

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Gibbons offered the following:

**Amendment to Substitute Amendment (933003)**

Remove lines 164-269 and insert:

cost cap in paragraph (d). The provider has sole discretion to determine the type and technology of the renewable energy resource that it intends to use. However, at least 20 percent of the total nameplate capacity for which a provider is permitted to recover costs in any calendar year under this subsection must be produced or purchased from renewable energy sources other than solar energy. No later than when a provider files a petition for cost recovery under this subsection, the provider must file with the commission a schedule of planned production and purchases for the calendar year in which cost recovery is requested. If any portion of the capacity required from nonsolar renewable energy resources is committed but, for reasons found

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17 by the commission to be beyond the control of the provider, is  
18 not available during the calendar year for which cost recovery  
19 is requested, the provider may continue to recover costs to  
20 produce or purchase renewable energy from solar energy resources  
21 if the provider continues in good faith to pursue the production  
22 or purchase of renewable energy from nonsolar resources. The  
23 provider has sole discretion to determine whether to construct  
24 new renewable energy generating facilities, convert existing  
25 fossil fuel generating facilities to renewable energy generating  
26 facilities, or contract for the purchase of renewable energy  
27 from third-party generating facilities in the state.

28 (b) In addition to the full cost recovery for such  
29 renewable energy projects, a return on equity of at least 50  
30 basis points above the top of the range of the provider's last  
31 authorized rate of return on equity approved by the commission  
32 for energy projects shall be approved and provided for such  
33 renewable energy projects if a majority value of the energy-  
34 producing components incorporated into such projects are  
35 manufactured or assembled in the state.

36 (c) In addition to the full cost recovery for such  
37 renewable energy projects, a return on equity of at least 75  
38 basis points above the top of the range of the provider's last  
39 authorized rate of return on equity approved by the commission  
40 for energy purchased from third-party generating facilities in  
41 the state that are not regulated utilities or their unregulated  
42 affiliates shall be approved for energy produced from small-  
43 scale renewable energy generation systems that do not exceed 2  
44 megawatts in size.

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45       (d) For the production or purchase of renewable energy  
46 under this subsection, a provider may recover costs up to and in  
47 excess of its full avoided cost, as defined in s. 366.051 and  
48 approved by the commission, if the recovery of costs in excess  
49 of the provider's full avoided cost does not exceed, as a  
50 percentage of the provider's total revenues from the retail sale  
51 of electricity for calendar year 2009, the total cumulative  
52 amount of 2 percent in calendar years 2010 and 2011, the total  
53 cumulative amount of 3 percent in calendar year 2012, and the  
54 total cumulative amount of 4 percent in calendar year 2013 and  
55 thereafter. For purposes of cost recovery under this subsection,  
56 costs shall be computed using a methodology that, for a  
57 renewable energy generating facility, averages the revenue  
58 requirements of the facility over its economic life and, for a  
59 renewable energy purchase, averages the revenue requirements of  
60 the purchase over the life of the contract.

61       (e) Cost recovery under this subsection is limited to new  
62 construction or conversion projects for which construction is  
63 commenced on or after July 1, 2010, and to purchases made on or  
64 after that date. All renewable energy projects for which costs  
65 are approved by the commission for recovery through the  
66 environmental cost recovery clause before July 1, 2010, are not  
67 subject to or included in the calculation of the cost cap.

68       (f) The costs incurred by a provider to produce or  
69 purchase renewable energy under this subsection are deemed to be  
70 prudent for purposes of cost recovery if the provider uses  
71 reasonable and customary industry practices in the design,  
72 procurement, and construction of the project in a cost-effective

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73 manner for the type of renewable energy resource and appropriate  
74 to the location of the facility.

75 (g) Subject to the cost cap in paragraph (d), the  
76 commission shall allow a provider to recover the costs  
77 associated with the production or purchase of renewable energy  
78 under this subsection as follows:

79 1. For new renewable energy generating facilities, the  
80 commission shall allow recovery of reasonable and prudent costs,  
81 including, but not limited to, the siting, licensing,  
82 engineering, design, permitting, construction, operation, and  
83 maintenance of such facilities, including any applicable taxes  
84 and a return based on the provider's last authorized rate of  
85 return.

86 2. For conversion of existing fossil fuel generating  
87 facilities to renewable energy generating facilities, the  
88 commission shall allow recovery of reasonable and prudent  
89 conversion costs, including the costs of retirement of the  
90 fossil fuel plant that exceed any amounts accrued by the  
91 provider for such purposes through rates previously set by the  
92 commission.

93 3. For purchase of renewable energy from third-party  
94 generating facilities in the state, the commission shall allow  
95 recovery of reasonable and prudent costs associated with the  
96 purchase. Any petition for approval of a purchased power  
97 agreement for renewable energy that is filed with the commission  
98 before April 2, 2010, and remains pending on July 1, 2010, shall  
99 be considered by the commission to have been filed in accordance

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100 with, and shall be subject to the provisions of, this  
101 subsection.

102 (h) In a proceeding to recover costs incurred under this  
103 subsection, a provider must provide the commission all cost  
104 information, hourly energy production information, and other  
105 information deemed relevant by the commission with respect to  
106 each project.

107 (i) When a provider purchases renewable energy under this  
108 subsection at a cost in excess of its full avoided cost, the  
109 seller must surrender to the provider all renewable attributes  
110 of the renewable energy purchased.

111 (j) Revenues derived from any renewable energy credit,  
112 carbon credit, or other mechanism that attributes value to the  
113 production of renewable energy, either existing or hereafter  
114 devised, received by a provider by virtue of the production or  
115 purchase of renewable energy for which cost recovery is approved  
116 under this subsection shall be shared with the provider's  
117 ratepayers such that the ratepayers are credited at least 75  
118 percent of such revenues.

119 (k) Section 403.519 does not apply to a renewable energy