

By Senator Bennett

21-00402-11

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1                                   A bill to be entitled  
2       An act relating to renewable energy; providing  
3       legislative findings; providing definitions; requiring  
4       each electric utility in the state to collect from  
5       each residential, commercial, and industrial customer  
6       a designated monthly systems charge; requiring the  
7       electric utilities to deposit collected funds into the  
8       Sustainable and Renewable Energy Policy Trust Fund;  
9       creating a direct-support organization for the Florida  
10      Energy and Climate Commission; providing for a board  
11      of directors of the direct-support organization;  
12      providing for appointment of members and terms of  
13      office; requiring a contract between the commission  
14      and the direct-support organization; providing for the  
15      use of the deposited funds; requiring an annual audit;  
16      amending s. 366.91, F.S.; requiring that a purchase  
17      contract offered to producers of renewable energy  
18      contain payment provisions for energy and capacity  
19      based upon a public utility's equivalent cost-recovery  
20      rate for certain clean energy projects rather than the  
21      utility's full avoided costs; amending s. 377.806,  
22      F.S.; revising the expiration date for the Solar  
23      Energy System Incentives Program; extending the period  
24      of time for which residents of the state are eligible  
25      to receive rebates for specified solar energy systems;  
26      revising the rebate amount for eligible solar energy  
27      systems; providing a schedule for rebate amounts based  
28      on the total wattage of the system; amending s.  
29      570.954, F.S.; correcting a reference; providing an

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30 effective date.

31  
32 Be It Enacted by the Legislature of the State of Florida:

33  
34 Section 1. (1) The Legislature finds that there is a need  
35 for a funding mechanism to support and finance a comprehensive  
36 energy policy, especially as it relates to sustainable and  
37 renewable energy, energy conservation, and energy efficiencies.  
38 With such a stable funding mechanism, this state will realize  
39 important long-term goals, including:

40 (a) Increased independence from foreign oil;

41 (b) Ensuring an adequate and reliable energy supply;

42 (c) The promotion of economic growth and new investment in  
43 the creation of high-paying jobs;

44 (d) The mitigation adverse environmental impacts and  
45 promotion of stewardship of the environment;

46 (e) Leading the nation in energy conservation and energy  
47 efficiencies through needed support for implementing and  
48 marketing the products of renewable energy research and  
49 innovation; and

50 (f) Contributing to a sustainable and renewable energy  
51 policy for the state.

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

53 (a) "Commission" means the Florida Energy and Climate  
54 Commission.

55 (b) "Direct-support organization" means an organization  
56 that is:

57 1. A Florida corporation, not for profit, incorporated  
58 under chapter 617, Florida Statutes, and approved by the

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59 Department of State;

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

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

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

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

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

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88 resources and emerging technologies that have significant  
89 potential for commercialization and that do not involve the  
90 combustion of coal, petroleum or petroleum products, municipal  
91 solid waste, or nuclear fission.

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

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

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

106 1. The chair of the Florida Public Service Commission, or  
107 his or her designee.

108 2. The Secretary of Environmental Protection, or his or her  
109 designee.

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

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

114 5. Two members appointed by the Speaker of the House of  
115 Representatives.

116 6. One member appointed by the Chief Financial Officer who

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117 has experience related to renewable energy business or  
118 commercial investments.

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

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

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

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

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

145 a. To the commission, if the direct-support organization is

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146 no longer approved to operate for the commission or if the  
147 direct support organization ceases to exist; or

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

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

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

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

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

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

169 (h) All moneys received by the direct-support organization  
170 from federal and state grants, private contributions, and the  
171 Sustainable and Renewable Energy Policy Trust Fund shall be  
172 deposited into an account of the direct-support organization.  
173 The direct-support organization shall use the collected charges  
174 to support funding for sustainable and renewable energy

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175 projects, including, but not limited to, grants to provide  
176 funding in the following order of priority:

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

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

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

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

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

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

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

198 366.91 Renewable energy.—

199 (3) On or before January 1, 2006, each public utility must  
200 continuously offer a purchase contract to producers of renewable  
201 energy. The commission shall establish requirements relating to  
202 the purchase of capacity and energy by public utilities from  
203 renewable energy producers and may adopt rules to administer

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

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

221 377.806 Solar Energy System Incentives Program.—

222 (1) PURPOSE.—The Solar Energy System Incentives Program is  
223 established within the commission to provide financial  
224 incentives for the purchase and installation of solar energy  
225 systems. Any resident of the state who purchases and installs a  
226 new solar energy system of 2 kilowatts or larger for a solar  
227 photovoltaic system, a solar energy system that provides at  
228 least 50 percent of a building's hot water consumption for a  
229 solar thermal system, or a solar thermal pool heater, from July  
230 1, 2006, through June 30, 2016 ~~2010~~, is eligible for a rebate on  
231 a portion of the purchase price of that solar energy system.

232 (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE.—



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233 (b) *Rebate amounts.*—The rebate amount shall be set at \$2.50  
234 \$4 per watt for the first year, \$2 per watt for the second and  
235 third years, and \$1.50 per watt for each subsequent year, based  
236 on the total wattage rating of the system. The maximum allowable  
237 rebate per solar photovoltaic system installation shall be as  
238 follows:

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

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

246 570.954 Farm-to-fuel initiative.—

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

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