifteen dollars per 1,000 Btu up to a maximum of \$5,000 for a place of business, a publicly owned or operated facility, or a facility owned or operated by a private, not-for-profit organization, including condominiums or apartment buildings. Btu must be verified by approved metering equipment.
  - SOLAR THERMAL POOL HEATER INCENTIVE. --
- Eligibility requirements. -- A solar thermal pool heater qualifies for a rebate if the system is installed by a statelicensed solar or plumbing contractor and the system complies

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with all applicable building codes as defined by the Florida Building Code local jurisdictional authority.

- (b) Rebate amount. -- Authorized rebates for installation of solar thermal pool heaters shall be \$100 per installation.
- APPLICATION. -- Application for a rebate must be made within 90 days after the purchase of the solar energy equipment.
- REBATE AVAILABILITY. -- The department shall determine and publish on a regular basis the amount of rebate funds remaining in each fiscal year. The total dollar amount of all rebates issued by the department is subject to the total amount of appropriations in any fiscal year for this program. If funds are insufficient during the current fiscal year, any requests for rebates received during that fiscal year may be processed during the following fiscal year. Requests for rebates received in a fiscal year that are processed during the following fiscal year shall be given priority over requests for rebates received during the following fiscal year.
- (7) RULES. -- The department shall adopt rules pursuant to ss. 120.536(1) and 120.54 to develop rebate applications and administer the issuance of rebates.

Section 25. Section 403.44, Florida Statutes, is created to read:

## 403.44 Florida Climate Protection Act.--

(1) The Legislature finds it is in the best interest of this state to document, to the greatest extent practicable, greenhouse gas (GHG) emissions and to pursue a market-based emissions-abatement program, such as cap-and-trade, to address GHG emissions reductions.

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1576 (2) As used in this section, the term:

- (a) "Allowance" means a credit issued by the department through allotments or auction which represents an authorization to emit specific amounts of greenhouse gases, as further defined in department rule.
- (b) "Cap-and-trade" or "emissions trading" means an administrative approach used to control pollution by providing a limit on total allowable emissions, providing for allowances to emit pollutants, and providing for the transfer of the allowances among pollutant sources as a means of compliance with emission limits.
- (c) "Greenhouse gas" means carbon dioxide, methane, nitrous oxide, and fluorinated gases such as hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
- (d) "Leakage" means the offset of emission abatement that is achieved in one location subject to emission control regulation by increased emissions in unregulated locations.
- (e) "Major emitter" means an electric utility regulated under this chapter.
- (3) A major emitter must use The Climate Registry for purposes of emission registration and reporting.
- (4) The Department of Environmental Protection shall establish the methodologies, reporting periods, and reporting systems that must be used when major emitters report to The Climate Registry. The department may require the use of qualityassured data from continuous emissions-monitoring systems.
- (5) The department may adopt rules for a cap-and-trade regulatory program to reduce greenhouse gas emissions from major

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emitters. When developing the rules, the department shall consult with the Governor's Action Team on Energy and Climate Change, the Public Service Commission, and the Florida Energy Commission. The rules shall not become effective until ratified by the Legislature.

- (6) The rules of the cap-and-trade regulatory program shall include, but are not limited to:
- (a) A statewide limit or cap on the amount of GHG emissions emitted by major emitters.
- (b) Methods, requirements, and conditions for allocating the cap among major emitters.
- (c) Methods, requirements, and conditions for emissions allowances and the process for issuing emissions allowances.
- The relationship between allowances and the specific amounts of greenhouse gases they represent.
- (e) A process for the trade of allowances between major emitters, including a registry, tracking, or accounting system for such trades.
- (f) Cost-containment mechanisms in order to reduce price and cost risks associated with the electric generation market in this state.
- (g) A process to allow the department to exercise its authority to discourage leakage of GHG emissions to neighboring states attributable to the implementation of this program.
- (h) Provisions for a trial period on the trading of allowances before full implementation of a trading system.
- (i) Other requirements necessary or desirable to implement this section.

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Section 26. Subsection (1) of section 403.506, Florida Statutes, is amended to read:

403.506 Applicability, thresholds, and certification.--

The provisions of this act shall apply to any electrical power plant as defined herein, except that the provisions of this act shall not apply to any electrical power plant or steam generating plant of less than 75 megawatts in gross capacity including its associated facilities -or to any substation to be constructed as part of an associated transmission line unless the applicant has elected to apply for certification of such electrical power plant or substation under this act. The provisions of this act shall not apply to any unit capacity expansions expansion of 75 35 megawatts or less, in the aggregate, of an existing exothermic reaction cogeneration electrical generating facility unit that was exempt from this act when it was originally built; however, this exemption shall not apply if the unit uses oil or natural gas for purposes other than unit startup. No construction of any new electrical power plant or expansion in steam generating capacity as measured by an increase in the maximum electrical generator rating of any existing electrical power plant may be undertaken after October 1, 1973, without first obtaining certification in the manner as herein provided, except that this act shall not apply to any such electrical power plant which is presently operating or under construction or which has, upon the effective date of chapter 73-33, Laws of Florida, applied for a permit or certification under requirements in force prior to the effective date of such act.

