

By the Committee on Communications, Energy, and Public Utilities; and Senator King

579-03886-09

20091154c1

1 A bill to be entitled
2 An act relating to energy; amending s. 366.92, F.S.;
3 revising definitions and providing additional
4 definitions; requiring that electric utilities meet or
5 exceed specified standards for the production or
6 purchase of clean energy; establishing a schedule for
7 compliance; providing a penalty if a utility fails to
8 meet the standards; authorizing the Public Service
9 Commission to excuse certain electric utilities from
10 compliance under specified conditions; requiring the
11 commission to adopt rules; requiring an annual report
12 to the Legislature; amending s. 366.93, F.S.;
13 authorizing the Public Service Commission to allow a
14 utility to recover the costs of converting an existing
15 fossil fuel plant to a biomass plant under certain
16 conditions; encouraging utilities to pursue joint
17 ownership of nuclear power plants; requiring that
18 certain costs be shared; creating s. 366.99, F.S.;
19 providing a short title; providing legislative
20 findings with respect to the need to reduce greenhouse
21 gas emissions through the direct, end-use of natural
22 gas; defining terms; authorizing a utility to
23 establish a surcharge for the purpose of constructing
24 natural gas installations in areas that lack natural
25 gas service; providing limitations on the surcharge;
26 providing procedures for determining the surcharge and
27 making filings to the commission; requiring the
28 commission to conduct limited proceedings to determine

579-03886-09

20091154c1

29 the amount of the surcharge; providing for future
30 expiration of provisions authorizing the surcharge;
31 amending s. 377.6015, F.S.; providing that terms for
32 members of the Florida Energy and Climate Commission
33 begin and end on specified dates; amending s. 525.09,
34 F.S.; imposing certain fees, to be used for carbon-
35 reduction, on alternative fuel containing alcohol and
36 imposing an additional charge on gasoline, diesel,
37 kerosene used for certain purposes, and #1 fuel oil
38 for sale or use in the state; providing requirements
39 for remitting the fee; amending s. 525.10, F.S.;

40 providing for the deposit of carbon-reduction fees
41 into the Florida Renewable Energy Trust Fund and the
42 General Revenue Fund; requiring the Florida Energy and
43 Climate Commission to prepare a report that identifies
44 ways in which to increase the energy-efficiency
45 practices of low-income households; requiring the
46 report to include certain determinations and
47 recommendations; requiring that the report be
48 submitted to the Legislature by a specified date;
49 providing an effective date.

50
51 Be It Enacted by the Legislature of the State of Florida:

52
53 Section 1. Section 366.92, Florida Statutes, is amended to
54 read:

55 366.92 Florida clean renewable energy policy.—

56 (1) It is the intent of the Legislature to promote the
57 development of clean and renewable energy; protect the economic

579-03886-09

20091154c1

58 viability of Florida's existing renewable energy facilities;
59 diversify the types of fuel used to generate electricity in
60 Florida; lessen Florida's dependence on natural gas and fuel oil
61 for the production of electricity; minimize the volatility of
62 fuel costs; encourage investment within the state; improve
63 environmental conditions; and, at the same time, minimize the
64 costs of power supply to electric utilities and their customers.

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

66 (a) "Class I clean energy source" means Florida clean
67 energy resources derived from wind or solar photovoltaic
68 systems.

69 (b) "Class II clean energy source" means clean energy
70 derived from Florida clean energy resources other than class I
71 clean energy sources or class III clean energy sources.

72 (c) "Class III clean energy source" means clean energy
73 derived from nuclear energy or integrated gasification combined
74 cycle for which carbon capture and sequestration plans have been
75 approved by the Department of Environmental Protection.

76 (d) "Clean energy" means electrical energy produced from a
77 method that uses one or more of the following fuels or energy
78 sources: nuclear energy placed in commercial service after July
79 1, 2009, integrated gasification combined cycle for which carbon
80 capture and sequestration plans have been approved by the
81 Department of Environmental Protection, hydrogen produced from
82 sources other than fossil fuels, biomass, solar photovoltaic,
83 geothermal energy, wind energy, ocean energy, or hydroelectric
84 power. The term includes waste heat from sulfuric acid
85 manufacturing operations.

