

1 A bill to be entitled
2 An act relating to renewable energy; providing legislative
3 findings; providing definitions; requiring each electric
4 utility in the state to collect from each residential,
5 commercial, and industrial customer a designated monthly
6 systems charge; requiring the electric utilities to
7 deposit collected funds into the Sustainable and Renewable
8 Energy Policy Trust Fund; creating a direct-support
9 organization for the Florida Energy and Climate
10 Commission; providing for a board of directors of the
11 direct-support organization; providing for appointment of
12 members and terms of office; requiring a contract between
13 the commission and the direct-support organization;
14 providing for the use of the deposited funds; requiring an
15 annual audit; amending s. 366.91, F.S.; requiring that a
16 purchase contract offered to producers of renewable energy
17 contain payment provisions for energy and capacity based
18 upon a public utility's equivalent cost-recovery rate for
19 certain clean energy projects rather than the utility's
20 full avoided costs; amending s. 377.806, F.S.; revising
21 the expiration date for the Solar Energy System Incentives
22 Program; extending the period of time for which residents
23 of the state are eligible to receive rebates for specified
24 solar energy systems; revising the rebate amount for
25 eligible solar energy systems; providing a schedule for
26 rebate amounts based on the total wattage of the system;
27 amending s. 570.954, F.S.; correcting a reference;
28 providing an effective date.

29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56

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

Section 1. (1) The Legislature finds that there is a need for a funding mechanism to support and finance a comprehensive energy policy, especially as it relates to sustainable and renewable energy, energy conservation, and energy efficiencies. With such a stable funding mechanism, this state will realize important long-term goals, including:

- (a) Increased independence from foreign oil;
- (b) Ensuring an adequate and reliable energy supply;
- (c) The promotion of economic growth and new investment in the creation of high-paying jobs;
- (d) The mitigation adverse environmental impacts and promotion of stewardship of the environment;
- (e) Leading the nation in energy conservation and energy efficiencies through needed support for implementing and marketing the products of renewable energy research and innovation; and
- (f) Contributing to a sustainable and renewable energy policy for the state.

(2) As used in this section, the term:

- (a) "Commission" means the Florida Energy and Climate Commission.
- (b) "Direct-support organization" means an organization that is:
 - 1. A Florida corporation, not for profit, incorporated under chapter 617, Florida Statutes, and approved by the

57 Department of State;

58 2. Organized and operated exclusively to obtain funds; to
 59 request and receive grants, gifts, and bequests of moneys; to
 60 acquire, receive, hold, invest, and administer in its own name
 61 securities, funds, or property; and to make expenditures to
 62 support the achievement of the goals stated under subsection (1)
 63 and to increase public awareness of and support for the
 64 Sustainable and Renewable Energy Trust Fund; and

65 3. Determined by the commission to be operating in a
 66 manner consistent with the goals stated under subsection (1).

67 (c) "Electric utility" means any municipal electric
 68 utility, investor-owned electric utility, or rural electric
 69 cooperative that owns, maintains, or operates an electric
 70 generation, transmission, or distribution system within the
 71 state.

72 (d) "Energy conservation" and "energy efficiencies" means
 73 any activity that facilitates and promotes the use of cost-
 74 effective energy conservation, energy-demand management, and
 75 renewable energy technologies.

76 (e) "Renewable energy" means solar photovoltaic energy,
 77 solar thermal energy, geothermal energy, ocean thermal energy,
 78 wave or tidal energy, wind, fuel cells, landfill gas, hydrogen
 79 production and hydrogen conversion technologies, low-emission
 80 advanced biomass conversion technologies, alternative fuels used
 81 for electricity generation, including ethanol, biodiesel, or
 82 other fuel produced in this state and derived from agricultural
 83 produce, algae, food waste, or waste vegetable oil, usable
 84 electricity from combined heat and power systems that have waste

HB 219

2011

85 heat recovery systems, thermal storage systems, and other energy
86 resources and emerging technologies that have significant
87 potential for commercialization and that do not involve the
88 combustion of coal, petroleum or petroleum products, municipal
89 solid waste, or nuclear fission.

