

By Senator Latvala

16-01377B-12

20121878

1 A bill to be entitled
2 An act relating to economic development; providing a
3 short title; creating s. 288.036, F.S.; establishing
4 the Sustainable Community Demonstration Project;
5 providing a purpose; providing legislative findings
6 and intent; requiring that the Department of Economic
7 Opportunity certify projects that meet certain
8 requirements; authorizing a certified project to
9 initiate proceedings pursuant to s. 366.94, F.S.;
10 creating s. 366.94, F.S.; providing definitions;
11 authorizing the Public Service Commission to approve
12 all reasonable and prudent costs incurred by providers
13 of certain renewable energy generating facilities;
14 requiring that the commission consider certain factors
15 when determining whether to approve the recovery of
16 costs; requiring that a provider initiate proceedings
17 with the commission by a specified date; providing
18 requirements for the proceedings; providing for
19 application; authorizing the commission to adopt
20 rules; providing an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. This act may be cited as the "Babcock
25 Sustainable Community Demonstration Project Act."

26 Section 2. Section 288.036, Florida Statutes, is created to
27 read:

28 288.036 Sustainable Community Demonstration Project.-

29 (1) The purpose of this section is to establish the

16-01377B-12

20121878

30 Sustainable Community Demonstration Project and to certify
31 projects that demonstrate the catalytic economic, technological,
32 and environmental benefits of a prototypical community as a
33 living laboratory for accelerating economic development through
34 innovative technological infrastructure and capital investment,
35 including clean renewable energy systems and smart grid
36 technologies.

37 (2) The Legislature finds that the Sustainable Community
38 Demonstration Project is in the public interest and will advance
39 state economic development goals and promote fuel diversity,
40 energy independence, and innovation in this state as expressed
41 in the legislative findings and intent in ss. 366.91 and 366.92.
42 It is the intent of the Legislature that a project certified as
43 a Sustainable Community Demonstration Project result in the
44 creation of a cluster of high-wage, high-skilled complementary
45 technology and communications industries which can become a
46 magnet for new capital investment, job creation, and innovation
47 in the region and throughout the state, and serve as a model for
48 the future development of new communities and the retrofitting
49 of existing communities.

50 (3) A project must be designed to demonstrate:

51 (a) The economic feasibility and viability of clean
52 renewable energy systems and smart grid infrastructure and
53 technologies.

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

56 (c) The ability to attract a cluster of complementary
57 industries and stimulate new capital investment in sustainable
58 innovation and community infrastructure.

16-01377B-12

20121878

59 (d) The efficient management of energy distribution and
60 consumption using smart grid systems to improve grid performance
61 and community design and construction features.

62 (e) The incorporation of sustainable community design
63 principles and construction features in a way that promotes
64 health and wellness and the development and use of innovative
65 alternatives in personal transportation, such as electric
66 vehicles.

67 (f) The catalytic effect of a renewable energy-centered
68 community and smart grid infrastructure system in spurring job
69 creation.

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

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

73 (i) The opportunities to enter into partnerships with the
74 State University System in conducting research in innovative
75 clean energy and smart technology communities and technologies
76 and the translation of that research into business
77 opportunities.

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

80 (4) The Department of Economic Opportunity shall certify a
81 project as a Sustainable Community Demonstration Project if, in
82 addition to complying with any applicable law, the project:

83 (a) Is comprehensive in scope by addressing the full range
84 of community infrastructure, including renewable energy systems,
85 smart grid technologies, data communications networks,
86 alternative transportation mobility systems, sources for
87 powering electric vehicles, digital learning centers, health and

16-01377B-12

20121878

88 wellness features, and storm safety.

89 (b) Has in place the permits and entitlements required for
90 primary infrastructure before securing building permits for a
91 particular phase of construction.

92 (c) Proposes to produce more electricity from on-site
93 renewable energy generating facilities and distributed rooftop
94 renewable energy facilities than the community is projected to
95 use annually.

96 (d) Incorporates and integrates smart grid infrastructure
97 and technology as a tool for improving grid performance; manages
98 energy distribution, transmission, and consumption; maximizes
99 efficiencies; and deploys high-speed digital operating systems
100 and data transmission networks.

101 (e) Uses reasonable and customary industry practices in the
102 design and construction of proposed renewable energy systems and
103 smart grid infrastructure.

104 (f) Consists of a land area of at least 10,000 contiguous
105 acres and is located within a legislatively created special
106 district or approved development of regional impact.

107 (g) Includes a plan for developing project benchmarks and
108 evaluating, measuring, and reporting project results, with the
109 involvement of members of the Florida Energy Systems Consortium
110 and research universities, and extending the application of
111 project knowledge throughout the state in partnership with the
112 State University System.

113 (5) A project certified under this section may use
114 customary and innovative alternatives for financing and
115 recovering prudent and reasonable costs in planned energy
116 infrastructure, such as renewable energy generating facilities

16-01377B-12

20121878

117 and integrated smart grid infrastructure, and may initiate
118 proceedings with the Public Service Commission pursuant to s.
119 366.94.

120 Section 3. Section 366.94, Florida Statutes, is created to
121 read:

122 366.94 Renewable energy cost recovery as part of a
123 Sustainable Community Demonstration Project.-

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

125 (a) "Costs" include all costs or expenses incurred by a
126 provider in siting, licensing, designing, constructing, and
127 operating a renewable energy generating facility, including, but
128 not limited to, construction costs, inservice capital
129 investments, engineering expenses, operation and maintenance
130 expenses, and any applicable taxes. This term does not include
131 the land on which the facility is constructed.

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

134 (c) "Renewable energy generating facility" or "facility"
135 means a facility of less than 75 megawatt gross capacity which
136 generates renewable energy, is constructed and operated as part
137 of a Sustainable Community Demonstration Project certified under
138 s. 288.036, and is part of the electric utility grid for this
139 state.

140 (2) To demonstrate the feasibility and viability of
141 renewable energy generating facilities integrated with smart
142 grid infrastructure and the economic benefits for this state,
143 and as an investment in renewable energy, the commission may
144 approve all reasonable and prudent costs incurred by a provider
145 under the environmental cost-recovery clause in s. 366.8255 for

16-01377B-12

20121878

146 renewable energy generating facilities that emit zero greenhouse
147 gases at the point of generation, have integrated smart grid
148 infrastructure, and are constructed and operated as part of a
149 Sustainable Community Demonstration Project certified under s.
150 288.036.

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

156 1. Promoting this state's leadership among competitor
157 states in the development of renewable energy resources;

158 2. Diversifying the fuel mix;

159 3. Reducing the growing dependence on fuel sources which
160 results in an outflow of this state's capital;

161 4. Encouraging new investments in innovation and job
162 creation; and

163 5. Protecting the economic viability of renewable energy
164 resources in this state.

165 (b) For purposes of this section, costs are reasonable and
166 prudent if the provider has used reasonable and customary
167 industry practices in the design, procurement, and construction
168 of the facility and has integrated smart grid infrastructure in
169 a cost-effective manner appropriate to the location of the
170 facility.

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

173 (d) As part of the proceedings, each provider shall report
174 its construction costs, in-service costs, operating and

16-01377B-12

20121878__

175 maintenance costs, hourly energy production of the renewable
176 energy electrical generating facility, and any other information
177 deemed relevant by the commission.

178 (3) This section applies only to a facility constructed and
179 operated as part of a Sustainable Community Demonstration
180 Project certified under s. 288.036.

181 (4) The commission may adopt rules as necessary to
182 administer this section.

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