86 (e) ~~(a)~~ "Florida clean ~~renewable~~ energy resources" means

579-03886-09

20091154c1

87 ~~clean renewable energy, as defined in s. 377.803,~~ that is
88 produced in Florida.

89 ~~(f)(b)~~ "Provider" means a "utility" as defined in s.
90 366.8255(1)(a).

91 ~~(c) "Renewable energy" means renewable energy as defined in~~
92 ~~s. 366.91(2)(d).~~

93 ~~(g)(d)~~ "Clean Renewable energy credit" ~~or "REC"~~ means a
94 product that represents the unbundled, separable, clean
95 ~~renewable~~ attribute of clean renewable energy produced in
96 Florida and is equivalent to 1 megawatt-hour of electricity
97 generated by a source of clean renewable energy located in
98 Florida.

99 ~~(h)(e)~~ "Clean Renewable portfolio standard" ~~or "RPS"~~ means
100 the minimum percentage of total annual retail electricity sales
101 by an electric utility a provider to consumers in Florida which
102 is that shall be supplied by clean renewable energy or through
103 the purchase of clean energy credits from clean energy produced
104 in Florida.

105 (3)(a) Each electric utility must meet or exceed the
106 following clean portfolio standards through the production of
107 clean energy or the purchase of clean energy credits:

108 1. By January 1, 2013, 7 percent of the previous years'
109 retail electricity sales;

110 2. By January 1, 2016, 12 percent of the previous years'
111 retail electricity sales;

112 3. By January 1, 2019, 18 percent of the previous years'
113 retail electricity sales; and

114 4. By January 1, 2021, 20 percent of the previous years'
115 retail electricity sales.

579-03886-09

20091154c1

116
117 No more than 25 percent of the amount of the clean portfolio
118 standard requirement for each year may be from Class III clean
119 energy sources. For the production or procurement of Class III
120 clean energy, a Florida utility that is a member of the
121 Southeastern Electric Reliability Council may co-own or purchase
122 energy from a Class III clean energy source located in another
123 state and owned by an affiliate in a holding company with multi-
124 state dispatch.

125 (b) Except as otherwise provided in this section, an
126 investor-owned electric utility that fails to meet or exceed its
127 clean portfolio standard is subject to a penalty pursuant to s.
128 366.095 for each day such failure continues, and the penalty may
129 not be recovered from the utility's ratepayers.

130 (c) The commission shall excuse an investor-owned electric
131 utility from compliance with the clean portfolio standard if:

132 1. The supply of clean energy and clean energy credits is
133 not adequate to satisfy the clean portfolio standard; or

134 2. The cost of producing clean energy or purchasing clean
135 energy credits is prohibitive in that the total costs of
136 compliance with the clean portfolio standard exceeds 2 percent
137 of the investor-owned electric utility's total annual revenue
138 from retail sales of electricity.

139 (d) The cost of compliance with the clean portfolio
140 standards includes:

141 1. The costs associated with the purchase of clean energy
142 credits;

143 2. The costs paid by the utility which are associated with
144 the clean energy credit market; and

579-03886-09

20091154c1

145 3. The utility's costs of its self-build Florida clean
146 energy resource which exceed the costs to the utility of the
147 generation source it would have otherwise built or the energy or
148 capacity, or both, it would have purchased from another source.

149
150 Expenses for Class III clean energy sources may not be included
151 in calculating the cost of compliance.

152 (e) The cost of compliance must be allocated separately for
153 Class I and Class II clean energy sources and, for each class,
154 the total cost of compliance is prohibitive if the costs exceed
155 1 percent of the investor-owned electric utility's total annual
156 revenue from retail sales of electricity.

157 (f) Each investor-owned electric utility seeking to
158 construct a Florida clean energy project must select the
159 technology and project most likely to be cost-effective for the
160 general body of ratepayers for that class of clean energy
161 technology. In determining the most cost-effective construction
162 option and in purchasing clean energy credits, an investor-owned
163 utility shall seek the least-cost alternatives within each class
164 of clean energy sources. The method of determining the least-
165 cost alternative shall be determined by the commission and may
166 include requests for proposals, auctions, or other methods.

167 (g) A clean energy credit remains the property of the owner
168 of the clean energy resource from which it was derived until it
169 is sold or transferred.

170 (4)-(3) The commission shall adopt rules providing
171 requirements for:

172 (a) Implementing the clean a renewable portfolio standard.

