

By Senator Bennett

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

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

39           (a) Increased independence from foreign oil;

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

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

43           (d) The mitigation of adverse environmental impacts and  
44 promotion of stewardship of the environment;

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

49           (f) Contributing to a sustainable and renewable energy  
50 policy for the state.

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

52           (a) "Direct-support organization" means an organization  
53 that is:

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

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

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

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

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

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

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

76 (e) "Renewable energy" means solar photovoltaic energy,  
77 solar thermal energy, geothermal energy, ocean thermal energy,  
78 wave or tidal energy, wind, fuel cells, landfill gas, hydrogen  
79 production and hydrogen conversion technologies, low-emission  
80 advanced biomass conversion technologies, alternative fuels used  
81 for electricity generation, including ethanol, biodiesel, or  
82 other fuel produced in this state and derived from agricultural  
83 produce, algae, food waste, or waste vegetable oil, usable  
84 electricity from combined heat and power systems that have waste  
85 heat recovery systems, thermal storage systems, and other energy  
86 resources and emerging technologies that have significant  
87 potential for commercialization and that do not involve the

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88 combustion of coal, petroleum or petroleum products, municipal  
89 solid waste, or nuclear fission.

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

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

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

104 1. The chair of the Florida Public Service Commission, or  
105 his or her designee.

106 2. The Secretary of Environmental Protection, or his or her  
107 designee.

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

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

114 5. Two members appointed by the Speaker of the House of  
115 Representatives, both of whom are members of the House of  
116 Representatives and one of whom is a member of the minority

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117 party.

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

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

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

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

143 1. Certification by the office that the direct-support  
144 organization is complying with the terms of the contract and is  
145 doing so consistent with the goals and purposes of the

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146 department and in the best interests of the state. This  
147 certification must be made annually and reported in the official  
148 minutes of a meeting of the direct-support organization.

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

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

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

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

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

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

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

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

174 (g) All moneys received by the direct-support organization

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

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

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

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

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

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

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

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

203 366.91 Renewable energy.—

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

224 Section 3. Subsection (1) and paragraph (b) of subsection  
225 (2) of section 377.806, Florida Statutes, are amended to read:  
226 377.806 Solar Energy System Incentives Program.—

227 (1) PURPOSE.—The Solar Energy System Incentives Program is  
228 established within the commission to provide financial  
229 incentives for the purchase and installation of solar energy  
230 systems. Any resident of the state who purchases and installs a  
231 new solar energy system of 2 kilowatts or larger for a solar  
232 photovoltaic system, a solar energy system that provides at



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233 least 50 percent of a building's hot water consumption for a  
234 solar thermal system, or a solar thermal pool heater, from July  
235 1, 2006, through June 30, 2015 ~~2010~~, is eligible for a rebate on  
236 a portion of the purchase price of that solar energy system.

237 (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE.—

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

244 1. Twenty thousand dollars for a residence.

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

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