

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WITHDRAWN	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>	

1 Committee/Subcommittee hearing bill: State Affairs Committee
 2 Representative Plakon offered the following:

3
 4 **Amendment (with title amendment)**

5 Remove lines 778-1101 and insert:

6 Section 8. Paragraph (c) of subsection (5) of section
 7 20.60, Florida Statutes, is amended to read:

8 (5) The divisions within the department have specific
 9 responsibilities to achieve the duties, responsibilities, and
 10 goals of the department. Specifically:

11 (c) The Division of Workforce Services shall:

12 1. Prepare and submit a unified budget request for
 13 workforce in accordance with chapter 216 for, and in conjunction
 14 with, Workforce Florida, Inc., and its board.

15 2. Ensure that the state appropriately administers federal
 16 and state workforce funding by administering plans and policies
 17 of Workforce Florida, Inc., under contract with Workforce
 18 Florida, Inc. The operating budget and midyear amendments
 19 thereto must be part of such contract.

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20 a. All program and fiscal instructions to regional
21 workforce boards shall emanate from the Department of Economic
22 Opportunity pursuant to plans and policies of Workforce Florida,
23 Inc., which shall be responsible for all policy directions to
24 the regional workforce boards.

25 b. Unless otherwise provided by agreement with Workforce
26 Florida, Inc., administrative and personnel policies of the
27 Department of Economic Opportunity shall apply.

28 3. Implement the state's unemployment compensation
29 program. The Department of Economic Opportunity shall ensure
30 that the state appropriately administers the unemployment
31 compensation program pursuant to state and federal law.

32 4. Assist in developing the 5-year statewide strategic
33 plan required by this section.

34 5. Prepare an independent economic impact study for each
35 renewable energy project submitted to the Public Service
36 Commission for a public interest determination and provided to
37 the department for review pursuant to s. 366.92. The study shall
38 include, but is not limited to, the impacts of the project on
39 regional employment, income, compensation, and output.

40 Section 9. Section 366.92, Florida Statutes, is amended to
41 read:

42 366.92 Florida renewable energy policy.-

43 (1) It is the intent of the Legislature to promote the
44 development of renewable energy; protect the economic viability
45 of Florida's existing renewable energy facilities; diversify the
46 types of fuel used to generate electricity in Florida; lessen
47 Florida's dependence on natural gas and fuel oil for the

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48 production of electricity; minimize the volatility of fuel
49 costs; encourage investment within the state; improve
50 environmental conditions; and, at the same time, minimize the
51 costs of power supply to electric utilities and their customers.

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

53 (a) "Department" means the Department of Economic
54 Opportunity ~~"Florida renewable energy resources"~~ means renewable
55 energy, as defined in s. 377.803, that is produced in Florida.

56 ~~(b) "Provider" means a "utility" as defined in s.~~
57 ~~366.8255(1)(a).~~

58 ~~(b)(e)~~ "Renewable energy" means renewable energy as
59 defined in s. 366.91(2)(d) that is produced in this state.

60 (c) "Renewable energy project" means the construction of a
61 new renewable energy generating facility, the conversion of an
62 existing fossil fuel generating facility to a renewable energy
63 generating facility, or a contract for the purchase of renewable
64 energy from a nonutility generating facility.

65 (d) "Utility" means an electric utility as defined in s.
66 366.8255 ~~"Renewable energy credit" or "REC" means a product that~~
67 ~~represents the unbundled, separable, renewable attribute of~~
68 ~~renewable energy produced in Florida and is equivalent to 1~~
69 ~~megawatt-hour of electricity generated by a source of renewable~~
70 ~~energy located in Florida.~~

71 ~~(e) "Renewable portfolio standard" or "RPS" means the~~
72 ~~minimum percentage of total annual retail electricity sales by a~~
73 ~~provider to consumers in Florida that shall be supplied by~~
74 ~~renewable energy produced in Florida.~~

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75 (3) (a) A utility may petition the commission to determine
76 pursuant to this section that a proposed renewable energy
77 project, selected as a result of competitive bidding, is in the
78 public interest. Notwithstanding s. 366.91(3) and (4), the
79 commission shall determine that a proposed project is in the
80 public interest if the commission finds that the project
81 provides an overall net benefit to the state. A public interest
82 determination is available only for those renewable energy
83 projects that are exempt from the requirement to obtain a
84 determination of need pursuant to s. 403.519
85
86 , and may be requested in the discretion of a utility as an
87 alternative to a prudence determination through any other
88 available process.

89
90 (b) In evaluating whether a renewable energy project,
91 selected as a result of competitive bidding and proposed by a
92 utility for consideration, is prudent and in the public
93 interest, the commission shall consider:

94 1. The estimated cost and estimated rate impacts of the
95 project;

96 2. The impact of the project on the reliability and
97 integrity of the utility's system and the statewide electric
98 grid;

99 3. The extent to which the project strengthens fuel supply
100 reliability to the utility and the state;

101 4. The extent to which the project promotes rate stability
102 by reducing the risk of fuel cost volatility;

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103 5. The extent to which the project retains energy
104 expenditures in the state or regional economy;

105 6. The extent to which the project reduces the utility's
106 regulatory costs associated with adverse environmental impacts;
107 and

108 7. The regional and statewide net economic benefits
109 associated with the project, taking into consideration an
110 independent economic impact study of the project prepared by the
111 department.