173 (b) Determining the method of establishing least-cost

579-03886-09

20091154c1

174 options for the construction of facilities or the purchase of
175 clean energy credits.

176 (c) Determining what entities are eligible to produce clean
177 energy credits.

178 (d) Determining the method of recovery of the costs of
179 compliance with the clean portfolio standard, with such costs
180 appearing as a separate line item on each customer's bill.

181 (e) Filing reports concerning compliance by utilities with
182 the clean portfolio standard.

183 (f) Creating a clean energy credit market ~~requiring each~~
184 ~~provider to supply renewable energy to its customers directly,~~
185 ~~by procuring, or through renewable energy credits. In developing~~
186 ~~the RPS rule, the commission shall consult the Department of~~
187 ~~Environmental Protection and the Florida Energy and Climate~~
188 ~~Commission. The rule shall not be implemented until ratified by~~
189 ~~the Legislature. The commission shall present a draft rule for~~
190 ~~legislative consideration by February 1, 2009.~~

191 ~~(a) In developing the rule, the commission shall evaluate~~
192 ~~the current and forecasted levelized cost in cents per kilowatt~~
193 ~~hour through 2020 and current and forecasted installed capacity~~
194 ~~in kilowatts for each renewable energy generation method through~~
195 ~~2020.~~

196 ~~(b) The commission's rule:~~

197 ~~1. Shall include methods of managing the cost of compliance~~
198 ~~with the renewable portfolio standard, whether through direct~~
199 ~~supply or procurement of renewable power or through the purchase~~
200 ~~of renewable energy credits. The commission shall have~~
201 ~~rulemaking authority for providing annual cost recovery and~~
202 ~~incentive based adjustments to authorized rates of return on~~

579-03886-09

20091154c1

203 ~~common equity to providers to incentivize renewable energy.~~
204 ~~Notwithstanding s. 366.91(3) and (4), upon the ratification of~~
205 ~~the rules developed pursuant to this subsection, the commission~~
206 ~~may approve projects and power sales agreements with renewable~~
207 ~~power producers and the sale of renewable energy credits needed~~
208 ~~to comply with the renewable portfolio standard. In the event of~~
209 ~~any conflict, this subparagraph shall supersede s. 366.91(3) and~~
210 ~~(4). However, nothing in this section shall alter the obligation~~
211 ~~of each public utility to continuously offer a purchase contract~~
212 ~~to producers of renewable energy.~~

213 ~~2. Shall provide for appropriate compliance measures and~~
214 ~~the conditions under which noncompliance shall be excused due to~~
215 ~~a determination by the commission that the supply of renewable~~
216 ~~energy or renewable energy credits was not adequate to satisfy~~
217 ~~the demand for such energy or that the cost of securing~~
218 ~~renewable energy or renewable energy credits was cost~~
219 ~~prohibitive.~~

220 ~~3. May provide added weight to energy provided by wind and~~
221 ~~solar photovoltaic over other forms of renewable energy, whether~~
222 ~~directly supplied or procured or indirectly obtained through the~~
223 ~~purchase of renewable energy credits.~~

224 ~~4. Shall determine an appropriate period of time for which~~
225 ~~renewable energy credits may be used for purposes of compliance~~
226 ~~with the renewable portfolio standard.~~

227 ~~5. Shall provide for monitoring of compliance with and~~
228 ~~enforcement of the requirements of this section.~~

229 ~~6. Shall ensure that energy credited toward compliance with~~
230 ~~the requirements of this section is not credited toward any~~
231 ~~other purpose.~~

579-03886-09

20091154c1

232 ~~7. Shall include procedures to track and account for~~
233 ~~renewable energy credits, including ownership of renewable~~
234 ~~energy credits that are derived from a customer-owned renewable~~
235 ~~energy facility as a result of any action by a customer of an~~
236 ~~electric power supplier that is independent of a program~~
237 ~~sponsored by the electric power supplier.~~

238 ~~8. Shall provide for the conditions and options for the~~
239 ~~repeal or alteration of the rule in the event that new~~
240 ~~provisions of federal law supplant or conflict with the rule.~~