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Section 27. Section 403.7055, Florida Statutes, is created to read:

## 403.7055 Methane capture.--

- (1) Each county is encouraged to form multicounty regional solutions to the capture and reuse or sale of methane gas from landfills and wastewater treatment facilities.
- (2) The department shall provide planning guidelines and technical assistance to each county to develop and implement such multicounty efforts.

Section 28. Section 489.145, Florida Statutes, is amended to read:

489.145 Guaranteed energy performance savings contracting. --

- SHORT TITLE. -- This section may be cited as the "Guaranteed Energy Performance Savings Contracting Act."
- LEGISLATIVE FINDINGS. -- The Legislature finds that investment in energy conservation measures in agency facilities can reduce the amount of energy consumed and produce immediate and long-term savings. It is the policy of this state to encourage agencies to invest in energy conservation measures that reduce energy consumption, produce a cost savings for the agency, and improve the quality of indoor air in public facilities and to operate, maintain, and, when economically feasible, build or renovate existing agency facilities in such a manner as to minimize energy consumption and maximize energy savings. It is further the policy of this state that agencies share in the monetary savings resulting from energy performance contracting and to encourage agencies to reinvest any energy

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savings resulting from energy conservation measures in additional energy conservation efforts.

- (3) DEFINITIONS. -- As used in this section, the term:
- "Agency" means the state, a municipality, or a political subdivision.
- "Energy conservation measure" means a training  $\frac{program_{r}}{r}$  facility alteration, or equipment purchase to be used in new construction, including an addition to an existing facility, which reduces energy or energy-related operating costs and includes, but is not limited to:
- Insulation of the facility structure and systems within the facility.
- Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat-absorbing, or heatreflective, glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption.
  - 3. Automatic energy control systems.
- Heating, ventilating, or air-conditioning system modifications or replacements.
- Replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system, which, at a minimum, must conform to the applicable state or local building code.
  - 6. Energy recovery systems.
- 7. Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a facility or complex of facilities.

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- 1716 8. Energy conservation measures that reduce British thermal units (Btu), kilowatts (kW), or kilowatt hours (kWh) 1717 1718 consumed or provide long-term operating cost reductions or 1719 significantly reduce Btu consumed.
  - Renewable energy systems, such as solar, biomass, or wind systems.
  - 10. Devices that reduce water consumption or sewer charges.
  - 11. Storage systems, such as fuel cells and thermal storage.
    - 12. Generating technologies, such as microturbines.
  - 13. Any other repair, replacement, or upgrade of existing equipment.
  - "Energy cost savings" means a measured reduction in the cost of fuel, energy consumption, and stipulated operation and maintenance created from the implementation of one or more energy conservation measures when compared with an established baseline for the previous cost of fuel, energy consumption, and stipulated operation and maintenance.
  - "Guaranteed energy performance savings contract" means a contract for the evaluation, recommendation, and implementation of energy conservation measures or energy-related operational cost-saving measures, which, at a minimum, shall include:
  - The design and installation of equipment to implement 1. one or more of such measures and, if applicable, operation and maintenance of such measures.

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- 1743 The amount of any actual annual savings that meet or exceed total annual contract payments made by the agency for the 1744 1745 contract.
  - 3. The finance charges incurred by the agency over the life of the contract and may include allowable cost avoidance. As used in this section, allowable cost-avoidance calculations include, but are not limited to, avoided provable budgeted costs contained in a capital replacement plan less the current undepreciated value of replaced equipment and the replacement cost of the new equipment.
  - "Guaranteed energy performance savings contractor" means a person or business that is licensed under chapter 471, chapter 481, or this chapter, and is experienced in the analysis, design, implementation, or installation of energy conservation measures through energy performance contracts.
    - (4) PROCEDURES. --
  - (a) An agency may enter into a guaranteed energy performance savings contract with a guaranteed energy performance savings contractor to significantly reduce energy consumption or energy-related operating costs of an agency facility through one or more energy conservation measures.
  - (b) Before design and installation of energy conservation measures, the agency must obtain from a quaranteed energy performance savings contractor a report that summarizes the costs associated with the energy conservation measures or energy-related operational cost-saving measures and provides an estimate of the amount of the energy cost savings. The agency and the guaranteed energy performance savings contractor may

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enter into a separate agreement to pay for costs associated with the preparation and delivery of the report; however, payment to the contractor shall be contingent upon the report's projection of energy or operational cost savings being equal to or greater than the total projected costs of the design and installation of the report's energy conservation measures.

