

By Senator Bennett

21-00871A-11

20111452

1 A bill to be entitled
2 An act relating to local government energy zones;
3 defining terms; authorizing a local government to
4 create an energy zone by ordinance; requiring the
5 producer of renewable energy to produce and sell all
6 energy within the boundaries of the energy zone;
7 requiring that the producer be offered a
8 disconnectable-rate structure for its customers;
9 authorizing retail sales by any producer of renewable
10 energy within an energy zone; requiring the Public
11 Service Commission to adopt rules to govern sales by
12 producers of renewable energy within the local
13 government energy zone; requiring that the commission
14 submit reports to the Legislature; amending s. 366.02,
15 F.S.; redefining the term "public utility" to exempt
16 producers and sellers of renewable energy from
17 economic regulation by the Public Service Commission;
18 providing an effective date.

19
20 Be It Enacted by the Legislature of the State of Florida:

21
22 Section 1. Local government energy zones.-

23 (1) As used in this section, the term:

24 (a) "Local government" means a county or a municipality.

25 (b) "New customer" means a residential or business location
26 at which no previous sales of electricity have occurred which
27 are unrelated to development or construction of the property.

28 (c) "Renewable energy" has the same meaning as provided in
29 s. 366.91, Florida Statutes.

21-00871A-11

20111452

30 (2) A local government may adopt an ordinance establishing
31 an energy zone within its political or geographic boundaries.
32 Within this energy zone, any producer of renewable energy may
33 sell renewable energy to any new customer directly at retail for
34 any price agreed upon. All renewable energy sold under this
35 section must be produced and used within the boundaries of the
36 energy zone or sold, net metered, into the utility grid at
37 established renewable energy rates. All producers of renewable
38 energy sold pursuant to this section must pay the utility that
39 serves the energy zone 1 1/2 cents per kilowatt hour of
40 renewable energy produced and sold unless and to the extent that
41 the utility services to the producer and its customers are on a
42 utility-controlled disconnectable-rate structure, in which case
43 the payment of 1 1/2 cents per kilowatt hour shall be waived.
44 The utility shall offer to the producer and its customers a
45 disconnectable-rate structure for any size service in the energy
46 zone.

47 (3) The Florida Public Service Commission shall adopt rules
48 to govern sales made pursuant to this section, and all sales of
49 renewable energy within an energy zone are subject to the rules.
50 When adopting such rules, the commission must establish, at a
51 minimum:

52 (a) Requirements related to interconnection and metering.

53 (b) A mechanism for setting rates for any service provided
54 to the consumer by the utility if such service is required by
55 the consumer, which rates must ensure that the utility's general
56 ratepayers do not subsidize the consumer in any way, including
57 the creation of any redundant utility generating capacity
58 necessary to serve the consumer. The utility-controlled

21-00871A-11

20111452

59 disconnectable-rate structure serving the producer and its
60 customers to the extent utilized within the energy zone shall
61 nullify the concern of redundant utility generating capacity.

62 (c) Requirements for notice to the commission of the size
63 and location of each renewable energy generation facility
64 planned under this section, the identity and historical and
65 projected load characteristics for the facility, and any other
66 information deemed necessary by the commission to satisfy its
67 obligations under s. 366.04(5), Florida Statutes.

68 (4) Beginning January 1, 2012, and at least once every 6
69 months thereafter, the commission shall submit a report to the
70 Legislature concerning the activity under this section. The
71 report must address the effect of such activity on the electric
72 power grid of the state, the individual utility systems, and
73 each utility's general ratepayers. The report must also include
74 recommendations concerning implementation of this program.

75 Section 2. Subsection (1) of section 366.02, Florida
76 Statutes, is amended to read:

77 366.02 Definitions.—As used in this chapter:

78 (1) "Public utility" means every person, corporation,
79 partnership, association, or other legal entity and their
80 lessees, trustees, or receivers supplying electricity or gas,
81 whether ~~(natural, manufactured, or similar gaseous substance)~~ to
82 or for the public within this state. ~~;~~ ~~but~~ The term "public
83 utility" does not include: ~~either~~

84 (a) A cooperative now or hereafter organized and existing
85 under the Rural Electric Cooperative Law of the state. ~~;~~

86 (b) A municipality or any agency thereof. ~~;~~

87 (c) Any dependent or independent special natural gas

21-00871A-11

20111452__

88 district.~~†~~

89 (d) Any natural gas transmission pipeline company making
90 only sales or transportation delivery of natural gas at
91 wholesale and to direct industrial consumers.~~†~~

92 (e) Any entity selling or arranging for sales of natural
93 gas which neither owns nor operates natural gas transmission or
94 distribution facilities within the state.~~†~~ ~~or~~

95 (f) A person supplying liquefied petroleum gas, in either
96 liquid or gaseous form, irrespective of the method of
97 distribution or delivery, or owning or operating facilities
98 beyond the outlet of a meter through which natural gas is
99 supplied for compression and delivery into motor vehicle fuel
100 tanks or other transportation containers, unless the ~~such~~ person
101 also supplies electricity or manufactured or natural gas.

102 (g) A producer and seller of renewable energy under section
103 1 of this act.

104 Section 3. This act shall take effect July 1, 2011.