

CHAMBER ACTION

Senate House Comm: WD 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 Constitution of the State of Florida and also includes water management districts, the Florida Senate, the Florida House of Representatives, the Florida State Court System, the state

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universities, the community colleges, or any other 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, at home or another place apart from the employees' usual place of work.
- (c) "Qualified telecommuting employee" means an employee 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, 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;
- 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 the employee will be in the on-site 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

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schedule are acceptable given the needs of the entity and the ability of the employee to accomplish assigned state business.

- (e) "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) "On-site work location" means the office or location that an 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 a 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 to include 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 their selection of employees to participate in the telecommuting program. The Telecommuting Plan must also:
- (a) Provide measurable financial benefits associated with reduced office space requirements, reductions in energy

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consumption, and reductions in associated emissions of greenhouse gases resulting from telecommuting. Employing public entities operating in office space owned and/or managed by the Department of Management Services shall consult the facilities program to ensure its consistency with the strategic leasing plan required under 255.249 (3)(b).

- (b) Provide that an employee's participation in a telecommuting program will not adversely affect 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 a telecommuting program at any time.
- (d) Adopt provisions to 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 employing public entity.
- (e) Provide that an employee is not currently under a performance improvement plan in order to participate in the program.
- (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 employing public 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

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the installation and maintenance of any telephone equipment and ongoing communications costs at the telecommuting site which is to be used for official use only.

- (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 that specifies the terms and conditions of telecommuting, which includes verification by the employee that the home office provides work space that is free of safety and fire hazards, together with an agreement which holds the state harmless against any and all claims, excluding workers' compensation claims, resulting from an employee working in the home office, and which must be signed and agreed to by the telecommuter and the supervisor.
- (4) The Telecommuting Plan for each employing public 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 the 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 properties 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 2. 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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certification within 60 days after receipt of the application. The Department of Environmental Protection shall provide the department with a copy of each certification issued upon approval of an application.

- d. 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 the form for the application for a certificate, requirements for the content and format of information submitted to the Department of Environmental Protection and support of the application, other procedural requirements, and criteria by which the application will be determined by rule. 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.
- q. 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.

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- 5. The Department of Environmental Protection shall determine and publish on a regular basis the amount of sales tax funds remaining in each fiscal year.
- 6. This paragraph expires July 1, 2010, except as it relates to wind turbines. The paragraph relating to wind turbines expires 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:
- "Biodiesel" means biodiesel as defined in s. 212.08(7)(ccc).
 - (b) "Eliqible 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

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in the state, including, but not limited to, the costs of constructing, installing, and equipping such technologies in the state.

- 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 \$6.5 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, 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 defined in s. 212.08(7)(ccc).
- (e) "Wind energy" or "wind turbine" has the same meaning as in s. 212.08(7)(ccc).
 - TAX CREDIT. --(2)
- 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

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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 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 the credit shall expire. 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 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

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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.

- (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 the requirement of 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 with 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

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portion of the federal energy tax credit with respect to the eligible costs.

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

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

255.251 Energy Conservation and Sustainable $\frac{1}{2}$ 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 8. 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, the National Institute of Standards and Technology, and others to detail the considerations and practices for energy

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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.

- 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 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 which will minimize the consumption of energy used in the operation and maintenance of such buildings.
- 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

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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 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 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

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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 guaranteed energy performance savings contract improvements to be made to the state-owned buildings.

Section 9. Section 255.253, Florida Statutes, is amended to read:

255.253 Definitions; ss. 255.251-255.258.--

- (1) "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 with state building, the indices (EPI) will serve as a measure of building performance with respect to energy consumption.
- (4) "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.

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- "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.
- "State government entity" means any state government entity listed in chapter 20 or the State Constitution, and also includes water management districts, the Senate, the House of Representatives, the state court system, the State University System, the State Community College System, or any other agency, commission, council, office, board, authority, department, or official of state government.
- (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 system.

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

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

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 a 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 areas of 5,000 20,000 square feet or greater within a given building boundary, an energy performance a lifeeycle 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 three 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 like facilities. Any building leased by the state from a private-sector vendor must include, as a part of the lease,

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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 11. 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 conducting a life-cycle cost analysis of alternative architectural and engineering designs and alternative major

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

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

- 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 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 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;
 - (b) Building energy audit procedures;
 - (c) Uniform data analysis procedures;
 - Employee energy education program measures; (d)
 - (e) Energy consumption reduction techniques;
- (f) Training program for state government entity agency energy management coordinators; and
 - Guidelines for building managers. (g)

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The plan shall include a description of the actions that each state government entity must take 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.

