

1 A bill to be entitled
2 An act relating to renewable energy; providing legislative
3 findings; providing definitions; requiring each electric
4 utility in the state to collect from each residential,
5 commercial, and industrial customer a designated monthly
6 systems charge; requiring the electric utilities to
7 deposit collected funds into the Sustainable and Renewable
8 Energy Policy Trust Fund; creating a direct-support
9 organization for the Florida Energy Office; providing for
10 a board of directors of the direct-support organization;
11 providing for appointment of members and terms of office;
12 requiring a contract between the office and the direct-
13 support organization; providing for the use of the
14 deposited funds; requiring an annual audit; amending s.
15 366.91, F.S.; requiring that a purchase contract offered
16 to producers of renewable energy contain payment
17 provisions for energy and capacity based upon a public
18 utility's equivalent cost-recovery rate for certain clean
19 energy projects rather than the utility's full avoided
20 costs; amending s. 377.806, F.S.; revising the expiration
21 date for the Solar Energy System Incentives Program;
22 extending the period of time for which residents of the
23 state are eligible to receive rebates for specified solar
24 energy systems; revising the rebate amount for eligible
25 solar energy systems; providing a schedule for rebate
26 amounts based on the total wattage of the system;
27 providing an effective date.
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29 Be It Enacted by the Legislature of the State of Florida:

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31 Section 1. (1) The Legislature finds that there is a need
32 for a funding mechanism to support and finance a comprehensive
33 energy policy, especially as it relates to sustainable and
34 renewable energy, energy conservation, and energy efficiencies.
35 With such a stable funding mechanism, this state will realize
36 important long-term goals, including:

37 (a) Increased independence from foreign oil;

38 (b) Ensuring an adequate and reliable energy supply;

39 (c) The promotion of economic growth and new investment in
40 the creation of high-paying jobs;

41 (d) The mitigation adverse environmental impacts and
42 promotion of stewardship of the environment;

43 (e) Leading the nation in energy conservation and energy
44 efficiencies through needed support for implementing and
45 marketing the products of renewable energy research and
46 innovation; and

47 (f) Contributing to a sustainable and renewable energy
48 policy for the state.

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

50 (a) "Direct-support organization" means an organization
51 that is:

52 1. A Florida corporation, not for profit, incorporated
53 under chapter 617, Florida Statutes, and approved by the
54 Department of State;

55 2. Organized and operated exclusively to obtain funds; to
56 request and receive grants, gifts, and bequests of moneys; to

57 acquire, receive, hold, invest, and administer in its own name
58 securities, funds, or property; and to make expenditures to
59 support the achievement of the goals stated under subsection (1)
60 and to increase public awareness of and support for the
61 Sustainable and Renewable Energy Trust Fund; and

62 3. Determined by the office to be operating in a manner
63 consistent with the goals stated under subsection (1).

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

69 (c) "Energy conservation" and "energy efficiencies" means
70 any activity that facilitates and promotes the use of cost-
71 effective energy conservation, energy-demand management, and
72 renewable energy technologies.

73 (d) "Office" means the Florida Energy Office.

74 (e) "Renewable energy" means solar photovoltaic energy,
75 solar thermal energy, geothermal energy, ocean thermal energy,
76 wave or tidal energy, wind, fuel cells, landfill gas, hydrogen
77 production and hydrogen conversion technologies, low-emission
78 advanced biomass conversion technologies, alternative fuels used
79 for electricity generation, including ethanol, biodiesel, or
80 other fuel produced in this state and derived from agricultural
81 produce, algae, food waste, or waste vegetable oil, usable
82 electricity from combined heat and power systems that have waste
83 heat recovery systems, thermal storage systems, and other energy
84 resources and emerging technologies that have significant

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85 potential for commercialization and that do not involve the
86 combustion of coal, petroleum or petroleum products, municipal
87 solid waste, or nuclear fission.

