

By Senator Bennett

21-00546-12

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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.—

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

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30 (a) "Full avoided cost" has the same meaning as provided in
31 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
57 1 1/2 cents for each kilowatt hour of renewable energy produced
58 and sold.

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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 rules
70 to administer this section. All sales of renewable energy within
71 an energy zone are subject to these rules. The rules shall
72 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

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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 natural
114 gas which neither owns nor operates natural gas transmission or
115 distribution facilities within the state. ~~or~~

116 (f) A person supplying liquefied petroleum gas, in either

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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.—The
130 following incentives are provided by the state to encourage the
131 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.
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:

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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.