241 ~~(c) Beginning on April 1 of the year following final~~
242 ~~adoption of the commission's renewable portfolio standard rule,~~
243 ~~each provider shall submit a report to the commission describing~~
244 ~~the steps that have been taken in the previous year and the~~
245 ~~steps that will be taken in the future to add renewable energy~~
246 ~~to the provider's energy supply portfolio. The report shall~~
247 ~~state whether the provider was in compliance with the renewable~~
248 ~~portfolio standard during the previous year and how it will~~
249 ~~comply with the renewable portfolio standard in the upcoming~~
250 ~~year.~~

251 (5) By February 1, 2010, and each year thereafter, the
252 commission shall submit a report to the Legislature detailing
253 further rulemaking activities, developments in the production of
254 clean energy, how much and what types of clean energy are
255 available in various regions of the state and at what cost, and
256 any impediments to further increases in the production of clean
257 energy in this state.

258 ~~(6)(4)~~ In order to demonstrate the feasibility and
259 viability of clean energy systems, the commission shall provide
260 for full cost recovery under the environmental cost-recovery

579-03886-09

20091154c1

261 clause of all reasonable and prudent costs incurred by a
262 provider for renewable energy projects that are zero greenhouse
263 gas emitting at the point of generation, up to a total of 110
264 megawatts statewide, and for which the provider has secured
265 necessary land, zoning permits, and transmission rights within
266 the state. Such costs shall be deemed reasonable and prudent for
267 purposes of cost recovery so long as the provider has used
268 reasonable and customary industry practices in the design,
269 procurement, and construction of the project in a cost-effective
270 manner appropriate to the location of the facility. The provider
271 shall report to the commission as part of the cost-recovery
272 proceedings the construction costs, in-service costs, operating
273 and maintenance costs, hourly energy production of the renewable
274 energy project, and any other information deemed relevant by the
275 commission. Any provider constructing a clean energy facility
276 pursuant to this section shall file for cost recovery no later
277 than July 1, 2009.

278 (7)~~(5)~~ Each municipal electric utility and rural electric
279 cooperative shall develop standards for the promotion,
280 encouragement, and expansion of the use of renewable energy
281 resources and energy conservation and efficiency measures. On or
282 before April 1, 2009, and annually thereafter, each municipal
283 electric utility and electric cooperative shall submit to the
284 commission a report that identifies such standards.

285 (8)~~(6)~~ ~~Nothing in~~ This section does not ~~shall be construed~~
286 ~~to~~ impede or impair terms and conditions of existing contracts.

287 (9)~~(7)~~ The commission may adopt rules to administer and
288 implement ~~the provisions of~~ this section.

289 Section 2. Subsection (4) of section 366.93, Florida

579-03886-09

20091154c1

290 Statutes, is amended, and subsection (7) is added to that
291 section, to read:

292 366.93 Cost recovery for the siting, design, licensing, and
293 construction of nuclear and integrated gasification combined
294 cycle power plants.—

295 (4) When the nuclear or integrated gasification combined
296 cycle power plant is placed in commercial service, the utility
297 shall be allowed to increase its base rate charges by the
298 projected annual revenue requirements of the nuclear or
299 integrated gasification combined cycle power plant based on the
300 jurisdictional annual revenue requirements of the plant for the
301 first 12 months of operation. The rate of return on capital
302 investments shall be calculated using the utility's rate of
303 return last approved by the commission prior to the commercial
304 inservice date of the nuclear or integrated gasification
305 combined cycle power plant. If any existing generating plant is
306 retired as a result of operation of the nuclear or integrated
307 gasification combined cycle power plant, the commission shall
308 allow for the recovery, through an increase in base rate
309 charges, of the net book value of the retired plant over a
310 period not to exceed 5 years or, if the commission determines
311 that it would be more cost-effective to convert the existing
312 generating plant to a biomass plant, allow for the recovery of
313 the costs of conversion in base rate charges over a period that
314 is determined by the commission.

315 (7) In order to further promote the development of nuclear
316 electrical generation and minimize the financial risk to any one
317 utility associated with the construction of a nuclear power
318 plant, electric utilities in this state are encouraged to pursue

579-03886-09

20091154c1

319 the joint ownership of nuclear power plants. Under such joint-
320 ownership agreements, the costs of siting, preconstruction, and
321 construction shall be shared on a pro rata basis in proportion
322 to the capacity and energy received.

323 Section 3. Section 366.99, Florida Statutes, is created to
324 read:

325 366.99 Natural gas delivery; surcharge for carbon
326 reduction.-

327 (1) This section may be cited as the "Natural Gas Act."