- The agency may enter into a guaranteed energy performance savings contract with a guaranteed energy performance savings contractor if the agency finds that the amount the agency would spend on the energy conservation or energy-related cost-saving measures will not likely exceed the amount of the energy or energy-related cost savings for up to 20 years from the date of installation, based on the life cycle cost calculations provided in s. 255.255, if the recommendations in the report were followed and if the qualified provider or providers give a written guarantee that the energy or energyrelated cost savings will meet or exceed the costs of the system. However, actual computed cost savings must meet or exceed the estimated cost savings provided in each agency's program approval. Baseline adjustments used in calculations must be specified in the contract. The contract may provide for installment payments for a period not to exceed 20 years.
- A guaranteed energy performance savings contractor must be selected in compliance with s. 287.055; except that if fewer than three firms are qualified to perform the required services, the requirement for agency selection of three firms, as provided in s. 287.055(4)(b), and the bid requirements of s. 287.057 do not apply.

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- 1799 (e) Before entering into a guaranteed energy performance savings contract, an agency must provide published notice of the 1800 1801 meeting in which it proposes to award the contract, the names of 1802 the parties to the proposed contract, and the contract's 1803 purpose.
  - A quaranteed energy performance savings contract may provide for financing, including tax-exempt financing, by a third party. The contract for third party financing may be separate from the energy performance contract. A separate contract for third party financing must include a provision that the third party financier under this paragraph must not be granted rights or privileges that exceed the rights and privileges available to the quaranteed energy performance savings contractor.
  - (g) Financing for guaranteed energy performance savings contracts may be provided under the authority of s. 287.064.
  - The office of the Chief Financial Officer shall review proposals from state agencies to ensure that the most effective financing is being used.
  - (i) (g) In determining the amount the agency will finance to acquire the energy conservation measures, the agency may reduce such amount by the application of any grant moneys, rebates, or capital funding available to the agency for the purpose of buying down the cost of the guaranteed energy performance savings contract. However, in calculating the life cycle cost as required in paragraph (c), the agency shall not apply any grants, rebates, or capital funding.
    - (5) CONTRACT PROVISIONS. --

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- (a) A guaranteed energy performance savings contract must include a written quarantee that may include, but is not limited to the form of, a letter of credit, insurance policy, or corporate guarantee by the guaranteed energy performance savings contractor that annual energy cost savings will meet or exceed the amortized cost of energy conservation measures.
- The guaranteed energy performance savings contract must provide that all payments, except obligations on termination of the contract before its expiration, may be made over time, but not to exceed 20 years from the date of complete installation and acceptance by the agency, and that the annual savings are quaranteed to the extent necessary to make annual payments to satisfy the guaranteed energy performance savings contract.
- The guaranteed energy performance savings contract must require that the guaranteed energy performance savings contractor to whom the contract is awarded provide a 100-percent public construction bond to the agency for its faithful performance, as required by s. 255.05.
- The guaranteed energy performance savings contract may contain a provision allocating to the parties to the contract any annual energy cost savings that exceed the amount of the energy cost savings quaranteed in the contract.
- The guaranteed energy performance savings contract shall require the guaranteed energy performance savings contractor to provide to the agency an annual reconciliation of the guaranteed energy or energy-related cost savings. If the reconciliation reveals a shortfall in annual energy or energy-

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related cost savings, the guaranteed energy performance savings contractor is liable for such shortfall. If the reconciliation reveals an excess in annual energy cost savings, the excess savings may be allocated under paragraph (d) but may not be used to cover potential energy cost savings shortages in subsequent contract years.

- The guaranteed energy performance savings contract must provide for payments of not less than one-twentieth of the price to be paid within 2 years from the date of the complete installation and acceptance by the agency using straight-line amortization for the term of the loan, and the remaining costs to be paid at least quarterly, not to exceed a 20-year term, based on life cycle cost calculations.
- The guaranteed energy performance savings contract may extend beyond the fiscal year in which it becomes effective; however, the term of any contract expires at the end of each fiscal year and may be automatically renewed annually for up to 20 years, subject to the agency making sufficient annual appropriations based upon continued realized energy savings.
- The guaranteed energy performance savings contract must stipulate that it does not constitute a debt, liability, or obligation of the state.
- PROGRAM ADMINISTRATION AND CONTRACT REVIEW. -- The Department of Management Services, with the assistance of the Office of the Chief Financial Officer, shall may, within available resources, provide technical assistance to state agencies contracting for energy conservation measures and engage in other activities considered appropriate by the department for

