

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>      </u>	(Y/N)
ADOPTED AS AMENDED	<u>      </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>      </u>	(Y/N)
FAILED TO ADOPT	<u>      </u>	(Y/N)
WITHDRAWN	<u>      </u>	(Y/N)
OTHER	<u>      </u>	

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1 Committee/Subcommittee hearing bill: Energy & Utilities  
2 Subcommittee

3 Representative Kreegel offered the following:

4  
5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. This act may be cited as the "Sustainable  
8 Community Demonstration Project Act."

9 Section 2. Section 288.036, Florida Statutes, is created  
10 to read:

11 288.036 Sustainable Community Demonstration Project.-

12 (1) The purpose of this section is to establish the  
13 Sustainable Community Demonstration Project and to certify  
14 projects that demonstrate the catalytic economic, technological,  
15 and environmental benefits of a prototypical community as a  
16 living laboratory for accelerating economic development through  
17 innovative technological infrastructure and capital investment,  
18 including clean renewable energy systems and smart grid  
19 technologies.

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20       (2) The Legislature finds that a Sustainable Community  
21 Demonstration Project is in the public interest and will advance  
22 state economic development goals and promote fuel diversity,  
23 energy independence, and innovation in this state as expressed  
24 in the legislative findings and intent in ss. 366.91 and 366.92.  
25 It is the intent of the Legislature that a project certified as  
26 a Sustainable Community Demonstration Project result in the  
27 creation of a cluster of high-wage, high-skilled complementary  
28 technology and communications industries which can become a  
29 magnet for new capital investment, job creation, and innovation  
30 in the region and throughout the state, and serve as a model for  
31 the future development of new communities and the retrofitting  
32 of existing communities.

33       (3) The Department of Economic Opportunity shall certify a  
34 project as a Sustainable Community Demonstration Project if, in  
35 addition to complying with any applicable law other than this  
36 act, the project:

37       (a) Is comprehensive in scope by addressing the full range  
38 of community infrastructure, including renewable energy systems,  
39 smart grid technologies, data communications networks,  
40 alternative transportation mobility systems, sources for  
41 powering electric vehicles, digital learning centers, health and  
42 wellness features, and storm safety.

43       (b) Has in place the permits and entitlements required for  
44 primary infrastructure before securing building permits for a  
45 particular phase of construction.

46       (c) Proposes to meet the majority of its electricity needs  
47 from renewable sources and produce more electricity from on-site

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48 renewable energy generating facilities and distributed rooftop  
49 renewable energy facilities than the community is projected to  
50 use annually.

51 (d) Incorporates and integrates smart grid infrastructure  
52 and technology as a tool for improving grid performance; manages  
53 energy distribution, transmission, and consumption; maximizes  
54 efficiencies; and deploys high-speed digital operating systems  
55 and data transmission networks.

56 (e) Uses reasonable and customary industry practices in  
57 the design and construction of proposed renewable energy systems  
58 and smart grid infrastructure.

59 (f) Consists of a land area of at least 2,500 contiguous  
60 acres.

61 (g) Includes an accountability plan for developing project  
62 benchmarks and evaluating, measuring, and reporting project  
63 results against the criteria provided in subsection (4), with  
64 the involvement of members of the Florida Energy Systems  
65 Consortium and research universities, and extending the  
66 application of project knowledge throughout the state in  
67 partnership with the State University System. The plan shall  
68 provide for submission of the initial evaluation of project  
69 results to the Department of Economic Opportunity no later than  
70 July 1, 2014.

71 (4) A project is intended to demonstrate:

72 (a) The economic feasibility and viability of clean  
73 renewable energy systems and smart grid infrastructure and  
74 technologies.

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75 (b) The affordability and appeal of a sustainable smart  
76 community to industry and residents.

77 (c) The ability to attract a cluster of complementary  
78 industries and stimulate new capital investment in sustainable  
79 innovation and community infrastructure.

80 (d) The efficient management of energy distribution and  
81 consumption using smart grid systems to improve grid performance  
82 and community design and construction features.

83 (e) The incorporation of sustainable community design  
84 principles and construction features in a way that promotes  
85 health and wellness and the development and use of innovative  
86 alternatives in personal transportation, such as electric  
87 vehicles.

88 (f) The catalytic effect of a renewable energy-centered  
89 community and smart grid infrastructure system in spurring job  
90 creation.

91 (g) The ability to attract companies to this state to  
92 invest and create new jobs and industry.

93 (h) The stabilization of energy prices over time.

94 (i) The opportunities to enter into partnerships with the  
95 State University System in conducting research in innovative  
96 clean energy and smart technology communities and technologies  
97 and the translation of that research into business  
98 opportunities.

99 (j) The effectiveness of enhanced building techniques and  
100 design criteria in providing storm safety.

101 (5) When part of a project certified under this section, a  
102 provider may use customary and innovative alternatives for

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103 financing and recovering prudent and reasonable costs in planned  
104 energy infrastructure, such as renewable energy generating  
105 facilities and integrated smart grid infrastructure, and may  
106 initiate proceedings with the Public Service Commission pursuant  
107 to s. 366.94.