328 (2) (a) The Legislature finds that it is in the best
329 interest of the state to improve the availability, reliability,
330 and delivery of natural gas to consumers in the state.

331 (b) The Legislature further finds that natural gas is a
332 domestically produced fuel and that an increase in the direct,
333 end-use of natural gas will reduce dependence on foreign sources
334 of fuel and provide consumers in this state with a diversity of
335 fuel options to meet their energy needs.

336 (c) The Legislature further finds that natural gas is a
337 clean-burning fuel and that increased efficiency in the direct,
338 end-use of natural gas will have an immediate impact on this
339 state's goal of reducing greenhouse gas emissions and improving
340 air quality.

341 (d) The Legislature further finds that approximately 90
342 percent of the natural gas produced is delivered to consumers as
343 useful energy and, therefore, it is significantly more efficient
344 to use natural gas in direct, end-use applications and thus
345 reduce the overall demand for natural gas in this state.

346 (e) It is the intent of the Legislature to promote the
347 direct, retail end-use of natural gas in this state.

579-03886-09

20091154c1

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

349 (a) "CR rider" means a carbon reduction rider that is a
350 cost-recovery clause, separate and distinct from a utility's
351 base rates, and that uses the same allocation methodology
352 applicable to the utility's recovery of costs recoverable
353 pursuant to the Energy Conservation Cost Recovery Rule, rule 25-
354 17.015, Florida Administrative Code.

355 (b) "CRR revenue requirement" means the pretax revenues
356 equal to:

357 1. The utility's weighted average cost of capital allowed
358 in the most recent rate proceeding multiplied by the 13-month
359 average net book value of eligible installations, including
360 recognition of accumulated depreciation associated with eligible
361 installations;

362 2. State, federal, and local income taxes applicable to
363 income calculated pursuant to paragraph (7) (a);

364 3. Ad valorem taxes; and

365 4. Depreciation expenses on eligible installations.

366 (c) "CRR revenues" means the revenues produced through CRR
367 surcharges, exclusive of revenues from all other rates and
368 charges.

369 (d) "CRR surcharges" means the surcharges determined
370 pursuant to the procedures and subject to the qualifications set
371 forth in this section.

372 (e) "Eligible installations" means utility plant
373 investments that:

374 1. Connect supply sources of natural gas to a distribution
375 system that serves primarily residential customers;

376 2. Are in service and used and useful in providing utility

579-03886-09

20091154c1

377 service;

378 3. Were not included in the utility's rate base for
379 purposes of determining the utility's base rate in the most
380 recent general base-rate proceedings; and

381 4. Consist of mains that are greater than or equal to 4
382 inches in diameter or that are certified to operate at a maximum
383 allowable operating pressure greater than 60 pounds per square
384 inch gauge, together with associated valves, regulator stations,
385 vaults, transmission line taps, and other pipeline system
386 components.

387 (f) "Natural gas utility" or "utility" means any natural
388 gas distribution company as defined in s. 366.02.

389 (4) Notwithstanding any provision in this chapter or rule
390 to the contrary, the commission shall allow a utility that files
391 a petition for approval to establish a CR rider to be used by
392 that utility to construct eligible installations in geographic
393 areas of this state which are unserved or underserved with
394 natural gas service.

395 (5) Eligible installations shall be included for purposes
396 of calculating CRR revenue requirements for no more than 5
397 years.

398 (6) The total amount of CRR revenues in effect in any 1
399 year may not exceed 2 percent of the utility's total annual
400 nonfuel revenue for the previous year.

401 (7) The commission shall establish the following procedures
402 in determining a utility's CRR surcharges:

403 (a) The utility shall calculate its CRR revenue
404 requirements annually in the manner prescribed by this section
405 and shall file the appropriate petitions with the commission

579-03886-09

20091154c1

406 seeking to establish or change the CRR revenue requirements and
407 surcharges for the following year. The annual filings shall
408 include:

409 1. An annual final true-up filing showing the actual
410 eligible installation costs and actual CRR revenues for the most
411 recent 12-month period from January 1 through December 31 which
412 ends before the annual petition filing. As part of this filing,
413 the utility shall include a summary comparison of the actual
414 eligible installation costs and CRR revenues to the estimated
415 total eligible installation costs and CRR revenues previously
416 reported for the same period covered by the filing in paragraph
417 (b). The filing shall also include the final over-or-under
418 recovery of total CRR revenue requirements for the final true-up
419 period.