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promoting and facilitating guaranteed energy performance contracting by state agencies. The Office of the Chief Financial Officer, with the assistance of the Department of Management Services, shall may, within available resources, develop model contractual and related documents for use by state agencies. Prior to entering into a quaranteed energy performance savings contract, any contract or lease for third-party financing, or any combination of such contracts, a state agency shall submit such proposed contract or lease to the Office of the Chief Financial Officer for review and approval. A proposed contract or lease must include:

- (a) Supporting information required by s. 216.023(4)(a);
- (b) Documentation supporting recurring funds requirements in ss. 287.063(5) and 287.064(11);
- (c) Approval by the chief executive officer of the state agency, or his or her designee; and
- (d) An agency measurement and verification plan to monitor costs savings.
- (7) FUNDING SUPPORT. -- For purposes of consolidated financing of deferred payment commodity contracts under this section by an agency, any contract must be supported from available funds appropriated to the agency in an appropriation category, as defined in chapter 216, which the Chief Financial Officer has determined is appropriate or which the Legislature has designated for payment of the obligation incurred under this section. The Office of the Chief Financial Officer may not approve any contract submitted under this section from a state agency which does not meet the requirements of this section.



1911 Section 29. Section 526.201, Florida Statutes, is created 1912 to read: 1913 526.201 Short title.--Sections 526.201-526.2012, may be cited as the "Florida Renewable Fuel Standard Act." 1914 Section 30. Section 526.2011, Florida Statutes, is created 1915 1916 to read: 1917 526.2011 Definitions.--As used in ss. 526.201-526.2012, 1918 the term: (1) "Blender" means any person who blends any product with 1919 1920 gasoline or diesel fuel and who has been licensed or authorized 1921 as a blender. 1922 (2) "Credits" means allowances as determined by the 1923 department in rule. (3) "Department" means the Department of Agriculture and 1924 1925 Consumer Services. (4) "Diesel fuel" means all petroleum distillates commonly 1926 1927 known as diesel #2 or diesel #1 and additives used to meet or 1928 exceed the ASTM fuel specification for "Diesel Fuel Oils" and 1929 which are used in highway and nonroad vehicles and small 1930 portable engines. (5) "Gasoline" means all gasoline products and additives 1931 used to meet or exceed the ASTM fuel specification for 1932 1933 "Automotive Spark-Ignition Engine Fuel" and which are used in 1934 highway and nonroad vehicles and small portable engines. (6) "Importer" means any person, firm, association, 1935 1936 corporation, or company that brings gasoline blending stocks or

components from another state or foreign nation into this state.

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- (7) "Lifecycle greenhouse gas emissions" means the total emissions of greenhouse gas emissions associated with the production and distribution of fuels as defined by the department.
  - (8) "Refiner" means any person who stores or exchanges motor fuel at a terminal facility in this state and who sells or transfers motor fuel through the loading rack at the terminal facility, and includes an affiliate of the refiner with respect to such affiliate's sale of motor fuel.
  - (9) "Renewable fuel" means fuel that is produced from renewable sources, including, but not limited to, biomass, crop residue, vegetative waste, yard waste, biogas, animal fats, or as determined by the department.
- (10) "Transportation fuels" includes gasoline and diesel fuel.
- Section 31. Section 526.2012, Florida Statutes, is created to read:

## 526.2012 Rules.--

- (1) The department shall adopt rules implementing a renewable fuel standard that requires that no less than 5 percent of transportation fuels, excluding fuels identified by subsection (4), consumed in this state by year 2012, and no less than 10 percent by year 2015, shall be renewable fuels.
- (2) The department shall publish a notice of proposed rulemaking no later than January 1, 2009, to adopt rules that:
- (a) Require all renewable fuels introduced into commerce in this state as a result of the renewable fuel standard to reduce lifecycle greenhouse gas emissions by an average of 40

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percent less than this state's transportation fuels portfolio as of 2007. In meeting this requirement, biofuels having lifecycle greenhouse gas emissions less than 40 percent may be used meet the renewable fuel standard if biofuels having lifecycle greenhouse gas emissions greater than 40 percent are used such that there is a 40-percent average of lifecycle greenhouse gas emissions for all fuels refined, imported, or blended during a single year.

- (b) Provide for the creation, banking, transfer, and sale of credits among fuel refiners, blenders, and importers that:
- 1. Produce renewable fuels in this state which reduce lifecycle greenhouse gas emissions by more than 40 percent, including blends of renewable fuels that exceed the 40-percent standard;
- 2. Refine, blend, or import additional renewable fuels above the 40-percent standard; and
- 3. Allow for the use of the credits by the generator or for the transfer of all or a portion of the credits to another refiner, blender, or importer for the purpose of complying with the 40-percent standard.
- (3) Any waiver or variance to this section must be filed, in accordance with s. 120.542, with the department no later than January 1, 2010, and January 1, 2013, respectively, for the renewable fuel standard.
- (4) Blended gasoline or diesel offered for sale, sold, or dispensed for use in airplanes or watercraft or as fuel for offhighway motor sports racing events are exempt from the renewable fuel standard.