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- (4) ENERGY AND ENVIRONMENTAL DESIGN. --
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- of the United States Green Building Council's Leadership in

(a) Each state government entity shall adopt the standards

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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.

- (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). A state governmental entity may prioritize implementation of LEED-EB standards in order to gain the greatest environmental benefit within existing budget for property management.
- (c) A state government entity may not enter into a new leasing agreement for office space which 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.

Section 13. Section 286.275, Florida Statutes, is created to read:

286.275 .-- Section 286.28 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

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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, will continually assess products currently available for purchase under State Term Contracts to identify specific products and vendors that have 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 provided that the cost does not exceed by 5% the most cost effective alternative commodity not included on the list.
- (b) Effective July 1, 2008, state government entities shall only contract for meeting and conference space 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 exists. The Department of Environmental Protection is authorized to adopt rules to implement 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,

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and Green Yards programs. The programs may include certifications, designations, or other forms of recognition. The Department is authorized to implement some or all of these programs through rulemaking, but need not implement any programs through rulemaking provided that they do not impose requirements on any person not wishing to participate in these programs. All state government entities shall patronize businesses that have received such certifications or designations to the greatest extent practical.

- (d) Each state government entity shall assure that all maintained vehicles meet minimum maintenance schedules shown to reduce fuel consumption which includes assuring 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 will measure and report compliance to the Department of Management Services through the Equipment Management Information System database.
- (e) When procuring new vehicles, all state government entities shall first define the intended purpose for a vehicle and determine which of the following use classes the vehicle is being procured for:
 - 1. State business travel, designated operator;
 - 2 State business travel, pool operators;
 - 3. Construction, agricultural or maintenance work;
 - 4. Conveyance of passengers;
- 5. Conveyance of building or maintenance materials and supplies;



- 6. Off-road vehicles, motorcycles and 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 performance characteristics 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) When used in this section, the term "state government entity" means any state government entity listed in chapter 20 or the Florida State Constitution and also includes water management districts, the Florida Senate, the Florida House of Representatives, the Florida State Court System, the State University System, the Community College System, or any other



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

Section 14. 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

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

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

287.064 Consolidated financing of deferred-payment purchases. --

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- (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 10 years for energy conservation measures under s. 489.145, excluding the costs of training, operation, and maintenance. The guaranteed 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, 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. 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 that section is amended, and paragraph (d) is added to subsection (4) of that section, to read:

288.1089 Innovation Incentive Program. --



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- (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.
- (b) The location in this state at which the project is 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 Classification System codes for all activities included in the project.
 - (d) The applicant's projected investment in the project.

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- The total investment, from all sources, in the (e) project.
- The number of net new full-time equivalent jobs in (f) 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.
- 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 higher education collaboration.
- 2. Provide the state, at a minimum, a break-even return on 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

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office and the department determine that the merits of the individual project or the specific circumstances warrant such action.

Section 17. Subsections (1) and (7) and paragraphs (a) and (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 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,

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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).

(7) 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 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

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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 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

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programs. Such techniques may include the assessment of tolls, the use of value capture financing, or the use of value pricing.

- 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.

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

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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.

- (8) 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.
- (a) Each M.P.O. is responsible for developing, annually, a list of project priorities and a transportation improvement program. The prevailing principles to be considered by each M.P.O. when developing a list of project priorities and a transportation improvement program are: preserving the existing transportation infrastructure; enhancing Florida's economic competitiveness; and improving travel choices to ensure mobility. The transportation improvement program will be used to initiate federally aided transportation facilities and improvements as well as other transportation facilities and

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improvements including transit, rail, aviation, spaceport, and port facilities to be funded from the State Transportation Trust Fund within its metropolitan area in accordance with existing and subsequent federal and state laws and rules and regulations related thereto. The transportation improvement program shall be consistent, to the maximum extent feasible, with the approved local government comprehensive plans of the units of local government whose boundaries are within the metropolitan area of the M.P.O. and include those projects programmed pursuant to s. 339.2819(4).

