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LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
04/04/2011	.	
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The Committee on Communications, Energy, and Public Utilities  
(Altman) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 160 - 251  
and insert:

(b) Each provider shall purchase renewable energy pursuant to a standard form contract for the purchase of renewable energy from different types of renewable energy facilities located in Florida.

1. The price to be paid for renewable energy purchased through a standard form contract shall be expressed in a levelized, or constant, price per kilowatt hour for the term of the contract. The price shall be determined by a competitive



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13 auction conducted by an independent auction administrator  
14 engaged by the commission to ensure the objectivity and fairness  
15 of the auction. The provider shall reimburse the commission for  
16 the cost for the independent auction administrator, and the cost  
17 is recoverable by the provider through the environmental cost-  
18 recovery clause.

19 2. The commission shall set the terms and conditions of the  
20 standard form contract before such contract may be issued and  
21 shall establish procedures for the conduct of the auction  
22 provided for in this paragraph.

23 3. The commission shall set the term of a minimum of 20  
24 years and a maximum of 30 years for the standard form contract.

25 4. A renewable energy supplier's generating facility must  
26 be located in the state to be eligible to participate in an  
27 auction.

28 (c) Each provider must offer a standard form contract for  
29 each of the following types of renewable energy technologies and  
30 sizes:

31 1. Solar electric technologies under 250 kilowatts and  
32 solar electric technologies over 250 kilowatts but no more than  
33 5 megawatts, including crystalline photovoltaic, solar  
34 thermoelectric, and solar thermal generating technologies.

35 2. Wind technologies.

36 3. Hydroelectric technologies, including technologies that  
37 use the energy in waves, ocean currents, or thermal energy  
38 differentials.

39 4. Biomass technologies.

40 5. Waste-heat technologies.

41 (d) The commission shall require that a minimum of 20



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42 percent of the total funding is spent by each provider on the  
43 building of Florida renewable energy resources or the conversion  
44 of an existing fossil fuel generation plant to a Florida  
45 renewable energy resource. Fifty percent of the utility's  
46 purchased renewable energy shall be from biomass and other  
47 renewable energy technologies, and 50 percent shall be from  
48 solar suppliers, of which at least 50 percent shall be from  
49 systems under 250 kilowatts.

50 (e) If the bids received from the auction are insufficient  
51 to spend the total amount of funds available, the residual funds  
52 are available for purchase of renewable energy from either  
53 technologies or size class other than the undersubscribed  
54 technologies or size class or may be carried forward and spent,  
55 on a pro rata basis, over the succeeding 4 years.

56 (f) A renewable energy generating facility that is  
57 constructed by a renewable energy supplier or by a provider of  
58 renewable energy is not subject to s. 403.519. The commission is  
59 not required to submit a report pursuant to s. 403.507(4)(a) for  
60 the project.

61 (g) After the completion of construction of a new renewable  
62 energy project, the completion of the conversion of an existing  
63 facility to renewable energy, or the completion of a purchase of  
64 renewable energy, and the filing by a provider of a petition for  
65 approval of cost recovery, the commission must schedule a formal  
66 administrative hearing within 10 days after the date of the  
67 filing of the petition and vote on the petition within 90 days  
68 after the date of the filing.

69 (h)1. The costs incurred by a provider in connection with  
70 the construction or conversion, operation, and maintenance of a



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71 renewable energy project are deemed to be prudent for purposes  
72 of cost recovery so long as the provider has used reasonable and  
73 customary industry practices in the design, procurement, and  
74 construction of the project in a cost-effective manner that is  
75 appropriate for the type of renewable energy facility and  
76 appropriate to the location of the facility. A provider may  
77 recover all prudently incurred costs of renewable energy under  
78 the environmental cost-recovery clause provisions of s.  
79 366.8255. As part of the cost-recovery proceedings, the provider  
80 must report to the commission the construction costs, in-service  
81 costs, operating and maintenance costs, hourly energy production  
82 of the renewable energy project, and any other information  
83 deemed relevant by the commission.

