

HB 1463

2012

1 A bill to be entitled  
2 An act relating to local government energy zones;  
3 defining terms; authorizing a local government to  
4 create an energy zone by ordinance; allowing a  
5 producer of renewable energy to produce and sell  
6 energy within the boundaries of the energy zone;  
7 requiring that the producer or new customer of  
8 renewable energy be offered an interruptible rate from  
9 the utility; authorizing retail sales by any producer  
10 of renewable energy within an energy zone; requiring  
11 the Public Service Commission to adopt rules to govern  
12 sales by producers of renewable energy within the  
13 local government energy zone; requiring that the  
14 commission submit reports to the Legislature; amending  
15 s. 366.02, F.S.; redefining the term "public utility"  
16 to exempt producers and sellers of renewable energy  
17 from economic regulation by the Public Service  
18 Commission; reenacting ss. 290.007(8) and  
19 768.1382(1)(e), F.S., relating to state incentives  
20 available in enterprise zones and streetlights,  
21 security lights, and other similar illumination  
22 devices, respectively, to incorporate the amendment  
23 made to s. 366.02, F.S., in references thereto;  
24 providing an effective date.

25  
26 Be It Enacted by the Legislature of the State of Florida:

27  
28 Section 1. Local government energy zones.-

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

30 (a) "Full avoided cost" has the same meaning as provided  
31 in s. 366.051, Florida Statutes.

32 (b) "Interruptible rate" means a rate approved by the  
33 Public Service Commission for service to renewable energy  
34 providers or their new customers which allows the utility to  
35 temporarily discontinue service at any time with or without  
36 notice when the utility is unable to provide service to the  
37 renewable energy producer or its new customer because the  
38 utility lacks capacity to serve the renewable energy producer or  
39 its new customer.

40 (c) "Local government" means a county or a municipality.

41 (d) "New customer" means a residence or business at a  
42 location where any previous sales of electricity were related  
43 solely to development or construction of the property.

44 (e) "Renewable energy" has the same meaning as provided in  
45 s. 366.91, Florida Statutes.

46 (2) A local government may adopt an ordinance establishing  
47 an energy zone within its political or geographic boundaries.  
48 Within this energy zone, a producer of renewable energy may sell  
49 renewable energy to any new customer directly at retail for any  
50 price agreed upon.

51 (a) All renewable energy sold under this section must be  
52 produced and used within the boundaries of the energy zone or  
53 sold through net metering onto the utility grid at the  
54 purchasing utility's full avoided cost.

55 (b) All producers of renewable energy which sell pursuant  
56 to this section must pay the utility that serves the energy zone

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57 1 1/2 cents for each kilowatt hour of renewable energy produced  
58 and sold.

59 (c) However, if and to the extent that the utility's  
60 services to the producer of renewable energy and its customers  
61 are on an interruptible-rate structure approved by the  
62 commission, the payment of 1 1/2 cents per kilowatt hour is  
63 waived.

64 (d) The utility shall offer to the producer and its  
65 customers an interruptible rate for any size service in the  
66 energy zone.

67 (e) This subsection does not prohibit a new customer from  
68 obtaining service directly from the electric utility.

69 (3) The Florida Public Service Commission shall adopt  
70 rules to administer this section. All sales of renewable energy  
71 within an energy zone are subject to these rules. The rules  
72 shall provide, at a minimum:

73 (a) Requirements related to interconnection with the  
74 utility's transmission and distribution facilities which may be  
75 necessary for metering or service.

76 (b) Criteria for setting rates for any service provided to  
77 the renewable energy producer or the new customer by the utility  
78 if such service is required. The rates must ensure that the  
79 utility's general ratepayers do not subsidize the renewable  
80 energy producer or the new customer in any way, including the  
81 creation of any redundant utility generating capacity necessary  
82 to serve the renewable energy producer or the new customer.