- (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., 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;
- 2. The Strategic Intermodal System Plan developed under s. 339.64.
 - The priorities developed pursuant to s. 339.2819(4).

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- 1102 4. The results of the transportation management systems; 1103 and
 - 5. The M.P.O.'s public-involvement procedures; and-
 - 6. To provide for sustainable growth and reduce greenhouse gas emissions.

Section 18. 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 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

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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 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 utilities that exceed the standard to 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) 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

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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 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) (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.

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366.80-366.85 and 403.519 when establishing rates for those utilities over which the commission has ratesetting authority.

(6) 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 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 image-

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

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:

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- 1240 1. An evaluation of utility load forecasts, including an 1241 assessment of alternative supply and demand side resource 1242 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 the systems. Utility expenditures for this purpose shall be placed in the utility's rate base as a capital investment. In applying this provision, the commission may provide for accelerated depreciation. The utilities may apply the credits for the investment in the solar hot water systems or other renewable energy efficient technologies to their renewable portfolio standard or their energy efficiency portfolio standard as determined in subsection (3).

Section 19. 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:

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- 1267 "Environmental compliance costs" includes all costs or 1268 expenses incurred by an electric utility in complying with 1269 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;
 - Operation and maintenance expenses;
 - 3. Fuel procurement costs;
 - Purchased power costs; 4.
 - Emission allowance costs; 5.
 - 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 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.

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Section 20. 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 citizens, and resources, the Legislature believes that a single government entity have a specific focus on energy and climate change is both desirable and advantageous. the ability to deal effectively with present shortages of resources used in the production of energy 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

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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:
- Recognize and address the potential impacts of global climate change wherever possible. Develop and promote the 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.

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- 1350 (d) Utilize and manage effectively energy resources used 1351 within state agencies.
 - 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.
 - (g) Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses and reduce those needs whenever possible.
 - 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 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 21. Section 377.804, Florida Statutes, is amended to read:

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

- The Renewable Energy and Energy Efficient Technologies 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 commerical buildings.
- Matching grants for renewable energy technology demonstration, commercialization, research, and development projects may be made to any of the following:
 - Municipalities and county governments.
- Established for-profit companies licensed to do (b) business in the state.
 - (c) Universities and colleges in the state.
 - (d) Utilities located and operating within the state.
 - (e) Not-for-profit organizations.
- (f)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.

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The department shall give greater preference to projects that provide such matching funds or other in-kind contributions.

- (b) The degree to which the project stimulates in-state capital investment and economic development in metropolitan and rural areas, including the creation of jobs and the future development of a commercial market for renewable energy 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.
 - The ability to administer a complete project. (h)
 - (i) Project duration and timeline for expenditures.
- The geographic area in which the project is to be (j) conducted in relation to other projects.
 - The degree of public visibility and interaction. (k)
- (5) The department shall solicit the expertise of other state agencies in evaluating project proposals. State agencies

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shall cooperate with the Department of Environmental Protection and provide such assistance as requested.

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

Section 22. 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.
 - (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE. --
- (a) Eligibility requirements. -- A solar photovoltaic system qualifies for a rebate if:
- 1. The system is installed by a state-licensed master electrician, electrical contractor, or solar contractor.
- The system complies with state interconnection standards as provided by the commission.
- 3. The system complies with all applicable building codes as defined by the Florida Building Code local jurisdictional authority.

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- Rebate amounts. -- The rebate amount shall be set at \$4 per watt based on the total wattage rating of the system. The maximum allowable rebate per solar photovoltaic system installation shall be as follows:
 - Twenty thousand dollars for a residence.
- 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.
 - (3) SOLAR THERMAL SYSTEM INCENTIVE. --
- (a) Eligibility 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 local jurisdictional 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 state-

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1489 licensed solar or plumbing contractor and the system complies with all applicable building codes as defined by the Florida 1490 1491 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 23. 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

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1516 emissions abatement program, such as cap-and-trade, to address 1517 GHG emissions reductions.

- (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.

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- (5) The department may adopt rules for a cap-and-trade regulatory program to reduce greenhouse gas emissions from major 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.
- The rules of the cap-and-trade regulatory program (6) 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.
- (d) 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.

