

By Senator Detert

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1 A bill to be entitled
2 An act relating to renewable energy; amending s.
3 366.91, F.S.; requiring that a purchase contract
4 offered to producers of renewable energy contain
5 payment provisions for energy and capacity based upon
6 a public utility's equivalent cost-recovery rate for
7 certain clean energy projects rather than the
8 utility's full avoided costs; providing an effective
9 date.

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11 Be It Enacted by the Legislature of the State of Florida:

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13 Section 1. Subsection (3) of section 366.91, Florida
14 Statutes, is amended to read:

15 366.91 Renewable energy.—

16 (3) ~~On or before January 1, 2006,~~ Each public utility must
17 continuously offer a purchase contract to producers of renewable
18 energy. The commission shall establish requirements relating to
19 the purchase of capacity and energy by public utilities from
20 renewable energy producers and may adopt rules to administer
21 this section. The contract shall contain payment provisions for
22 energy and capacity which are based upon the utility's
23 equivalent cost-recovery rate for projects constructed pursuant
24 to s. 366.92(4) full avoided costs, as defined in s. 366.051;
25 however, capacity payments are not required if, due to the
26 operational characteristics of the renewable energy generator or
27 the anticipated peak and off-peak availability and capacity
28 factor of the utility's avoided unit, the producer is unlikely
29 to provide any capacity value to the utility or the electric

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30 grid during the contract term. Each contract must provide a
31 contract term of at least 10 years. Prudent and reasonable costs
32 associated with a renewable energy contract shall be recovered
33 from the ratepayers of the contracting utility, without
34 differentiation among customer classes, through the appropriate
35 cost-recovery clause mechanism administered by the commission.

36 Section 2. This act shall take effect July 1, 2011.