90 (3) Beginning January 1, 2012, each electric utility shall
91 collect from each residential, commercial, and industrial
92 electric utility customer a monthly charge of 25 cents as a
93 systems benefits charge. The electric utilities shall deposit
94 the collected funds into the Sustainable and Renewable Energy
95 Policy Trust Fund.

96 (4) (a) The Florida Energy and Climate Commission shall
97 establish a direct-support organization to provide assistance,
98 funding, and support for the commission in carrying out its
99 mission. This section governs the creation, use, powers, and
100 duties of the direct-support organization.

101 (b) The direct-support organization shall be governed by a
102 board of directors. The board of directors shall consist of nine
103 members, as follows:

104 1. The chair of the Florida Public Service Commission, or
105 his or her designee.

106 2. The Secretary of Environmental Protection, or his or
107 her designee.

108 3. Two members appointed by the Governor, both of whom are
109 residential electric utility customers and one of whom has
110 experience relating to low-income housing concerns.

111 4. Two members appointed by the President of the Senate.

112 5. Two members appointed by the Speaker of the House of

HB 219

2011

113 Representatives.

114 6. One member appointed by the Chief Financial Officer who
115 has experience related to renewable energy business or
116 commercial investments.

117 (c) The term of office of the board members shall be 3
118 years. The terms of the initial appointees shall be for 1 year,
119 2 years, or 3 years in order to achieve staggered terms. A
120 member may be reappointed when his or her term expires. The head
121 of the commission or his or her designee shall serve as an ex
122 officio member of the board of directors.

123 (d) Members must be residents of this state. A majority of
124 the members must be actively involved with sustainable and
125 renewable energy systems and highly knowledgeable about the
126 commission, its research, and its mission. A member may be
127 removed by the Governor, the President of the Senate, the
128 Speaker of the House of Representatives, or the Chief Financial
129 Officer for cause and with the approval of a majority of the
130 members of the board of directors. A vacancy shall be filled in
131 the same manner as the initial appointment.

132 (e) The direct-support organization shall operate under a
133 written contract with the commission. The written contract must
134 provide for:

135 1. Certification by the commission that the direct-support
136 organization is complying with the terms of the contract and is
137 doing so consistent with the goals and purposes of the
138 department and in the best interests of the state. This
139 certification must be made annually and reported in the official
140 minutes of a meeting of the direct-support organization.

HB 219

2011

141 2. The reversion of moneys and property held by the
142 direct-support organization:

143 a. To the commission, if the direct-support organization
144 is no longer approved to operate for the commission or if the
145 direct support organization ceases to exist; or

146 b. To the state, if the commission ceases to exist.

147 3. The disclosure of the material provisions of the
148 contract and the distinction between the commission and the
149 direct-support organization to donors of gifts, contributions,
150 or bequests, including such disclosure on all promotional and
151 fundraising publications.

152 (f)1. The commission may permit the use of its property,
153 facilities, and personal services by the direct-support
154 organization, subject to this section.

155 2. The commission may prescribe by contract any condition
156 with which the direct-support organization must comply in order
157 to use property, facilities, or personal services of the
158 commission.

159 3. The commission may not permit the use of its property,
160 facilities, or personal services by any direct-support
161 organization organized under this section which does not provide
162 equal employment opportunities to all persons regardless of
163 race, color, national origin, gender, age, or religion.

164 (g) Any transaction or agreement between the direct-
165 support organization created by this section and another direct-
166 support organization or other entity must be approved by the
167 Governor.

168 (h) All moneys received by the direct-support organization

HB 219

2011

169 from federal and state grants, private contributions, and the
170 Sustainable and Renewable Energy Policy Trust Fund shall be
171 deposited into an account of the direct-support organization.
172 The direct-support organization shall use the collected charges
173 to support funding for sustainable and renewable energy
174 projects, including, but not limited to, grants to provide
175 funding in the following order of priority:

176 1. Any backlog of approved rebate applications for the
177 Solar Energy Systems Incentive Program.