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1572 (i) Other requirements necessary or desirable to implement 1573 this section.

Section 24. 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 savings resulting from energy conservation measures in additional energy conservation efforts.
 - DEFINITIONS. -- As used in this section, the term:
- "Agency" means the state, a municipality, or a (a) political subdivision.
- (b) "Energy conservation measure" means a training program, facility alteration, or equipment purchase to be used

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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:

- 1. 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.
- 5. 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.
- 8. Energy conservation measures that reduce British thermal units (Btu), kilowatts (kW), or kilowatt hours (kWh) consumed or provide long-term operating cost reductions or significantly reduce Btu consumed.
- 9. Renewable energy systems, such as solar, biomass, or wind systems.

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- 1627 Devices that reduce water consumption or sewer 10. 1628 charges.
 - 11. Storage systems, such as fuel cells and thermal storage.
 - Generating technologies, such as microturbines. 12.
 - 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 saving measures, which, at a minimum, shall include:
 - The design and installation of equipment to implement one or more of such measures and, if applicable, operation and maintenance of such measures.
 - The amount of any actual annual savings that meet or exceed total annual contract payments made by the agency for the 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

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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. --
- 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 guaranteed 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 quaranteed energy performance savings contractor may 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

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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.

- (d) 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.
- (e) Before entering into a quaranteed energy performance savings contract, an agency must provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.
- A guaranteed energy performance savings contract may (f)provide for financing, including tax-exempt financing, by a third party. The contract for third party financing may be

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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 guaranteed 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. --
- 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

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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 guaranteed 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 guaranteed 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 energyrelated 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

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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 quaranteed 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.
- (6) 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 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 guaranteed energy performance savings contract, any contract or lease for third-party financing, or any combination of such contracts, a state agency shall submit

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1795 such proposed contract or lease to the Office of the Chief 1796 Financial Officer for review and approval. A proposed contract 1797 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.

Section 25. Section 526.201, Florida Statutes, is created to read:

526.201 Short title.--Sections 526.201-526.2012, may be cited as the "Florida Renewable Fuel Standard Act."

Section 26. Section 526.2011, Florida Statutes, is created to read:

526.2011 Definitions.--As used in ss. 526.201-526.2012, the term:

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- 1823 (1) "Blender" means any person who blends any product with gasoline or diesel fuel and who has been licensed or authorized 1824 1825 as a blender.
 - (2) "Credits" means allowances as determined by the department in rule.
 - (3) "Department" means the Department of Agriculture and Consumer Services.
 - (4) "Diesel fuel" means all petroleum distillates commonly known as diesel #2 or diesel #1 and additives used to meet or exceed the ASTM fuel specification for "Diesel Fuel Oils" and which are used in highway and nonroad vehicles and small portable engines.
 - (5) "Gasoline" means all gasoline products and additives used to meet or exceed the ASTM fuel specification for "Automotive Spark-Ignition Engine Fuel" and which are used in highway and nonroad vehicles and small portable engines.
 - (6) "Importer" means any person, firm, association, corporation, or company that brings gasoline blending stocks or components from another state or foreign nation into this state.
 - (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.

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- (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 27. 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 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.

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- 1878 (b) Provide for the creation, banking, transfer, and sale 1879 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, watercraft, or as fuel for offhighway motor sports racing events are exempt from the renewable fuel standard.
 - (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

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

553.9061 Scheduled increases in thermal efficiency standards.--

- (1) The purpose of this section is to establish a schedule of increases in the energy performance of buildings subject to the Energy Efficiency Code for Building Construction. The Florida Building Commission shall implement the following goals through the triennial code adoption process:
- (a) Include the necessary provisions in the 2010 edition of the Energy Efficiency Code for Building Construction to increase the energy performance of new buildings by at least 20 percent as compared to the 2007 energy code;
- (b) Increase the energy efficiency requirements of the 2013 edition of the Energy Efficiency Code for Building Construction by at least 30 percent as compared to the 2007 energy code;
- (c) Increase the energy efficiency requirements of the 2016 edition of the Energy Efficiency Code for Building

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1933 Construction by at least 40 percent as compared to the 2007 1934 energy code; and

- (d) Increase the energy efficiency requirements of the 2019 edition of the Energy Efficiency Code for Building Construction by at least 50 percent as compared to the 2007 energy code.
- (2) The Florida Building Commission shall identify within code-support and compliance documentation the specific building options and elements available to meet the energy performance goals identified in this section.