112 (c) The commission shall approve for recovery through the
113 environmental cost recovery clause all reasonable and prudent
114 costs incurred by a utility for a renewable energy project that
115 the commission determines to be in the public interest pursuant
116 to this section. For a new renewable energy generating facility,
117 recoverable costs include, but are not limited to, the siting,
118 licensing, engineering, design, permitting, construction,
119 operation, and maintenance of such facilities, including any
120 applicable taxes and a return based on the utility's last
121 authorized rate of return. For conversion of an existing fossil
122 fuel generating facility to a renewable energy generating
123 facility, recoverable costs include reasonable and prudent
124 conversion costs, including the costs of retirement of the
125 fossil fuel plant that exceed any amounts accrued by the
126 provider for such purposes through rates previously set by the
127 commission. For purchase of renewable energy from a nonutility
128 generating facility, recoverable costs include the reasonable
129 and prudent costs associated with the purchase.

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Bill No. CS/HB 7117 (2012)

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130 ~~(3) The commission shall adopt rules for a renewable~~
131 ~~portfolio standard requiring each provider to supply renewable~~
132 ~~energy to its customers directly, by procuring, or through~~
133 ~~renewable energy credits. In developing the RPS rule, the~~
134 ~~commission shall consult the Department of Environmental~~
135 ~~Protection and the Department of Agriculture and Consumer~~
136 ~~Services. The rule shall not be implemented until ratified by~~
137 ~~the Legislature. The commission shall present a draft rule for~~
138 ~~legislative consideration by February 1, 2009.~~

139 ~~(a) In developing the rule, the commission shall evaluate~~
140 ~~the current and forecasted levelized cost in cents per kilowatt~~
141 ~~hour through 2020 and current and forecasted installed capacity~~
142 ~~in kilowatts for each renewable energy generation method through~~
143 ~~2020.~~

144 ~~(b) The commission's rule:~~

145 ~~1. Shall include methods of managing the cost of~~
146 ~~compliance with the renewable portfolio standard, whether~~
147 ~~through direct supply or procurement of renewable power or~~
148 ~~through the purchase of renewable energy credits. The commission~~
149 ~~shall have rulemaking authority for providing annual cost~~
150 ~~recovery and incentive-based adjustments to authorized rates of~~
151 ~~return on common equity to providers to incentivize renewable~~
152 ~~energy. Notwithstanding s. 366.91(3) and (4), upon the~~
153 ~~ratification of the rules developed pursuant to this subsection,~~
154 ~~the commission may approve projects and power sales agreements~~
155 ~~with renewable power producers and the sale of renewable energy~~
156 ~~credits needed to comply with the renewable portfolio standard.~~
157 ~~In the event of any conflict, this subparagraph shall supersede~~

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158 ~~s. 366.91(3) and (4). However, nothing in this section shall~~
159 ~~alter the obligation of each public utility to continuously~~
160 ~~offer a purchase contract to producers of renewable energy.~~

161 ~~2. Shall provide for appropriate compliance measures and~~
162 ~~the conditions under which noncompliance shall be excused due to~~
163 ~~a determination by the commission that the supply of renewable~~
164 ~~energy or renewable energy credits was not adequate to satisfy~~
165 ~~the demand for such energy or that the cost of securing~~
166 ~~renewable energy or renewable energy credits was cost~~
167 ~~prohibitive.~~

168 ~~3. May provide added weight to energy provided by wind and~~
169 ~~solar photovoltaic over other forms of renewable energy, whether~~
170 ~~directly supplied or procured or indirectly obtained through the~~
171 ~~purchase of renewable energy credits.~~

172 ~~4. Shall determine an appropriate period of time for which~~
173 ~~renewable energy credits may be used for purposes of compliance~~
174 ~~with the renewable portfolio standard.~~

175 ~~5. Shall provide for monitoring of compliance with and~~
176 ~~enforcement of the requirements of this section.~~

177 ~~6. Shall ensure that energy credited toward compliance~~
178 ~~with the requirements of this section is not credited toward any~~
179 ~~other purpose.~~

180 ~~7. Shall include procedures to track and account for~~
181 ~~renewable energy credits, including ownership of renewable~~
182 ~~energy credits that are derived from a customer-owned renewable~~
183 ~~energy facility as a result of any action by a customer of an~~
184 ~~electric power supplier that is independent of a program~~
185 ~~sponsored by the electric power supplier.~~

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186 ~~8. Shall provide for the conditions and options for the~~
187 ~~repeal or alteration of the rule in the event that new~~
188 ~~provisions of federal law supplant or conflict with the rule.~~

189 ~~(c) Beginning on April 1 of the year following final~~
190 ~~adoption of the commission's renewable portfolio standard rule,~~
191 ~~each provider shall submit a report to the commission describing~~
192 ~~the steps that have been taken in the previous year and the~~
193 ~~steps that will be taken in the future to add renewable energy~~
194 ~~to the provider's energy supply portfolio. The report shall~~
195 ~~state whether the provider was in compliance with the renewable~~
196 ~~portfolio standard during the previous year and how it will~~
197 ~~comply with the renewable portfolio standard in the upcoming~~
198 ~~year.~~

199 (4) The commission shall adopt rules to implement a public
200 interest determination process by which it shall determine
201 whether a renewable energy project, proposed by a utility for
202 purposes of supplying electrical energy to its retail customers,
203 provides an overall net benefit to the state pursuant to the
204 criteria in subsection (3). The commission's rules shall:

205 (a) Provide a process for competitive bidding of a
206 renewable energy project based on the type and technology of the
207 renewable energy resource that the utility elects to use.