420 2. An annual estimated or actual true-up filing showing the
421 8-month actual and 4-month projected eligible installation costs
422 and any CRR revenues collected or projected to be collected
423 during the estimated or actual true-up period. The filing shall
424 also include the estimated or actual over-or-under recovery of
425 total eligible installation costs for the estimated or actual
426 true-up period.

427 3. An annual projection filing showing the 12-month
428 projected CRR revenue requirements for the period beginning
429 January 1 following the annual filing hearing.

430 4. An annual petition setting forth proposed CRR revenue
431 requirements and CRR surcharges to be effective for the 12-month
432 period beginning January 1 following the annual hearing. Such
433 proposed CRR revenue requirements and CRR surcharges shall take
434 into account the data described in this paragraph and paragraphs

579-03886-09

20091154c1

435 (b) and (c).

436 (b) The CRR revenue requirements and any changes thereto
437 shall be calculated and implemented in accordance with the
438 provisions contained in this subsection. CRR revenues are
439 subject to refund based upon a finding and order of the
440 commission to the extent provided in this subsection.

441 (c) The utility shall establish separate accounts or
442 subaccounts for each eligible installation for purposes of
443 recording the costs incurred for each project. The utility shall
444 also establish a separate account or subaccount for any revenues
445 derived from specific CRR surcharges.

446 (d) When a petition is filed by a utility pursuant to this
447 subsection, the commission shall conduct a limited proceeding
448 and determine the CRR revenue requirements and CRR surcharges to
449 be charged by the utility pursuant to this section.

450 (8) This section expires December 31, 2014, unless reviewed
451 and reenacted by the Legislature before that date. However, the
452 procedures and other applicable provisions in this section and
453 the CCR surcharges approved pursuant to this section shall
454 remain in effect for the full term of all eligible installations
455 approved by the commission before December 31, 2014.

456 Section 4. Paragraph (a) of subsection (1) of section
457 377.6015, Florida Statutes, is amended to read:

458 377.6015 Florida Energy and Climate Commission.—

459 (1) The Florida Energy and Climate Commission is created
460 within the Executive Office of the Governor. The commission
461 shall be comprised of nine members appointed by the Governor,
462 the Commissioner of Agriculture, and the Chief Financial
463 Officer.

579-03886-09

20091154c1

464 (a) The Governor shall appoint one member from three
465 persons nominated by the Florida Public Service Commission
466 Nominating Council, created in s. 350.031, to each of seven
467 seats on the commission. The Commissioner of Agriculture shall
468 appoint one member from three persons nominated by the council
469 to one seat on the commission. The Chief Financial Officer shall
470 appoint one member from three persons nominated by the council
471 to one seat on the commission.

472 1. The council shall submit the recommendations to the
473 Governor, the Commissioner of Agriculture, and the Chief
474 Financial Officer by September 1 of those years in which the
475 terms are to begin the following October or within 60 days after
476 a vacancy occurs for any reason other than the expiration of the
477 term. The Governor, the Commissioner of Agriculture, and the
478 Chief Financial Officer may proffer names of persons to be
479 considered for nomination by the council.

480 2. The Governor, the Commissioner of Agriculture, and the
481 Chief Financial Officer shall fill a vacancy occurring on the
482 commission by appointment of one of the applicants nominated by
483 the council only after a background investigation of such
484 applicant has been conducted by the Department of Law
485 Enforcement.

486 3. Members shall be appointed to 3-year terms; however, in
487 order to establish staggered terms, for the initial
488 appointments, the Governor shall appoint four members to 3-year
489 terms, two members to 2-year terms, and one member to a 1-year
490 term, and the Commissioner of Agriculture and the Chief
491 Financial Officer shall each appoint one member to a 3-year term
492 and shall appoint a successor when that appointee's term expires

579-03886-09

20091154c1

493 in the same manner as the original appointment. The terms of
494 members shall begin on October 1 and end on September 30.

495 4. The Governor shall select from the membership of the
496 commission one person to serve as chair.

497 5. A vacancy on the commission shall be filled for the
498 unexpired portion of the term in the same manner as the original
499 appointment.