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(5) Any refiner, blender, or importer in this state who fails to meet the renewable fuel standard shall be penalized up to \$5 per gallon for every gallon refined, blended, or imported less than the standard; however, there shall be a 1-month grace period following each calendar year during which time the refiner, blender, or importer may remedy any shortage from the previous year. Gallons refined, blended, or imported during the grace period for purposes of attaining compliance with the previous year's standard may not be counted toward attainment of the standard in the current year.

(6) Every 5 years after year 2012, the department shall review and revaluate the renewable fuel standard. In its review, the department shall account for a full life-cycle analysis of greenhouse gas emission reduction, as well as a comprehensive resource analysis that supports modifying the renewable fuel standard.

Section 32. Present subsection (5) of section 553.77, Florida Statutes, is renumbered as subsection (6), and a new subsection (5) is added to that section, to read:

553.77 Specific powers of the commission.--

(5) The commission may implement its recommendations delivered pursuant to subsection (2) of section 48 of chapter 2007-73, Laws of Florida, by amending the Florida Energy Efficiency Code for Building Construction as provided in s. 553.901.

Section 33. Section 553.886, Florida Statutes, is created to read:

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553.886 Energy-efficiency technologies. -- The provisions of the Florida Building Code must facilitate and promote the use of cost-effective energy conservation, energy-demand management, and renewable energy technologies in buildings.

Section 34. Section 553.9061, Florida Statutes, is created to read:

553.9061 Scheduled increases in thermal efficiency standards.--

- (1) This section establishes a schedule of required increases in the energy-efficiency performance of buildings that are subject to the requirements for energy efficiency as contained in the current edition of the Florida Building Code. The Florida Building Commission shall implement the following energy-efficiency goals using the triennial code-adoption process established for updates to the Florida Building Code in s. 553.73:
- (a) Include requirements in the 2010 edition of the Florida Building Code to increase the energy-efficiency performance of new buildings by at least 20 percent as compared to the performance achieved as a result of the implementation of the energy-efficiency provisions contained in the current edition of the Florida Building Code;
- (b) Include requirements in the 2013 edition of the Florida Building Code to increase the energy-efficiency performance of new buildings by at least 30 percent as compared to the performance achieved as a result of the implementation of the energy-efficiency provisions contained in the current edition of the Florida Building Code;



2049 (c) Include requirements in the 2016 edition of the 2050 Florida Building Code to increase the energy-efficiency 2051 performance of new buildings by at least 40 percent as compared 2052 to the performance achieved as a result of the implementation of the energy-efficiency provisions contained in the current 2053 edition of the Florida Building Code; and 2054 2055 (d) Include requirements in the 2019 edition of the 2056 Florida Building Code to increase the energy-efficiency 2057 performance of new buildings by at least 50 percent as compared 2058 to the performance achieved as a result of the implementation of 2059 the energy-efficiency provisions contained in the current edition of the Florida Building Code. 2060 2061 (2) The commission shall identify in any code-support and 2062 compliance documentation the specific building options and 2063 elements available to meet the energy-efficiency performance 2064 requirements required under subsection (1). Energy-efficiency 2065 performance options and elements include, but are not limited 2066 to: 2067 (a) Solar water heating; 2068 (b) Energy-efficient appliances; Energy-efficient windows, doors, and skylights; 2069 (C) 2070 Low solar-absorption roofs, also known as "cool (d) 2071 roofs"; 2072 (e) Enhanced ceiling and wall insulation; 2073 (f) Reduced-leak duct systems; 2074 (a) Programmable thermostats; and

Energy-efficient lighting systems.

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Section 35. (1) The Florida Building Commission shall conduct a study to evaluate the energy-efficiency rating of new buildings and appliances. The study must include a review of the current energy-efficiency ratings and consumer labeling requirements contained in chapter 553, Florida Statutes. The commission shall submit a written report of its study to the President of the Senate and the Speaker of the House of Representatives on or before February 1, 2009. The report must contain the commission's recommendations regarding the strengthening and integration of energy-efficiency ratings and labeling requirements.

