

By Senator Oelrich

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1 A bill to be entitled

2 An act relating to alternative energy; creating the
3 distributed alternative energy generation development
4 initiative; providing legislative findings and intent;
5 providing definitions; authorizing certain state agencies,
6 universities, and private sector entities to develop and
7 operate distributed alternative energy generation pilot
8 projects; requiring electric utilities to provide pilot
9 projects with interconnection, net metering, transmission
10 and distribution, and backup and standby power services;
11 specifying requirements and fees for such services;
12 providing for pilot projects to receive credit for certain
13 energy generation; requiring the Public Service Commission
14 and the Department of Environmental Protection to adopt
15 specified rules; requiring the department to submit an
16 annual report to the Governor and the Legislature;
17 providing an effective date.

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19 Be It Enacted by the Legislature of the State of Florida:

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21 Section 1. Distributed alternative energy generation and
22 development initiative.--

23 (1) LEGISLATIVE FINDINGS AND INTENT.--The Legislature finds
24 that the state has a vital interest in the development of
25 distributed alternative energy generation and that the
26 development of distributed alternative energy generation can be
27 encouraged through limited scope pilot projects between state
28 agencies, the private sector, and certain qualifying public
29 research universities. It is the intent of the Legislature to

14-03561-08

20082840__

30 promote the development of distributed alternative energy
31 generation by encouraging innovation and investment in
32 distributed alternative energy generation and pilot projects and
33 allowing a transitional period in which new and emerging
34 technologies are subject to reduced or different regulatory
35 constraints than those applicable to traditional energy
36 suppliers.

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

38 (a) "Alternative energy" means alternatives to coal and oil
39 as energy sources used to produce electrical power or efficiency
40 and conservation methods that can be used to minimize the need
41 for energy sources used to produce electrical power, that uses
42 one or more of the following fuels, energy sources, or energy-
43 saving mechanisms: solar water heat, solar space heat, solar
44 thermal electric, process heat, photovoltaics, landfill gas,
45 wind, biomass, hydroelectric, ocean, geothermal, groundwater heat
46 exchange, carbon dioxide-free hydrogen, solid waste, combined
47 heat and power cogeneration, coal gasification, anaerobic
48 digestion, distributed generation technologies, combined cycle
49 natural gas, nuclear, biofuels such as biokerosene and ethanol,
50 demand side management, light emitting diode and natural
51 lighting, and other energy-efficient resources.

52 (b) "Distributed alternative energy generation pilot
53 project" or "pilot project" means a collaboration, partnership,
54 or joint venture between a state agency, a research university,
55 and a private sector entity to build and operate a distributed
56 alternative energy generation facility to produce energy for the
57 use of the pilot project participants and the electric utility
58 servicing the pilot project participants.

14-03561-08

20082840__

59 (c) "Behind-the-meter" means the interconnection of an
60 energy generating unit is located behind a retail customer meter
61 on the customer side and requires no additional electric utility-
62 owned transmission or distribution facilities for the delivery of
63 energy.

64 (d) "Electric utility" means any municipal electric
65 utility, investor-owned electric utility, or rural electric
66 cooperative which owns, maintains, or operates an electric
67 generation, transmission, or distribution system within the
68 state.

69 (e) "Research university" means a member of the State
70 University System that has been designated as a doctoral/research
71 university-extensive by the Carnegie Foundation and is served by
72 a municipal electric utility.

73 (3) ALTERNATIVE ENERGY PILOT PROJECTS.--State agencies and
74 research universities that are located in the same community and
75 served by an electric utility are authorized to enter into
76 partnerships and other similar enterprises with private sector
77 entities to develop and operate distributed alternative energy
78 generation pilot projects. The following provisions shall apply
79 to such pilot projects:

80 (a) Interconnection service.--An electric utility serving
81 the community in which a pilot project is located shall provide
82 interconnection service to the pilot project. Interconnection
83 services shall be offered based upon the standards developed by
84 the Institute of Electrical and Electronic Engineers and
85 incorporated in IEEE Standard 1547 for Interconnecting
86 Distributed Resources with Electric Power Systems, as they may be
87 amended, at a fee not to exceed the electric utility's

14-03561-08

20082840__

88 incremental cost of providing such service. All projects
89 classified as IEEE Standard 1547.3 Distributed Resource Class 1
90 power shall be behind-the-meter.

91 (b) Net metering service.--An electric utility serving the
92 community in which a pilot project is located shall provide net
93 metering service to the pilot project. The electric utility shall
94 provide to the pilot project meters that subtract the amount of
95 energy generated from the amount of energy consumed. The pilot
96 project shall receive credit at the full retail rate for energy
97 generated by the pilot project. If the pilot project generates
98 more energy than it consumes during a billing cycle, the serving
99 municipal utility shall pay the pilot project for the excess
100 generation at the full avoided cost under s. 366.051.

101 (c) Transmission and distribution service.--An electric
102 utility serving the community in which a pilot project is located
103 shall provide transmission and distribution service to enable the
104 pilot project to transmit energy to another participating pilot
105 project facility at a fee not to exceed the serving municipal
106 electric utility's incremental cost of providing such service.

107 (d) Backup and standby power service.--If a behind-the-
108 meter arrangement is not used, the electric utility serving the
109 community in which a pilot project is located shall provide
110 backup and standby power service to the pilot project at a fee
111 not to exceed the electric utility's commercial rate for such
112 service.

113 (4) RULES.--The Public Service Commission and the
114 Department of Environmental Protection shall adopt rules to
115 implement and administer this section, including a reporting
116 requirement for pilot project participants.

14-03561-08

20082840__

117 (5) REPORT.--The Department of Environmental Protection
118 shall submit an annual report of the activities of the pilot
119 project to the Governor, the President of the Senate, and the
120 Speaker of the House of Representatives by July 1 of each year,
121 beginning on July 1, 2009.

122 Section 2. This act shall take effect July 1, 2008.