

**By** the Committee on Communications, Energy, and Public Utilities; and Senators Legg, Latvala, Simpson, and Brandes

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20131472c1

1 A bill to be entitled

2 An act relating to nuclear and integrated gasification  
3 combined cycle power plants; amending s. 366.93, F.S.;  
4 modifying an alternative cost recovery mechanism for  
5 the recovery of costs for the siting, design,  
6 licensing, and construction of nuclear and integrated  
7 gasification combined cycle power plants; establishing  
8 a procedure and requirements for cost recovery based  
9 on preconstruction and construction phases; requiring  
10 the Public Service Commission to review the  
11 circumstances surrounding a proposed nuclear power  
12 plant if the anticipated cost and completion date  
13 exceed the original cost and completion date by a  
14 certain amount or period; specifying factors to be  
15 considered and dates by which the review must commence  
16 and be completed; providing an effective date.

17  
18 Be It Enacted by the Legislature of the State of Florida:

19  
20 Section 1. Subsections (1) through (3) of section 366.93,  
21 Florida Statutes, are amended to read:

22 366.93 Cost recovery for the siting, design, licensing, and  
23 construction of nuclear and integrated gasification combined  
24 cycle power plants.—

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

26 (a) "Cost" includes, but is not limited to, all capital  
27 investments, including rate of return, any applicable taxes, and  
28 all expenses, including operation and maintenance expenses,  
29 related to or resulting from the siting, licensing, design,

579-03904-13

20131472c1

30 construction, or operation of the nuclear power plant, including  
31 new, expanded, or relocated electrical transmission lines or  
32 facilities of any size which ~~that~~ are necessary thereto, or of  
33 the integrated gasification combined cycle power plant.

34 (b) "Electric utility" or "utility" has the same meaning as  
35 that provided in s. 366.8255(1) (a).

36 (c) "Integrated gasification combined cycle power plant" or  
37 "plant" means an electrical power plant as defined in s.  
38 403.503(14) which ~~that~~ uses synthesis gas produced by integrated  
39 gasification technology.

40 (d) "Nuclear power plant" or "plant" means an electrical  
41 power plant as defined in s. 403.503(14) which ~~that~~ uses nuclear  
42 materials for fuel.

43 (e) "Power plant" or "plant" means a nuclear power plant or  
44 an integrated gasification combined cycle power plant.

45 (f) "Preconstruction" is that period of time after a site,  
46 including ~~any~~ related electrical transmission lines or  
47 facilities, has been selected through and including the date the  
48 utility completes site clearing work. Preconstruction costs must  
49 ~~shall~~ be afforded deferred accounting treatment and ~~shall~~ accrue  
50 a carrying charge equal to the utility's allowance for funds  
51 during construction (AFUDC) rate until recovered in rates.

52 (2) Within 6 months after the enactment of this act, the  
53 commission shall establish, by rule, alternative cost recovery  
54 mechanisms for the recovery of costs incurred in the siting,  
55 design, licensing, and construction of a nuclear power plant,  
56 including new, expanded, or relocated electrical transmission  
57 lines and facilities that are necessary thereto, or of an  
58 integrated gasification combined cycle power plant. Such

579-03904-13

20131472c1

59 mechanisms must ~~shall~~ be designed to promote utility investment  
60 in nuclear or integrated gasification combined cycle power  
61 plants and allow for the recovery in rates of all prudently  
62 incurred costs, including ~~and shall include~~, but not be limited  
63 to:

64 (a) Recovery through the capacity cost recovery clause of  
65 any preconstruction costs.

66 (b) Recovery through an incremental increase in the  
67 utility's capacity cost recovery clause rates of the carrying  
68 costs on the utility's projected construction cost balance  
69 associated with the nuclear or integrated gasification combined  
70 cycle power plant. To encourage investment and provide  
71 certainty, ~~for nuclear or integrated gasification combined cycle~~  
72 ~~power plant need petitions submitted on or before December 31,~~  
73 ~~2010,~~ associated carrying costs must shall be equal to the most  
74 recently approved pretax AFUDC at the time an increment of cost  
75 recovery is sought ~~in effect upon this act becoming law. For~~  
76 ~~nuclear or integrated gasification combined cycle power plants~~  
77 ~~for which need petitions are submitted after December 31, 2010,~~  
78 ~~the utility's existing pretax AFUDC rate is presumed to be~~  
79 ~~appropriate unless determined otherwise by the commission in the~~  
80 ~~determination of need for the nuclear or integrated gasification~~  
81 ~~combined cycle power plant.~~

82 (3) (a) After a petition for determination of need is  
83 granted, a utility may petition the commission for cost recovery  
84 as permitted by this section and commission rules.