88 (3) Beginning January 1, 2011, each electric utility shall
89 collect from each residential, commercial, and industrial
90 electric utility customer a monthly charge of 25 cents as a
91 systems benefits charge. The electric utilities shall deposit
92 the collected funds into the Sustainable and Renewable Energy
93 Policy Trust Fund.

94 (4) (a) The Florida Energy Office shall establish a direct-
95 support organization to provide assistance, funding, and support
96 for the office in carrying out its mission. This section governs
97 the creation, use, powers, and duties of the direct-support
98 organization.

99 (b) The direct-support organization shall be governed by a
100 board of directors. The board of directors shall consist of nine
101 members, as follows:

102 1. The chair of the Florida Public Service Commission, or
103 his or her designee.

104 2. The Secretary of Environmental Protection, or his or
105 her designee.

106 3. Two members appointed by the Governor, both of whom are
107 residential electric utility customers and one of whom has
108 experience relating to low-income housing concerns.

109 4. Two members appointed by the President of the Senate,
110 both of whom are members of the Senate and one of whom is a
111 member of the minority party.

112 5. Two members appointed by the Speaker of the House of

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113 Representatives, both of whom are members of the House of
114 Representatives and one of whom is a member of the minority
115 party.

116 6. One member appointed by the Chief Financial Officer who
117 has experience related to renewable energy business or
118 commercial investments.

119 (b) The term of office of the board members shall be 3
120 years, except those members of the Senate and the House of
121 Representatives, who shall serve 2-year terms concurrent with
122 the 2-year elected terms of House members. The terms of the
123 initial appointees, except those members of the Senate and the
124 House of Representatives, shall be for 1 year, 2 years, or 3
125 years in order to achieve staggered terms. A member may be
126 reappointed when his or her term expires. The head of the office
127 or his or her designee shall serve as an ex officio member of
128 the board of directors.

129 (c) Members must be residents of this state. A majority of
130 the members must be actively involved with sustainable and
131 renewable energy systems and highly knowledgeable about the
132 office, its research, and its mission. A member may be removed
133 by the Governor, the President of the Senate, the Speaker of the
134 House of Representatives, or the Chief Financial Officer for
135 cause and with the approval of a majority of the members of the
136 board of directors. A vacancy shall be filled in the same manner
137 as the initial appointment.

138 (d) The direct-support organization shall operate under a
139 written contract with the office. The written contract must
140 provide for:

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141 1. Certification by the office that the direct-support
142 organization is complying with the terms of the contract and is
143 doing so consistent with the goals and purposes of the
144 department and in the best interests of the state. This
145 certification must be made annually and reported in the official
146 minutes of a meeting of the direct-support organization.

147 2. The reversion of moneys and property held by the
148 direct-support organization:

149 a. To the office, if the direct-support organization is no
150 longer approved to operate for the office or if the direct
151 support organization ceases to exist; or

152 b. To the state, if the office ceases to exist.

153 3. The disclosure of the material provisions of the
154 contract and the distinction between the office and the direct-
155 support organization to donors of gifts, contributions, or
156 bequests, including such disclosure on all promotional and
157 fundraising publications.

158 (e)1. The office may permit the use of its property,
159 facilities, and personal services by the direct-support
160 organization, subject to this section.

161 2. The office may prescribe by contract any condition with
162 which the direct-support organization must comply in order to
163 use property, facilities, or personal services of the office.

164 3. The office may not permit the use of its property,
165 facilities, or personal services by any direct-support
166 organization organized under this section which does not provide
167 equal employment opportunities to all persons regardless of
168 race, color, national origin, gender, age, or religion.

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169 (f) Any transaction or agreement between the direct-
170 support organization created by this section and another direct-
171 support organization or other entity must be approved by the
172 Governor.