83 (c) Requirements for notice to the commission of the size  
84 and location of each renewable energy generation facility

85 planned under this section, the identity and historical and  
 86 projected load characteristics for the facility, and any other  
 87 information deemed necessary by the commission to satisfy its  
 88 obligations under s. 366.04(5), Florida Statutes.

89 (4) Beginning October 1, 2013, and at least once every 6  
 90 months thereafter, the commission shall submit a report to the  
 91 Legislature concerning activity under this section. The report  
 92 must address the effect of such activity on the electric power  
 93 grid of the state, the individual utility systems, and each  
 94 utility's general ratepayers. The report must also include  
 95 recommendations concerning implementation of this program.

96 Section 2. Subsection (1) of section 366.02, Florida  
 97 Statutes, is amended to read:

98 366.02 Definitions.—As used in this chapter:

99 (1) "Public utility" means every person, corporation,  
 100 partnership, association, or other legal entity and their  
 101 lessees, trustees, or receivers supplying electricity or gas,  
 102 whether ~~(natural, manufactured, or similar gaseous substance,)~~  
 103 to or for the public within this state. ~~but~~ The term "~~public~~  
 104 ~~utility~~" does not include: ~~either~~

105 (a) A cooperative now or hereafter organized and existing  
 106 under the Rural Electric Cooperative Law of the state.

107 (b) A municipality or any agency thereof.

108 (c) A ~~any~~ dependent or independent special natural gas  
 109 district.

110 (d) A ~~any~~ natural gas transmission pipeline company making  
 111 only sales or transportation delivery of natural gas at  
 112 wholesale and to direct industrial consumers.

113        (e) An ~~any~~ entity selling or arranging for sales of  
 114 natural gas which neither owns nor operates natural gas  
 115 transmission or distribution facilities within the state. ~~† or~~

116        (f) A person supplying liquefied petroleum gas, in either  
 117 liquid or gaseous form, irrespective of the method of  
 118 distribution or delivery, or owning or operating facilities  
 119 beyond the outlet of a meter through which natural gas is  
 120 supplied for compression and delivery into motor vehicle fuel  
 121 tanks or other transportation containers, unless the ~~such~~ person  
 122 also supplies electricity or manufactured or natural gas.

123        (g) A producer and seller of renewable energy, as defined  
 124 in s. 366.91.

125        Section 3. For the purpose of incorporating the amendment  
 126 made by this act to section 366.02, Florida Statutes, in a  
 127 reference thereto, subsection (8) of section 290.007, Florida  
 128 Statutes, is reenacted to read:

129        290.007 State incentives available in enterprise zones.—  
 130 The following incentives are provided by the state to encourage  
 131 the revitalization of enterprise zones:

132        (8) Notwithstanding any law to the contrary, the Public  
 133 Service Commission may allow public utilities and  
 134 telecommunications companies to grant discounts of up to 50  
 135 percent on tariffed rates for services to small businesses  
 136 located in an enterprise zone designated pursuant to s.  
 137 290.0065. Such discounts may be granted for a period not to  
 138 exceed 5 years. For purposes of this subsection, the term  
 139 "public utility" has the same meaning as in s. 366.02(1) and the  
 140 term "telecommunications company" has the same meaning as in s.

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141 364.02(13).

142 Section 4. For the purpose of incorporating the amendment  
143 made by this act to section 366.02, Florida Statutes, in a  
144 reference thereto, paragraph (e) of subsection (1) of section  
145 768.1382, Florida Statutes, is reenacted to read:

146 768.1382 Streetlights, security lights, and other similar  
147 illumination; limitation on liability.-

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

149 (e) "Streetlight provider" means the state or any of the  
150 state's officers, agencies, or instrumentalities, any political  
151 subdivision as defined in s. 1.01, any public utility as defined  
152 in s. 366.02(1), or any electric utility as defined in s.  
153 366.02(2).

154 Section 5. This act shall take effect July 1, 2012.