108 Section 3. Section 366.94, Florida Statutes, is created to  
109 read:

110 366.94 Renewable energy cost recovery as part of a  
111 Sustainable Community Demonstration Project.-

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

113 (a) "Costs" include all costs or expenses incurred by a  
114 provider in siting, licensing, designing, constructing, and  
115 operating a renewable energy generating facility and  
116 transmission, distribution and metering systems using integrated  
117 smart grid infrastructure and components. These costs include,  
118 but are not limited to, construction costs, inservice capital  
119 investments, engineering expenses, operation and maintenance  
120 expenses, and any applicable taxes. This term does not include  
121 the land on which the facility is constructed.

122 (b) "Renewable energy" has the same meaning as provided in  
123 s. 366.91(2)(d).

124 (c) "Renewable energy generating facility" or "facility"  
125 means a facility of less than 75 megawatt gross capacity which  
126 generates renewable energy, emits zero greenhouse gases at the  
127 point of generation, is constructed and operated by a provider  
128 as part of a Sustainable Community Demonstration Project  
129 certified under s. 288.036, and is part of the electric utility

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130 grid for this state. The term includes associated transmission  
131 and distribution systems.

132 (2) To demonstrate the feasibility and viability of  
133 renewable energy generating facilities and integrated smart grid  
134 infrastructure and the economic benefits for this state, and as  
135 an investment in renewable energy, the commission may approve  
136 all reasonable and prudent costs incurred by a provider under  
137 the environmental cost-recovery clause in s. 366.8255 for  
138 renewable energy generating facilities and integrated smart grid  
139 infrastructure, constructed and operated as part of a  
140 Sustainable Community Demonstration Project certified under s.  
141 288.036.

142 (a) When determining whether to approve the recovery of  
143 costs, the commission shall consider, among other factors, the  
144 projected long-term stabilization of energy costs and the  
145 legislative findings and intent in ss. 366.91(1) and 366.92(1),  
146 including, but not limited to:

- 147 1. Promoting this state's leadership among competitor  
148 states in the development of renewable energy resources;  
149 2. Diversifying the fuel mix;  
150 3. Reducing the growing dependence on fuel sources which  
151 results in an outflow of this state's capital;  
152 4. Encouraging new investments in innovation and job  
153 creation;  
154 5. Protecting the economic viability of renewable energy  
155 resources in this state; and  
156 6. Minimizing the volatility of fuel costs.

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157 (b) For purposes of this section, costs are reasonable and  
158 prudent if the provider has used reasonable and customary  
159 industry practices in the design, procurement, and construction  
160 of the facility and has integrated smart grid infrastructure in  
161 a cost-effective manner appropriate to the location of the  
162 facility.

163 (c) A provider must initiate proceedings with the  
164 commission no later than January 1, 2013.

165 (d) As part of the proceedings, each provider shall report  
166 its construction costs, in-service costs, operating and  
167 maintenance costs, hourly energy production of the renewable  
168 energy electrical generating facility, and any other information  
169 deemed relevant by the commission.

170 (e) The Legislature recognizes the potential catalytic  
171 effect that a demonstration project under this act will have on  
172 economic growth, job creation, entrepreneurial innovation and  
173 energy diversification. The Legislature also recognizes the  
174 investment and knowledge necessary to position this state as a  
175 hub for renewable energy and smart technology infrastructure,  
176 products and expertise, while reducing the risk of price  
177 instability and customer rate hikes resulting from the current  
178 lack of fuel diversity. As a result, the amount of cost recovery  
179 the commission may authorize for a demonstration project under  
180 this act is limited to a maximum of 5 cents per month for an  
181 average residential customer using 1,000 kilowatt hours per  
182 month, calculated on a levelized basis over the life of a  
183 facility projected to produce cost savings in a majority of  
184 those years.

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185       (3) This section applies only to a facility constructed  
186 and operated as part of a Sustainable Community Demonstration  
187 Project certified under s. 288.036. However, this section does  
188 not preclude a provider that is not a part of a Sustainable  
189 Community Demonstration Project from seeking cost recovery under  
190 any other applicable provision of law.

191       (4) The commission may adopt rules as necessary to  
192 administer this section.

193       Section 4. This act shall take effect upon becoming a law.

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197                   **T I T L E   A M E N D M E N T**

198       Remove the entire title and insert:

199       An act relating to economic development; providing a short  
200       title; creating s. 288.036, F.S.; establishing the Sustainable  
201       Community Demonstration Project; providing a purpose; providing  
202       legislative findings and intent; requiring that the Department  
203       of Economic Opportunity certify projects that meet certain  
204       requirements; authorizing a provider, as part of a certified  
205       project, to initiate proceedings pursuant to s. 366.94, F.S.;  
206       creating s. 366.94, F.S.; providing definitions; authorizing the  
207       Public Service Commission to approve all reasonable and prudent  
208       costs incurred by providers of certain renewable energy  
209       generating facilities; requiring that the commission consider  
210       certain factors when determining whether to approve the recovery  
211       of costs; requiring that a provider initiate proceedings with  
212       the commission by a specified date; providing requirements for



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213 the proceedings; establishing a cap on the amount the commission  
214 may approve for cost recovery; providing for application;  
215 authorizing the commission to adopt rules; providing an  
216 effective date.