173 (g) All moneys received by the direct-support organization
174 from federal and state grants, private contributions, and the
175 Sustainable and Renewable Energy Policy Trust Fund shall be
176 deposited into an account of the direct-support organization.
177 The direct-support organization shall use the collected charges
178 to support funding for sustainable and renewable energy
179 projects, including, but not limited to, grants to provide
180 funding in the following order of priority:

181 1. Any backlog of approved rebate applications for the
182 Solar Energy Systems Incentive Program.

183 2. The implementation of innovation to market projects,
184 with specific attention directed toward the number of in-state
185 jobs created.

186 3. Energy conservation and energy efficiency projects,
187 with specific attention directed to projects for low-income
188 housing, including rental units, rental homes, condominiums, and
189 single-family homes.

190 (h)1. The fiscal year of the direct-support organization
191 shall begin on July 1 of each year and end on June 30 of the
192 following year.

193 2. The direct-support organization shall submit to the
194 office its federal Internal Revenue Service Application for
195 Recognition of Exemption form and its federal Internal Revenue
196 Service Return of Organization Exempt from Income Tax form.

197 (i) The direct-support organization shall provide for an
 198 annual financial audit in accordance with s. 215.981, Florida
 199 Statutes.

200 Section 2. Subsection (3) of section 366.91, Florida
 201 Statutes, is amended to read:

202 366.91 Renewable energy.—

203 (3) On or before January 1, 2006, each public utility must
 204 continuously offer a purchase contract to producers of renewable
 205 energy. The commission shall establish requirements relating to
 206 the purchase of capacity and energy by public utilities from
 207 renewable energy producers and may adopt rules to administer
 208 this section. The contract shall contain payment provisions for
 209 energy and capacity which are based upon the utility's
 210 equivalent cost-recovery rate for projects constructed pursuant
 211 to s. 366.92(4) full avoided costs, as defined in s. 366.051;
 212 however, capacity payments are not required if, due to the
 213 operational characteristics of the renewable energy generator or
 214 the anticipated peak and off-peak availability and capacity
 215 factor of the utility's avoided unit, the producer is unlikely
 216 to provide any capacity value to the utility or the electric
 217 grid during the contract term. Each contract must provide a
 218 contract term of at least 10 years. Prudent and reasonable costs
 219 associated with a renewable energy contract shall be recovered
 220 from the ratepayers of the contracting utility, without
 221 differentiation among customer classes, through the appropriate
 222 cost-recovery clause mechanism administered by the commission.

223 Section 3. Subsection (1) and paragraph (b) of subsection
 224 (2) of section 377.806, Florida Statutes, are amended to read:

225 | 377.806 Solar Energy System Incentives Program.—

226 | (1) PURPOSE.—The Solar Energy System Incentives Program is
 227 | established within the commission to provide financial
 228 | incentives for the purchase and installation of solar energy
 229 | systems. Any resident of the state who purchases and installs a
 230 | new solar energy system of 2 kilowatts or larger for a solar
 231 | photovoltaic system, a solar energy system that provides at
 232 | least 50 percent of a building's hot water consumption for a
 233 | solar thermal system, or a solar thermal pool heater, from July
 234 | 1, 2006, through June 30, 2015 ~~2010~~, is eligible for a rebate on
 235 | a portion of the purchase price of that solar energy system.

236 | (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE.—

237 | (b) Rebate amounts.—The rebate amount shall be set at
 238 | \$2.50 ~~\$4~~ per watt for the first year, \$2 per watt for the second
 239 | and third years, and \$1.50 per watt for each subsequent year,
 240 | based on the total wattage rating of the system. The maximum
 241 | allowable rebate per solar photovoltaic system installation
 242 | shall be as follows:

- 243 | 1. Twenty thousand dollars for a residence.
- 244 | 2. One hundred thousand dollars for a place of business, a
 245 | publicly owned or operated facility, or a facility owned or
 246 | operated by a private, not-for-profit organization, including
 247 | condominiums or apartment buildings.

248 | Section 4. This act shall take effect July 1, 2010.