178 2. The implementation of innovation to market projects,
179 with specific attention directed toward the number of in-state
180 jobs created.

181 3. Energy conservation and energy efficiency projects,
182 with specific attention directed to projects for low-income
183 housing, including rental units, rental homes, condominiums, and
184 single-family homes.

185 (i)1. The fiscal year of the direct-support organization
186 shall begin on July 1 of each year and end on June 30 of the
187 following year.

188 2. The direct-support organization shall submit to the
189 commission its federal Internal Revenue Service Application for
190 Recognition of Exemption form and its federal Internal Revenue
191 Service Return of Organization Exempt from Income Tax form.

192 (j) The direct-support organization shall provide for an
193 annual financial audit in accordance with s. 215.981, Florida
194 Statutes.

195 Section 2. Subsection (3) of section 366.91, Florida
196 Statutes, is amended to read:

197 366.91 Renewable energy.—

198 (3) On or before January 1, 2006, each public utility must
 199 continuously offer a purchase contract to producers of renewable
 200 energy. The commission shall establish requirements relating to
 201 the purchase of capacity and energy by public utilities from
 202 renewable energy producers and may adopt rules to administer
 203 this section. The contract shall contain payment provisions for
 204 energy and capacity which are based upon the utility's
 205 equivalent cost-recovery rate for projects constructed pursuant
 206 to s. 366.92(4) full avoided costs, as defined in s. 366.051;
 207 however, capacity payments are not required if, due to the
 208 operational characteristics of the renewable energy generator or
 209 the anticipated peak and off-peak availability and capacity
 210 factor of the utility's avoided unit, the producer is unlikely
 211 to provide any capacity value to the utility or the electric
 212 grid during the contract term. Each contract must provide a
 213 contract term of at least 10 years. Prudent and reasonable costs
 214 associated with a renewable energy contract shall be recovered
 215 from the ratepayers of the contracting utility, without
 216 differentiation among customer classes, through the appropriate
 217 cost-recovery clause mechanism administered by the commission.

218 Section 3. Subsection (1) and paragraph (b) of subsection
 219 (2) of section 377.806, Florida Statutes, are amended to read:

220 377.806 Solar Energy System Incentives Program.—

221 (1) PURPOSE.—The Solar Energy System Incentives Program is
 222 established within the commission to provide financial
 223 incentives for the purchase and installation of solar energy
 224 systems. Any resident of the state who purchases and installs a

HB 219

2011

225 new solar energy system of 2 kilowatts or larger for a solar
 226 photovoltaic system, a solar energy system that provides at
 227 least 50 percent of a building's hot water consumption for a
 228 solar thermal system, or a solar thermal pool heater, from July
 229 1, 2006, through June 30, 2016 ~~2010~~, is eligible for a rebate on
 230 a portion of the purchase price of that solar energy system.

231 (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE.—

232 (b) Rebate amounts.—The rebate amount shall be set at
 233 \$2.50 ~~\$4~~ per watt for fiscal year 2011-2012, \$2 per watt for
 234 fiscal years 2012-2013 and 2013-2014, and \$1.50 per watt for
 235 each subsequent fiscal year, based on the total wattage rating
 236 of the system. The maximum allowable rebate per solar
 237 photovoltaic system installation shall be as follows:

- 238 1. Twenty thousand dollars for a residence.
- 239 2. One hundred thousand dollars for a place of business, a
 240 publicly owned or operated facility, or a facility owned or
 241 operated by a private, not-for-profit organization, including
 242 condominiums or apartment buildings.

243 Section 4. Subsection (3) of section 570.954, Florida
 244 Statutes, is amended to read:

245 570.954 Farm-to-fuel initiative.—

246 (3) The department shall coordinate with and solicit the
 247 expertise of the Florida Energy and Climate Commission ~~state~~
 248 ~~energy office within the Department of Environmental Protection~~
 249 when developing and implementing this initiative.

250 Section 5. This act shall take effect July 1, 2011.