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CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: RCS	.	
4/10/2008	.	
	.	
	.	

1 The Committee on General Government Appropriations (Lawson)
2 recommended the following **amendment**:

3
4 **Senate Amendment (with title amendments)**

5 Between line(s) 2146 and 2147
6 and insert:

7 Section 31. Section 366.92, Florida Statutes, is
8 amended to read:

9 366.92 Florida renewable energy policy.--

10 (1) It is the intent of the Legislature to promote the
11 development of renewable energy; protect the economic viability
12 of Florida's existing renewable energy facilities; diversify the
13 types of fuel used to generate electricity in Florida; lessen
14 Florida's dependence on natural gas and fuel oil for the
15 production of electricity; minimize the volatility of fuel costs;
16 encourage investment within the state; improve environmental



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17 conditions; and, at the same time, minimize the costs of power
18 supply to electric utilities and their customers.

19 (2) For the purposes of this section, "Florida renewable
20 energy resources" shall mean renewable energy, as defined in s.
21 377.803, that is produced in Florida.

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

23 (a) "Renewable Energy Credit" or "REC" shall mean a product
24 that represents the unbundled, separable, renewable attribute of
25 renewable energy produced in Florida and is equivalent to one
26 megawatt-hour of electricity generated by a source of renewable
27 energy located in Florida.

28 (b) "Provider" means a public utility as defined in s.
29 366.02(1).

30 (c) "Renewable energy" shall mean renewable energy, as
31 defined in s. 366.91(2)(b).

32 (d) "Renewable portfolio standard" or "RPS" means the
33 minimum percentage of total annual retail electricity sales by a
34 provider to consumers in Florida that shall be supplied by
35 renewable energy produced in Florida.

36 (4) RENEWABLE PORTFOLIO STANDARD.--

37 (a) The commission shall adopt rules for a renewable
38 portfolio standard requiring each provider to supply renewable
39 energy to its customers, either directly, by procuring, or
40 through renewable energy credits. In developing the RPS rule,
41 the commission shall consult the Florida Department of
42 Environmental Protection and the Florida Energy and Climate
43 Commission. The rule will not be implemented until ratified by
44 the Legislature. The commission shall present a draft rule for
45 legislative consideration by February 1, 2009.



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46 (b) In developing the rule, the commission shall evaluate
47 the current and forecasted levelized cost in cents per kilowatt
48 hour through 2020 and current and forecasted installed capacity
49 in kilowatts for each renewable energy generation method through
50 2020.

51 (c) The commission's rule shall include methods of managing
52 the cost of compliance with the portfolio standard whether
53 through direct supply or procurement of renewable power or
54 through the purchase of renewable energy credits. The commission
55 shall have rulemaking authority for providing annual cost
56 recovery and incentive-based adjustments to authorized rates of
57 return on common equity to providers to incentivize renewable
58 energy. Notwithstanding s. 366.91(3) and (4), upon the
59 ratification of the rules developed pursuant to subsection (4),
60 the commission is authorized to approve projects and power sales
61 agreements with renewable power producers, and the sale of
62 renewable energy credits which are needed to comply with the RPS.

63 In the event of any conflict, this section shall supersede s.
64 366.91(3) and (4).

65 (d) The commission's rule shall provide for appropriate
66 compliance measures and the conditions under which compliance
67 shall be excused due to a determination by the commission that
68 the supply of renewable energy or renewable energy credits was
69 not adequate to satisfy the demand for such energy, or that the
70 cost of securing renewable energy or renewable energy credits was
71 cost prohibitive.

72 (e) The commission's rule may provide added weight to
73 energy provided by wind and solar photovoltaic over other forms
74 of renewable energy whether directly supplied or procured or



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75 indirectly obtained through the purchase of renewable energy
76 credits.

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

80 (g) The commission's rule shall:

81 1. Determine an appropriate period of time for which
82 renewable energy credits may be used for purposes of compliance
83 with the renewable portfolio standard.

84 2. Provide for the monitoring of compliance with and
85 enforcement of the requirements of this section.

86 3. Ensure that energy credited toward compliance with the
87 provisions of this section not be credited toward any other
88 purpose.

89 4. Develop procedures to track and account for renewable
90 energy credits, including ownership of renewable energy credits
91 that are derived from a customer owned renewable energy facility
92 as a result of any action by a customer of an electric power
93 supplier that is independent of a program sponsored by the
94 electric power supplier.

95 (h) The commission's rule shall provide for the conditions
96 and options for the repeal or alteration of the rule in the event
97 that new provisions of Federal law supplant or conflict with the
98 rule.

99 (i) Beginning on April 1 of the year following final
100 adoption of the commission's RPS rule, each provider shall submit
101 a report to the commission describing the steps that have been
102 taken in the previous year and the steps that will be taken in
103 the future to add renewable energy to the provider's energy
104 supply portfolio. The report shall state whether the provider



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105 was in compliance with the RPS during the previous year and how
106 it will comply with the RPS in the upcoming year.

107 (5) In order to demonstrate the feasibility and viability
108 of clean energy systems, the commission shall provide for full
109 cost recovery under the environmental cost recovery clause of all
110 reasonable and prudent costs incurred by a provider for renewable
111 energy projects which are zero greenhouse gas emitting at the
112 point of generation, up to a total of 110 megawatt statewide, for
113 which the provider has secured necessary land, zoning permits and
114 transmission rights within the state. Such costs shall be deemed
115 reasonable and prudent for purposes of cost recovery so long as
116 the provider has used reasonable and customary industry practices
117 in the design, procurement and construction of the project in a
118 cost-effective manner appropriate to the location of the
119 facility. The provider shall report to the commission as part of
120 the cost recovery proceedings the construction costs, in-service
121 costs, operating and maintenance costs, and the hourly energy
122 production of the renewable energy project and any other
123 information deemed relevant by the commission. Any provider
124 constructing a clean energy facility pursuant to this section
125 shall file for cost recovery no later than July 1, 2009.

126 (6) Each municipal electric utility and rural electric
127 cooperative shall develop standards for the promotion,
128 encouragement, and expansion of the use of renewable energy
129 resources and energy conservation and efficiency measures. On or
130 before April 1, 2009, and annually thereafter, each municipal
131 electric utility and electric cooperative shall submit to the
132 commission a report that identifies such standards.

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



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135 ~~(3) The commission may adopt appropriate goals for~~
136 ~~increasing the use of existing, expanded, and new Florida~~
137 ~~renewable energy resources. The commission may change the goals.~~
138 ~~The commission may review and reestablish the goals at least once~~
139 ~~every 5 years.~~

140 (8)(4) The commission may adopt rules to administer and
141 implement the provisions of this section.

142 ===== T I T L E A M E N D M E N T =====

143 And the title is amended as follows:

144 On line(s) 196 after "emissions;"
145 insert:

146 amending s. 366.92, F.S.; providing definitions; requiring
147 renewable portfolio standard; providing that the rule must
148 be ratified by the Legislature; providing that the rule
149 must be submitted for legislative approval by February 1,
150 2009; specifies criteria for the rule development;
151 allowing for full cost recovery of certain reasonable and
152 prudent costs prior to the ratification of the rule;
153 requiring each municipal electric utility and rural
154 electric cooperative to develop standards for the use of
155 renewable energy resources and energy conservation
156 measures and submit a report to the Public Service
157 Commission that identifies such standards;