208 (b) Provide minimum requirements and information that a
209 utility must include in a request for proposals for a new
210 renewable energy project and other information related to the
211 request for proposal and competitive bidding processes.

212 (c) Establish minimum requirements and information that a
213 utility must include in a petition for a public interest

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214 determination for a renewable energy project, including
215 information required by the department to conduct an economic
216 impact study of the project as required by s. 20.60.

217 (d) Provide for recovery through the environmental cost
218 recovery clause of all reasonable and prudent costs incurred by
219 a utility for a renewable energy project that the commission
220 determines to be in the public interest pursuant to subsection
221 (3).

222 (e) Establish a mechanism for the sharing of revenues
223 derived from any renewable energy credit, carbon credit, or
224 other mechanism that attributes value to the production of
225 renewable energy, either existing or hereafter devised, and
226 received by a utility by virtue of the production or purchase of
227 renewable energy found to be in the public interest pursuant to
228 subsection (3). The utility shall be entitled to retain from
229 these revenues no more than the amount deemed reasonable by the
230 commission to cover the utility's transaction costs associated
231 with the credit or other mechanism, plus 5 percent of the
232 remaining revenues. The remainder of the revenues shall be
233 credited to the utility's ratepayers.

234 (f) Require a utility to report to the commission on an
235 annual basis, with respect to any renewable energy project that
236 the commission determines to be in the public interest, the
237 status of the project, the economic impacts of the project on
238 the region and the state, the amount and type of fuel displaced
239 by the project, operational statistics, and any other
240 information deemed relevant by the commission.

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241 (g) Require a seller of renewable energy, under a
242 purchased power agreement approved pursuant to the commission's
243 rules and this subsection, to surrender to the utility all
244 renewable attributes of the renewable energy purchased.

245
246 Agency rules promulgated under the authority of this subsection
247 shall not take effect before July 1, 2013.

248 ~~(4) In order to demonstrate the feasibility and viability~~
249 ~~of clean energy systems, the commission shall provide for full~~
250 ~~cost recovery under the environmental cost-recovery clause of~~
251 ~~all reasonable and prudent costs incurred by a provider for~~
252 ~~renewable energy projects that are zero greenhouse gas emitting~~
253 ~~at the point of generation, up to a total of 110 megawatts~~
254 ~~statewide, and for which the provider has secured necessary~~
255 ~~land, zoning permits, and transmission rights within the state.~~
256 ~~Such costs shall be deemed reasonable and prudent for purposes~~
257 ~~of cost recovery so long as the provider has used reasonable and~~
258 ~~customary industry practices in the design, procurement, and~~
259 ~~construction of the project in a cost-effective manner~~
260 ~~appropriate to the location of the facility. The provider shall~~
261 ~~report to the commission as part of the cost-recovery~~
262 ~~proceedings the construction costs, in-service costs, operating~~
263 ~~and maintenance costs, hourly energy production of the renewable~~
264 ~~energy project, and any other information deemed relevant by the~~
265 ~~commission. Any provider constructing a clean energy facility~~
266 ~~pursuant to this section shall file for cost recovery no later~~
267 ~~than July 1, 2009.~~

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268 (5) (a) Within 7 days after receipt of a petition for a
269 public interest determination pursuant to subsection (3), the
270 commission, through administrative review by its staff, shall
271 determine whether the petition is complete. If the commission
272 finds that the petition is not complete, it shall notify the
273 petitioner of all deficiencies and provide the petitioner an
274 opportunity to correct the deficiencies through an amended or
275 supplemental filing.

276 (b) When the commission determines that a petition is
277 complete, the commission shall notify the department and forward
278 a copy of the petition to the department within 3 days. After
279 receipt and review of the petition, the department may request
280 any additional information it deems necessary to complete an
281 economic impact study of the project as required by s. 20.60.

282 (c) Within 45 days after receipt of the complete petition
283 or 30 days after receipt of all additional information
284 requested, whichever is later, the department shall complete its
285 economic impact study and submit a report reflecting the results
286 of the study to the commission for consideration in the
287 commission's public interest determination proceeding. The
288 department's study and report are not subject to the provisions
289 of ss. 120.569 and 120.57. Any party to the commission's public
290 interest determination proceeding may present evidence to the
291 commission concerning the regional and statewide net economic
292 benefits associated with the project.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 7117 (2012)

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296

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

297

Remove line 52 and insert:

298

prepare an independent economic impact study for certain