Section 29. 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:
- Refrigerators, refrigerator-freezers, and freezers which can be operated by alternating current electricity, excluding:
 - 1. Any type designed to be used without doors; and
- Any type which does not include a compressor and condenser unit as an integral part of the cabinet assembly.
 - (b) Lighting equipment.
 - (c) Showerheads.
- (d) Electric water heaters used to heat potable water in homes or businesses.



1960 (e) Electric motors used to pump water within swimming 1961 pools. 1962 Water heaters for swimming pools such that only such 1963 devices that use solar thermal radiation to heat water may be sold or installed in this state. 1964 1965 (g) (d) Any other type of consumer product which the 1966 department classifies as a covered product as specified in this 1967 part. Section 30. 1968 The Public Service Commission shall analyze 1969 utility revenue decoupling and provide a report and 1970 recommendations to the Governor, the President of the Senate, 1971 and the Speaker of the House of Representatives by January 1, 2009. 1972 1973 Section 31. This act shall take effect July 1, 2008. 1974 ======= T I T L E A M E N D M E N T =========== 1975 1976 And the title is amended as follows: 1977 Delete everything before the enacting clause and insert: 1978 A bill to be entitled 1979 1980 An act relating to energy conservation; creating s. 112.219, F.S.; defining terms for purposes of the state 1981 1982 employee telecommuting program; requiring each state 1983 government entity to complete a telecommuting plan to 1984 include a listing of the job classifications and positions

telecommuting by a specified date; amending s. 186.007,

F.S.; authorizing the Executive Office of the Governor to

that the state government entity considers appropriate for

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1988 include in the state comprehensive plan goals, objectives, 1989 and policies related energy and global climate change; 1990 creating s. 193.804, F.S.; prohibiting the property 1991 appraiser from increasing the taxable value of the house 1992 when the taxpayer adds any solar energy device to his or 1993 her homestead; authorizing the property appraiser to refer 1994 the matter to the Department of Environmental Protection 1995 if the property appraiser questions whether a taxpayer is entitled, in whole or in part, to a solar energy device 1996 1997 exemption; amending s. 212.08, F.S.; providing that the 1998 sale or use of wind energy or wind turbines is exempt from 1999 sales or use taxes as equipment, machinery, and other 2000 materials used for renewable energy technologies; 2001 requiring the Department of Environmental Protection to 2002 adopt, by rule, an application form, including the 2003 required content and documentation to support the 2004 application, to claim the tax exemption; amending s. 2005 220.192, F.S.; defining terms related to a tax credit; 2006 providing that 75 percent of all capital, operation, and 2007 maintenance costs, and research and development costs 2008 incurred between specified dates, up to a specified limit, 2009 may be credited against taxes owed in connection with an 2010 investment in the production of wind energy; allowing for 2011 the transfer of the tax credit; amending s. 255.249, F.S.; 2012 requiring state agencies to provide annually telecommuting 2013 plans; amending s. 255.251, F.S.; creating the "Florida 2014 Energy Conservation and Sustainable Buildings Act";

amending s. 255.252, F.S.; providing findings and



2016 legislative intent; providing that it is the policy of the 2017 state that buildings constructed and financed by the 2018 state, or existing buildings renovated by the state, be 2019 designed and constructed with a goal of meeting or 2020 exceeding the Platinum rating of the United States Green 2021 Building Council (USGBC) Leadership in Energy and 2022 Environmental Design (LEED) rating system; requiring each 2023 state agency to identify and compile a list of energy 2024 conservation projects which it determines are suitable for 2025 a quaranteed energy performance savings; amending s. 2026 255.253, F.S.; defining terms for energy conservation for 2027 buildings; amending s. 255.254, F.S,; prohibiting a state 2028 government entity from leasing or constructing a facility 2029 without having secured from the Department of Management 2030 Services a proper evaluation of life-cycle costs for the building; amending s. 255.255, F.S.; requiring the 2031 2032 department to use sustainable building ratings for 2033 conducting a life-cycle cost analysis; amending s. 2034 255.257, F.S.; requiring each state government entity to adopt the standards of the United States Green Building 2035 2036 Council's Leadership in Energy and Environmental Design 2037 for New Construction (LEED-NC) for all new buildings, with 2038 a goal of achieving the LEED-NC Platinum level rating for 2039 each construction project and to implement the United 2040 States Green Building Council's Leadership in Energy and 2041 Environmental Design for Existing Buildings (LEED-EB); creating s. 286.275, F.S.; encouraging each state 2042 2043 government entity to consider certain specified