- The provisions of this section expire July 1, 2009. Section 36. (1) The Florida Building Commission shall conduct a study to evaluate opportunities to restructure the Florida Energy Efficiency Code for Building Construction to achieve long-range improvements to building energy performance. During such study, the commission shall address the integration of the Thermal Efficiency Code established in part V of chapter 553, Florida Statutes, the Energy Conservation Standards Act established in part VI of chapter 553, Florida Statutes, and the Florida Building Energy-Efficiency Rating Act established in part VIII of chapter 553, Florida Statutes.
- (2) The commission shall submit a report containing specific recommendations on the integration of the code and acts identified in subsection (1) to the President of the Senate and the Speaker of the House of Representatives on or before February 1, 2009.
  - (3) The provisions of this section expire July 1, 2009.

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Section 37. (1) The Department of Community Affairs, in conjunction with the Florida Energy Affordability Coalition, shall identify and review issues relating to the Low-Income Home Energy Assistance Program and the Weatherization Assistance Program, and identify recommendations that:

- (a) Support customer health, safety, and well-being;
- (b) Maximize available financial and energy-conservation assistance;
- Improve the quality of service to customers seeking (C) assistance; and
- (d) Educate customers to make informed decisions regarding energy use and conservation.
- (2) On or before January 1, 2009, the department shall report its findings and any recommended statutory changes required to implement such findings to the President of the Senate and the Speaker of the House of Representatives.
- (3) The provisions of this section expire July 1, 2009. Section 38. Subsection (1) of section 553.957, Florida Statutes, is amended to read:

553.957 Products covered by this part.--

- The provisions of this part apply to the testing, certification, and enforcement of energy conservation standards for the following types of new commercial and residential products sold in the state:
- (a) Refrigerators, refrigerator-freezers, and freezers which can be operated by alternating current electricity, excluding:
  - 1. Any type designed to be used without doors; and



- 2132 2. Any type which does not include a compressor and condenser unit as an integral part of the cabinet assembly. 2133
  - (b) Lighting equipment.
  - (c) Showerheads.
  - (d) Electric water heaters used to heat potable water in homes or businesses.
  - (e) Electric motors used to pump water within swimming pools.
    - (f) Water heaters for swimming pools.
    - (g) (d) Any other type of consumer product which the department classifies as a covered product as specified in this part.

Section 39. Section 553.975, Florida Statutes, is amended to read:

553.975 Report to the Governor and Legislature. -- The Public Service Commission shall submit a biennial report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, concurrent with the report required by s. 366.82(5) s. 366.82(4), beginning in 1990. Such report shall include an evaluation of the effectiveness of these standards on energy conservation in this state.

Section 40. The Public Service Commission shall analyze utility revenue decoupling and provide a report and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2009.

Section 41. This act shall take effect July 1, 2008.

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2160 ======= T I T L E A M E N D M E N T ======== And the title is amended as follows: 2161

Delete everything before the enacting clause and insert:

A bill to be entitled

An act relating to energy conservation; creating s. 112.219, F.S.; defining terms for purposes of the state employee telecommuting program; requiring each state employing entity to complete a telecommuting plan by a specified date which includes a listing of the job classifications and positions that the state entity considers appropriate for telecommuting; providing requirements for the telecommuting plan; requiring each state employing entity to post the telecommuting plan on its website; amending s. 186.007, F.S.; authorizing the Executive Office of the Governor to include in the state comprehensive plan goals, objectives, and policies related energy and global climate change; creating s. 193.804, F.S.; prohibiting the property appraiser from increasing the taxable value of homestead property when the taxpayer adds any solar energy device to the property; authorizing the property appraiser to refer the matter to the Department of Environmental Protection if the property appraiser questions whether a taxpayer is entitled, in whole or in part, to a solar energy device exemption; requiring the Department of Environmental Protection to adopt rules; amending s. 212.08, F.S.; providing that the sale or use of wind energy or wind turbines is exempt from



2188 sales or use taxes as equipment, machinery, and other 2189 materials used for renewable energy technologies; 2190 requiring the Department of Environmental Protection to 2191 adopt, by rule, an application form, including the 2192 required content and documentation to support the 2193 application, for the taxpayer to use in claiming the tax 2194 exemption; amending s. 220.192, F.S.; defining terms 2195 related to a tax credit; providing that 75 percent of all capital, operation, and maintenance costs, and research 2196 2197 and development costs incurred between specified dates, up 2198 to a specified limit, may be credited against taxes owed 2199 in connection with an investment in the production of wind 2200 energy; allowing the tax credit to be transferred for a 2201 specified period; providing procedures and requirements; 2202 requiring the Department of Revenue to adopt rules; 2203 amending s. 220.193, F.S.; defining the term "sale" or 2204 sold"; defining the term "taxpayer"; authorizing the 2205 Department of Revenue to adopt rules and forms; providing 2206 that the use of the renewable energy production credit 2207 does not reduce the alternative minimum tax credit; 2208 amending s. 255.249, F.S.; requiring state agencies to 2209 annually provide telecommuting plans to the Department of 2210 Management Services; amending s. 255.251, F.S.; creating 2211 the "Florida Energy Conservation and Sustainable Buildings 2212 Act"; amending s. 255.252, F.S.; providing findings and 2213 legislative intent; providing that it is the policy of the 2214 state that buildings constructed and financed by the 2215 state, or existing buildings renovated by the state, be