84 2. The commission must allow full cost recovery over the  
85 entire useful life of the Florida renewable energy resource of  
86 the revenue requirements using traditional declining balance  
87 amortization of all reasonable and prudently incurred costs,  
88 including, but not limited to, the following:

89 a. The siting, licensing, engineering, design, permitting,  
90 construction, operation, and maintenance of a renewable energy  
91 facility and associated transmission facilities by the provider.  
92 For purposes of this paragraph, the term "cost" includes, but is  
93 not limited to, all capital investments, including rate of  
94 return, and any applicable taxes and all expenses, including  
95 operation and maintenance expenses; and

96 b. The costs associated with the purchase of capacity and  
97 energy from new renewable energy resources;

98 c. The costs for conversion of an existing fossil fuel  
99 generating plant to a renewable energy facility, including the



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100 costs of retirement of the fossil fuel generation plant.

101 (i) The cost of producing or purchasing renewable energy in  
102 any calendar year may not exceed 2 percent of the investor-owned  
103 utility's total revenue from retail sales of electricity for the  
104 2010 calendar year.

105 (j) A provider must submit the proposed project to the same  
106 bid process as with any other generating facility to develop a  
107 renewable energy project.

108 (k) If a provider pays costs for purchased power above the  
109 provider's full avoided costs, the seller must surrender to the  
110 provider all renewable attributes of the energy being purchased  
111 by the provider.

112 (l) Any revenues or other economic benefit that is derived  
113 from any renewable energy credit, carbon credit, or other  
114 mechanism that attributes value to the production of renewable  
115 energy and that is received by a provider relating to renewable  
116 energy or other carbon-neutral or carbon-free means of producing  
117 electricity must be shared with the provider's ratepayers, such  
118 that the ratepayers are credited with at least 90 percent of  
119 such revenues or of the value of such other economic benefit.

120 (m) The Legislature finds that there is a need for the  
121 renewable energy facilities to be developed pursuant to this  
122 subsection and this legislative finding serves as the  
123 determination of need required under s. 403.519 and as the  
124 commission's agency report required under s. 403.507(4)(a). This  
125 legislative determination of need creates a presumption of  
126 public need and necessity which may not be raised in any other  
127 forum or in the review of proceedings in such other forum and  
128 substitutes for the commission's report required by s.



129 403.507(4).

130 (n) Each provider obtaining cost recovery under this  
131 subsection must, for the duration of the recovery period, file  
132 an annual report with the commission containing the information  
133 required in this subsection and any other information the  
134 commission deems necessary. The commission must gather all such  
135 reports annually and file a report with the Governor, the  
136 President of the Senate, and the Speaker of the House of  
137 Representatives not later than March 1 of each year. Each  
138 provider report must contain the following:

139 1. A description of the project, including a description of  
140 the technology used, the size of the project, and its location.

141 2. A description and the amounts of the costs of  
142 construction, operation, and maintenance of the project.

143 3. A description and the total number of the jobs created  
144 as a result of the project, including how long each job lasted.

145 4. A description of the impact of the project on existing  
146 and planned generation and transmission facilities and on  
147 ratepayers, including how much production by traditional means  
148 was avoided, any planned traditional plants included in the 10-  
149 year site plan which were made unnecessary, any additional  
150 transmission that was necessary, a description of any impact on  
151 grid security and reliability, and a description of the price  
152 impact on ratepayers.

153 (o) The commission shall adopt rules to implement this  
154 section.

155  
156 ===== T I T L E A M E N D M E N T =====

157 And the title is amended as follows:



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158           Between lines 13 and 14  
159 insert:  
160           requiring certain electric providers to purchase  
161           renewable energy by a standard form contract from  
162           different types of renewable energy facilities in the  
163           state; providing criteria for an auction that sets the  
164           price to be paid for the renewable energy; requiring  
165           the provider to reimburse the cost for the independent  
166           auction administrator; providing that the cost is  
167           recoverable through the environmental cost-recovery  
168           clause; requiring the commission to oversee the  
169           auction and ensure that certain conditions are met;  
170           providing criteria for the standard form contract;  
171           requiring each provider to offer a standard form  
172           contract for certain types of renewable energy  
173           technology and size; requiring a certain percent of  
174           the total funding expended by each provider be spent  
175           on renewable energy and solar energy resources;  
176           providing for expenditure of funds if the bids from  
177           the auction are insufficient to expend the total funds  
178           available; exempting certain renewable energy  
179           generating facilities from the siting act; requiring  
180           the commission to adopt rules implementing the  
181           section;