85 (b) During the time that a utility seeks to obtain a  
86 combined license from the Nuclear Regulatory Commission for a  
87 nuclear power plant or a certification for an integrated

579-03904-13

20131472c1

88 gasification combined cycle power plant, the utility may recover  
89 only costs related to, or necessary for, obtaining such  
90 licensing or certification.

91 (c) After a utility obtains a license or certification, it  
92 must petition the commission for approval before proceeding with  
93 preconstruction work beyond those activities necessary to obtain  
94 or maintain a license or certificate.

95 1. The only costs that a utility that has obtained a  
96 license or certification may recover before obtaining commission  
97 approval are those that are previously approved or necessary to  
98 maintain the license or certification.

99 2. In order for the commission to approve preconstruction  
100 work on a plant, it must determine that:

101 a. There is still a need for the plant; and

102 b. The projected costs for the plant are reasonable.

103 (d) After a utility obtains approval to proceed with post-  
104 licensing or post-certification preconstruction work, it must  
105 petition the commission for approval of any preconstruction  
106 materials or equipment purchases that exceed 1 percent of the  
107 total projected cost for the project.

108 (e) A utility must petition the commission for approval  
109 before beginning the construction phase.

110 1. The only costs that a utility that has obtained  
111 commission approval may recover before beginning construction  
112 work are those that are previously approved or necessary to  
113 maintain the license or certification.

114 2. In order for the commission to approve proceeding with  
115 construction on a plant, it must determine that:

116 a. There is still a need for the plant; and

579-03904-13

20131472c1

117 b. The projected costs for the plant are reasonable.

118 (f) If a utility has not begun construction of a plant  
119 within:

120 1. Ten years after the date on which it obtains a combined  
121 license from the Nuclear Regulatory Commission for a nuclear  
122 power plant or a certification for an integrated gasification  
123 combined cycle power plant, it must petition the commission to  
124 preserve the opportunity for future recovery under this section  
125 for costs relating to that plant. The commission must determine  
126 whether the utility remains intent on building the plant.

127 a. If the commission finds that the utility remains intent  
128 on building the plant, the utility may continue to recover  
129 costs.

130 b. If the commission finds a lack of such intent, it may  
131 enter an order prohibiting recovery of any future costs relating  
132 to the plant, notwithstanding any other provision of law.

133 2. Twenty years after the date on which it obtains a  
134 combined license from the Nuclear Regulatory Commission for a  
135 nuclear power plant or a certification for an integrated  
136 gasification combined cycle power plant, the utility may not  
137 recover future costs relating to that plant under this or  
138 another section, notwithstanding any other provision of law.

139 Section 2. The Public Service Commission shall perform a  
140 comprehensive review of the continuing prudence, cost  
141 effectiveness, and need for any proposed nuclear power plant for  
142 which cost recovery under section 366.93, Florida Statutes, has  
143 been authorized if the currently anticipated inservice date for  
144 the plant has been extended more than 6 years beyond the  
145 original proposed inservice date and if the most recent estimate

579-03904-13

20131472c1

146 of the plant's total cost has increased by more than 50 percent  
147 of the original cost estimate for the plant. In making this  
148 determination, the commission must consider all relevant  
149 factors, including, but not limited to, the utility's need for  
150 the plant, technology and fuel choices, applicable federal and  
151 state licensing and permitting factors, and short- and long-term  
152 costs to ratepayers. Based on its review, the commission shall  
153 determine whether to authorize for cost recovery under section  
154 366.93, Florida Statutes, any new or future costs for which cost  
155 recovery has not already been authorized. Such review shall  
156 commence on or before June 1, 2013, and shall be completed by  
157 February 1, 2014.

158 Section 3. This act shall take effect July 1, 2013.