2216 designed and constructed with a goal of meeting or 2217 exceeding the Platinum rating of the United States Green 2218 Building Council (USGBC) Leadership in Energy and 2219 Environmental Design (LEED) rating system, the Green 2220 Building Initiative's Green Globes rating system, or the 2221 Florida Green Building Coalition standards; requiring each 2222 state agency to identify and compile a list of energy-2223 conservation projects that it determines are suitable for 2224 a guaranteed energy performance savings contract; amending 2225 s. 255.253, F.S.; defining terms relating to energy 2226 conservation for buildings; amending s. 255.254, F.S.; 2227 prohibiting a state government entity from leasing or 2228 constructing a facility without having secured from the 2229 Department of Management Services a proper evaluation of 2230 life-cycle costs for the building; amending s. 255.255, 2231 F.S.; requiring the department to use sustainable building 2232 ratings for conducting a life-cycle cost analysis; amending s. 255.257, F.S.; requiring each state government 2233 2234 entity to adopt the standards of the United States Green 2235 Building Council's Leadership in Energy and Environmental 2236 Design for New Construction (LEED-NC) for all new 2237 buildings, with a goal of achieving the LEED-NC Platinum 2238 level rating for each construction project and to 2239 implement the United States Green Building Council's 2240 Leadership in Energy and Environmental Design for Existing 2241 Buildings (LEED-EB); creating s. 286.275, F.S.; requiring 2242 the Department of Management Services to develop the 2243 Florida Climate Friendly Preferred Products List;



2244 requiring state government entities to consult the list 2245 and purchase products from the list under certain 2246 circumstances; requiring state government entities to 2247 contract for meeting and conference space with facilities 2248 having the "Green Lodging" designation; authorizing the 2249 Department of Environmental Protection to adopt rules; 2250 requiring the department to establish voluntary technical 2251 assistance programs for various businesses; requiring 2252 state government entities to maintain vehicles according 2253 to minimum standards and follow certain procedures when 2254 procuring new vehicles; requiring state government 2255 entities to use ethanol and biodiesel-blended fuels when 2256 available; defining the term "state government entity"; 2257 amending s. 287.063, F.S.; prohibiting the payment term 2258 for equipment from exceeding the useful life of the 2259 equipment unless the contract provides for the replacement 2260 or the extension of the useful life of the equipment 2261 during the term of the deferred payment contract; amending 2262 s. 287.064, F.S.; authorizing an extension of the master 2263 equipment financing agreement for energy conservation 2264 equipment; requiring the guaranteed energy performance 2265 savings contractor to provide for the replacement or the 2266 extension of the useful life of the energy conservation 2267 equipment during the term of the contract; amending s. 2268 288.1089, F.S.; defining the term "alternative and 2269 renewable energy"; detailing the conditions for an 2270 alternative and renewable energy project to be eligible 2271 for an innovation incentive award; amending s. 339.175,



2272 F.S.; requiring each metropolitan planning organization to 2273 develop a long-range transportation plan and an annual 2274 project priority list that, among other considerations, 2275 provide for sustainable growth and reduce greenhouse gas 2276 emissions; amending s. 366.82, F.S.; requiring the Public 2277 Service Commission to adopt rules requiring utilities to 2278 offset 20 percent of their annual load-growth through 2279 energy efficiency and conservation measures; requiring the 2280 commission to create an in-state market for tradable 2281 credits enabling those utilities that exceed the 2282 conservation standard to sell credits to those that cannot 2283 meet the standard for a given year; requiring the 2284 commission to require municipal and cooperative utilities 2285 that are exempt from the Energy Efficiency and 2286 Conservation Act to submit an annual report identifying 2287 energy efficiency and conservation goals and the actions 2288 taken to meet those goals; requiring the Public Service 2289 Commission to allow utilities to install solar hot water 2290 systems and other renewable energy-efficient technologies 2291 in residential homes and commercial facilities while 2292 retaining ownership of the systems; amending s. 366.8255, 2293 F.S.; redefining the term "environmental compliance costs" 2294 to include costs or expenses prudently incurred for 2295 scientific research and geological assessments of carbon 2296 capture and storage for the purpose of reducing an 2297 electric utility's greenhouse gas emissions; amending s. 377.601, F.S.; revising legislative intent with respect to 2298 2299 the need to implement alternative energy technologies;