500 6. If the Governor, the Commissioner of Agriculture, or the
501 Chief Financial Officer has not made an appointment within 30
502 consecutive calendar days after the receipt of the
503 recommendations, the council shall initiate, in accordance with
504 this section, the nominating process within 30 days.

505 7. Each appointment to the commission shall be subject to
506 confirmation by the Senate during the next regular session after
507 the vacancy occurs. If the Senate refuses to confirm or fails to
508 consider the appointment of the Governor, the Commissioner of
509 Agriculture, or the Chief Financial Officer, the council shall
510 initiate, in accordance with this section, the nominating
511 process within 30 days.

512 8. The Governor or the Governor's successor may recall an
513 appointee.

514 Section 5. Subsections (1) and (3) of section 525.09,
515 Florida Statutes, are amended to read:

516 525.09 Inspection fee.—

517 (1) For the purpose of defraying the expenses incident to
518 inspecting, testing, and analyzing petroleum fuels in this
519 state, there shall be paid to the department a charge of one-
520 eighth cent per gallon on all gasoline, alternative fuel
521 containing alcohol as defined in s. 525.01(1)(c)1. or 2.,

579-03886-09

20091154c1

522 kerosene that is not ~~(except when~~ used as aviation turbine
523 fuel), and #1 fuel oil for sale or use in this state. For
524 purposes of carbon reduction, there shall be paid to the
525 department a charge of 1 cent per gallon on all gasoline,
526 alternative fuel containing alcohol as defined in s.
527 525.01(1)(c)1. or 2., diesel, kerosene that is not used as
528 aviation turbine fuel, and #1 fuel oil for sale or use in this
529 state. These fees ~~This inspection fee~~ shall be imposed in the
530 same manner as the motor fuel tax pursuant to s. 206.41. Payment
531 shall be made on or before the 25th day of each month.

532 (3) All remittances to the department for the inspection
533 tax herein provided shall be accompanied by a detailed report
534 under oath showing the number of gallons of gasoline,
535 alternative fuel containing alcohol as defined in s.
536 525.01(1)(c)1. or 2., kerosene, or fuel oil sold and delivered
537 in each county.

538 Section 6. Section 525.10, Florida Statutes, is amended to
539 read:

540 525.10 Moneys to be paid into State Treasury; payment of
541 expenses.—All moneys payable under this chapter shall be payable
542 to the department and shall be paid by it into the State
543 Treasury monthly to be deposited as provided in this section.
544 The inspection fee shall be deposited into the General
545 Inspection Trust Fund. One-half of the proceeds from the carbon-
546 reduction charge collected pursuant to s. 525.09 shall be
547 deposited into the Florida Renewable Energy Trust Fund and one-
548 half shall be deposited into the General Revenue Fund
549 unallocated. All expenses incurred in the enforcement of this
550 chapter and other inspection laws of this state for which fees

579-03886-09

20091154c1

551 are collected, including acquiring equipment and other property,
552 shall be paid from the General Inspection Trust Fund. No money
553 shall be paid to any inspector or employee created under this
554 chapter except from the funds collected from the administration
555 of this chapter and deposited into the General Inspection Trust
556 Fund.

557 Section 7. (1) The Florida Energy and Climate Commission
558 shall prepare a report that:

559 (a) Identifies methods of increasing energy-efficiency
560 practices among low-income households as defined in s. 420.9071,
561 Florida Statutes. The commission shall, at a minimum, identify
562 energy-efficiency programs that are currently offered to low-
563 income households by community action agencies, community-based
564 organizations, and utility companies in this state and similar
565 programs that are offered to low-income households in other
566 states.

567 (b) Determines the statewide impact of improving the level
568 of the energy efficiency of rental housing stock, including, but
569 not limited to, the environmental benefits of such improvements
570 and the potential fiscal impact with respect to property
571 tenants, owners, and landlords and to the economy. The
572 commission shall consider the relative equity and economic
573 efficiency of the cost-share for such energy-efficiency
574 improvements.

575 (c) Provides recommendations for implementing energy-
576 efficiency practices among residents of low-income households.

577 (2) The commission shall submit the report to the President
578 of the Senate and the Speaker of the House of Representatives by
579 December 1, 2009.

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Section 8. This act shall take effect July 1, 2009.