2044 conservation measures when conducting public business; 2045 amending s. 287.063, F.S.; prohibiting the payment term 2046 for equipment from exceeding the useful life of the 2047 equipment unless the contract provides for the replacement 2048 or the extension of the useful life of the equipment 2049 during the term of the deferred payment contract; amending 2050 s. 287.064, F.S.; authorizing an extension of the master 2051 equipment financing agreement for energy conservation 2052 equipment; requiring the guaranteed energy performance 2053 savings contractor to provide for the replacement or the 2054 extension of the useful life of the energy conservation 2055 equipment during the term of the contract; amending s. 2056 288.1089, F.S.; defining the term "alternative and 2057 renewable energy"; detailing the conditions for an 2058 alternative and renewable energy project to be eligible 2059 for an innovation incentive award; amending s. 339.175, 2060 F.S.; requiring each metropolitan planning organization to 2061 develop a long-range transportation plan and an annual 2062 project priority list that are, among other considerations 2063 to provide for sustainable growth and reduce greenhouse 2064 gas emissions; amending s. 366.82, F.S.; requiring the 2065 Public Service Commission to adopt rules requiring 2066 utilities to offset 20 percent of their annual load-growth 2067 through energy efficiency and conservation measures; 2068 requiring the Public Service Commission to create an in-2069 state market for tradable credits enabling those utilities 2070 that exceed the conservation standard to sell credits to

those that cannot meet the standard for a given year;



2072 requiring the Public Service Commission to require 2073 municipal and cooperative utilities that are exempt from 2074 the Energy Efficiency and Conservation Act to submit an 2075 annual report to the commission identifying energy 2076 efficiency and conservation goals and the actions taken to 2077 meet those goals; requiring the Public Service Commission 2078 to allow utilities to install solar hot water systems and 2079 other renewable energy efficient technologies in 2080 residential homes and commercial facilities while 2081 retaining ownership of the systems; amending 366.8255, 2082 F.S.; defining the term "environmental compliance costs" 2083 to include costs or expenses prudently incurred for 2084 scientific research and geological assessments of carbon 2085 capture and storage for the purpose of reducing an 2086 electric utility's greenhouse gas emissions; amending s. 377.601, F.S.; providing legislative intent; amending s. 2087 2088 377.804, F.S.; relating to Renewable Energy and Energy 2089 Efficient Technologies Grant Program; creating s. 403.44, 2090 F.S.; creating the Florida Climate Protection Act; 2091 defining terms; requiring the Department of Environmental 2092 Protection to establish the methodologies, reporting 2093 periods, and reporting systems that must be used when 2094 major emitters report to The Climate Registry; authorizing 2095 the department to adopt rules for a cap-and-trade 2096 regulatory program to reduce greenhouse gas emissions from 2097 major emitters; providing for the content of the rule; 2098 amending s. 489.175, F.S.; revising terms for the Energy 2099 Performance Savings Contracting Act; requiring that each

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proposed contract or lease contain certain agreements; creating s. 526.201; F.S.; creating the "Florida Renewable Fuel Standard Act"; creating s. 526.2011, F.S.; defining terms; creating s. 526.2012, F.S.; requiring the Department of Agriculture and Consumer Services to adopt rules by a specified date to require that all renewable fuels introduced into commerce in this state as a result of the renewable fuel standard reduce lifecycle greenhouse gas emissions by an average of 40 percent less than this state's transportation fuels portfolio as of 2008; providing for further content of the rule; providing that a refiner, blender, or importer 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; requiring the department to reevaluate the renewable fuel standards every 5 years after the year 2015; creating s. 553.9061, F.S; 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; requiring the Commission to implement the goals through a triennial code-adoption process; amending s. 553.957, F.S.; including certain home and commercial appliances in the requirements for testing and certification; 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



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