2300 amending s. 377.703, F.S.; conforming cross-references; 2301 amending s. 377.804, F.S., relating to the Renewable 2302 Energy and Energy-Efficient Technologies Grant Program; 2303 providing for the program to include matching grants for 2304 technologies that increase the energy efficiency of 2305 vehicles and commercial buildings; providing application 2306 requirements; amending s. 377.806, F.S., relating to the 2307 Solar Energy System Incentives Program; requiring 2308 compliance with the Florida Building Code rather than 2309 local codes in order to be eligible for a rebate under the 2310 program; creating s. 403.44, F.S.; creating the Florida 2311 Climate Protection Act; defining terms; requiring the 2312 Department of Environmental Protection to establish the 2313 methodologies, reporting periods, and reporting systems 2314 that must be used when major emitters report to The 2315 Climate Registry; authorizing the department to adopt 2316 rules for a cap-and-trade regulatory program to reduce greenhouse gas emissions from major emitters; providing 2317 2318 for the content of the rule; amending s. 403.506, F.S.; 2319 revising the thresholds and applicability standards of the 2320 Florida Electrical Power Plant Siting Act; deleting a 2321 provision that exempts from the act a steam generating 2322 plant; exempting from the act the associated facilities of 2323 an electrical power plant; creating s. 403.7055, F.S.; 2324 encouraging counties in the state to form regional 2325 solutions to the capture and reuse or sale of methane gas 2326 from landfills and wastewater treatment facilities; 2327 requiring the Department of Environmental Protection to



2328 provide guidelines and assistance; amending s. 489.145, 2329 F.S.; revising provisions of the Guaranteed Energy 2330 Performance Savings Contracting Act; requiring that each 2331 proposed contract or lease contain certain agreements 2332 concerning operational cost-saving measures; requiring the office of the Chief Financial Officer to review contract 2333 2334 proposals; creating s. 526.201, F.S.; creating the 2335 "Florida Renewable Fuel Standard Act"; creating s. 2336 526.2011, F.S.; defining terms; creating s. 526.2012, 2337 F.S.; requiring the Department of Agriculture and Consumer Services to adopt rules by a specified date to require 2338 2339 that all renewable fuels introduced into commerce in this 2340 state as a result of the renewable fuel standard reduce 2341 lifecycle greenhouse gas emissions by an average of 40 2342 percent less than this state's transportation fuels portfolio as of 2007; providing for further content of the 2343 2344 rule; providing that a refiner, blender, or importer who 2345 fails to meet the renewable fuel standard shall be 2346 penalized up to \$5 per gallon for every gallon refined, 2347 blended, or imported less than the standard; requiring the 2348 department to reevaluate the renewable fuel standards 2349 every 5 years after the year 2012; amending s. 553.77, 2350 F.S.; authorizing the commission to implement 2351 recommendations relating to energy efficiency in 2352 residential and commercial buildings; creating s. 553.886, F.S.; requiring that the Florida Building Code facilitate 2353 2354 and promote the use of certain renewable energy 2355 technologies in buildings; creating s. 553.9061, F.S.;

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requiring the Florida Building Commission to establish a schedule of increases in the energy performance of buildings subject to the Energy Efficiency Code for Building Construction; providing a process for implementing goals to increase energy-efficiency performance in new buildings; providing a schedule for the implementation of such goals; identifying energyefficiency performance options and elements available to meet energy-efficiency performance requirements; providing a schedule for the review and adoption of renewable energy-efficiency goals by the commission; requiring the commission to conduct a study to evaluate the energyefficiency rating of new buildings and appliances; requiring the commission to submit a report to the President of the Senate and the Speaker of the House of Representatives on or before a specified date; requiring the commission to conduct a study to evaluate opportunities to restructure the Florida Energy Code for Building Construction, including the integration of the Thermal Efficiency Code, the Energy Conservation Standards Act, and the Florida Building Energy-Efficiency Rating Act; requiring the commission to submit a report to the President of the Senate and the Speaker of the House of Representatives on or before a specified date; directing the Department of Community Affairs, in conjunction with the Florida Energy Affordability Council, to identify and review issues relating to the Low-Income Home Energy Assistance Program and the Weatherization Assistance



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Program; requiring the submission of a report to the President of the Senate and the Speaker of the House of Representatives on or before a specified date; providing for the expiration of certain study requirements; amending s. 553.957, F.S.; including certain home and commercial appliances in the requirements for testing and certification for meeting certain energy-conservation standards; amending s. 553.975, F.S.; conforming a crossreference; requiring the Public Service Commission to analyze utility revenue decoupling and provide a report and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by a specified date; providing an effective date.