

Amendment No.

CHAMBER ACTION

Senate

House

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Representatives McKeel and Precourt offered the following:

Amendment

Remove lines 344-433 and insert:

(a) A provider may petition the commission through July 1, 2015, for recovery of costs to produce or purchase renewable energy, subject to the cost cap in paragraph (c). 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 resources other than solar energy. In addition, at least 5 percent of the total energy produced from solar energy resources for which a provider is permitted to recover costs in any calendar year under this subsection must be from

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17 customer-owned renewable generation as defined in s. 366.91 from
18 facilities that do not exceed 2 megawatts in capacity. A
19 provider must file with the commission, no later than when the
20 provider files a petition for cost recovery under this
21 subsection, a schedule of planned production and purchases for
22 the calendar year in which cost recovery is requested. If any
23 portion of the capacity required from nonsolar renewable energy
24 resources is committed but, for reasons found by the commission
25 to be beyond the control of the provider, is not available
26 during the calendar year for which cost recovery is requested,
27 the provider may continue to recover costs to produce or
28 purchase renewable energy from solar energy resources if the
29 provider continues in good faith to pursue the production or
30 purchase of renewable energy from nonsolar resources. The
31 provider has sole discretion to determine whether to construct
32 new renewable energy generating facilities, convert existing
33 fossil fuel generating facilities to renewable energy generating
34 facilities, or contract for the purchase of renewable energy
35 from third-party generating facilities in the state.

36 (b) In addition to the full cost recovery for such
37 renewable energy projects, a return on equity of at least 50
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 projects shall be approved and provided for such
41 renewable energy projects if a majority value of the energy-
42 producing components incorporated into such projects are
43 manufactured or assembled in the state.

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44 (c) For the production or purchase of renewable energy
45 under this subsection, a provider may recover costs up to and in
46 excess of its full avoided cost, as defined in s. 366.051 and
47 approved by the commission, if the recovery of costs in excess
48 of the provider's full avoided cost does not exceed, at any
49 time, 2 percent of the provider's total revenues from the retail
50 sale of electricity for calendar year 2009. For purposes of cost
51 recovery under this subsection, costs shall be computed using a
52 methodology that, for a renewable energy generating facility,
53 averages the revenue requirements of the facility over its
54 economic life and, for a renewable energy purchase, averages the
55 revenue requirements of the purchase over the life of the
56 contract.

57 (d) Cost recovery under this subsection is limited to new
58 construction or conversion projects for which construction is
59 commenced on or after July 1, 2010, and to purchases made on or
60 after that date. To be eligible for cost recovery under this
61 subsection, combustion technologies must demonstrate overall
62 thermal efficiencies of more than 33 percent. All renewable
63 energy projects for which costs are approved by the commission
64 for recovery through the environmental cost recovery clause
65 before July 1, 2010, are not subject to or included in the
66 calculation of the cost cap.

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

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72 manner for the type of renewable energy resource and appropriate
73 to the location of the facility. Costs incurred by a provider to
74 construct a new facility for the production of renewable energy
75 under this subsection are deemed prudent for purposes of cost
76 recovery if the life-cycle cost of the new facility does not
77 exceed 75 percent of the life-cycle cost of any facility of the
78 same type and technology that has been constructed by a
79 nongovernmental entity in the state in the 24 months preceding
80 the filing of a petition under this subsection.

81 (f) Subject to the cost cap in paragraph (c), the
82 commission shall allow a provider to recover the costs
83 associated with the production or purchase of renewable energy
84 under this subsection as follows:

85 1. For new renewable energy generating facilities, the
86 commission shall allow recovery of reasonable and prudent costs,
87 including, but not limited to, the siting, licensing,
88 engineering, design, permitting, construction, operation, and
89 maintenance of such facilities, including any applicable taxes
90 and a return based on the provider's last authorized rate of
91 return.

92 2. For conversion of existing fossil fuel generating
93 facilities to renewable energy generating facilities, the
94 commission shall allow recovery of reasonable and prudent
95 conversion costs, including the costs of retirement of the
96 fossil fuel plant that exceed any amounts accrued by the
97 provider for such purposes through rates previously set by the
98 commission.

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99 3. For purchase of renewable energy from third-party
100 generating facilities in the state, the commission shall allow
101 recovery of reasonable and prudent costs associated with the
102 purchase. Any petition for approval of a purchased power
103 agreement for renewable energy that is filed with the commission
104 before April 2, 2010, and remains pending on the effective date
105 of this act shall be considered by the commission to have been
106 filed in accordance with, and shall be subject to the provisions
107 of, this subsection, except that, before January 1, 2011, the
108 provider is not required to file with the commission a schedule
109 of planned production and purchases pursuant to paragraph (a).