

By Senator Simmons

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1                   A bill to be entitled  
2       An act relating to the energy grid; creating s.  
3       366.96, F.S.; providing legislative intent; defining  
4       terms; requiring the Public Service Commission to hold  
5       a series of hearings to determine certain disaster  
6       hardening standards for each electric utility;  
7       requiring the commission to determine an energy grid  
8       improvement plan for each electric utility; specifying  
9       the maximum period for such plans' implementation;  
10      requiring the commission to allow such plans to be  
11      modified at certain intervals; specifying  
12      considerations for determining such standards and  
13      plans; requiring the commission to issue an order for  
14      the electric utilities to implement and fund their  
15      plans; authorizing the commission to grant a single  
16      extension of plan deadlines every 5 years under  
17      certain circumstances; requiring the commission to  
18      submit a report to the Legislature on specified dates;  
19      requiring the commission to adopt certain rules and  
20      issue certain orders; providing an effective date.

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

23  
24       Section 1. Section 366.96, Florida Statutes, is created to  
25 read:

26       366.96 Electric utility disaster hardening.-

27       (1) It is the intent of the Legislature that the number of  
28 electric utility customers without electricity after natural and  
29 manmade disasters and other major events, including storms, and

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30 the duration of such outages be reduced. Furthermore, it is the  
31 intent of the Legislature that such reductions be accomplished  
32 at a cost that is fair and reasonable for the state's electric  
33 utility customers.

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

35 (a) "Commission" means the Florida Public Service  
36 Commission.

37 (b) "Electric utility" has the same meaning as in s.  
38 366.02.

39 (c) "Energy grid" means an electric utility's  
40 interconnected generation, transmission, and distribution  
41 infrastructure.

42 (3) Pursuant to its authority under ss. 366.04(2)(c) and  
43 366.05(8), the commission shall hold a series of public  
44 hearings, including customer hearings throughout the state, to  
45 determine for various critical circumstances, and especially for  
46 each storm and hurricane category, the following disaster  
47 hardening standards that each electric utility may be able to  
48 achieve at a reasonable cost:

49 (a) The highest acceptable percentage of customers without  
50 electricity for each 24-hour period after a storm.

51 (b) The longest period of time for complete restoration,  
52 replacement, or renovation of the energy grid.

53 (4) During the process specified in subsection (3), the  
54 commission must also determine a disaster preparation and energy  
55 grid improvement plan for each electric utility to achieve the  
56 developed standards, including all necessary improvements and  
57 the time within which the electric utility must complete each  
58 improvement. The plan implementation period may be up to 20

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59 years, and the commission must allow for the plan to be modified  
60 at least every 5 years.

61 (5) In making the determinations in subsections (3) and  
62 (4), the commission must consider all of the following:

63 (a) The available projections for the number and severity  
64 of storms in the future and for changes in sea level, storm  
65 surge, and flooding;

66 (b) The projected costs of outages and of restorations  
67 which would be avoided by the standards and plans;

68 (c) The projected benefits of the standards and plans;

69 (d) Any alternatives to the traditional energy grid which  
70 provide strengthening or resiliency benefits to the energy grid,  
71 including distributed generation and microgrids; and

72 (e) The individual circumstances and characteristics of  
73 each electric utility, including:

74 1. The utility's energy grid, taking into account its  
75 history of outages, restorations, the time necessary to complete  
76 each restoration, and the factors involved in restoration and  
77 timing of completion;

78 2. The utility's ratepayer base;

79 3. The utility's existing cost recovery structure and  
80 rates;

81 4. Any potential alternative standards and goals for the  
82 utility, including implementing alternative forms of renewable  
83 energy;

84 5. Available energy grid improvements for the utility,  
85 including the benefits and costs of such improvements and the  
86 impact of such improvements on rates;

87 6. The total cost of each utility's plan. This must include

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88 the expected cost to consumers of implementing the plan shown in  
89 relation to the benefits to be achieved, such as the potential  
90 savings from outages and restoration costs avoided; and

91 7. A reasonable period for the utility to implement the  
92 plan.

93 (6) Upon completion of the development of standards and a  
94 plan for each electric utility, the commission must issue an  
95 order requiring each electric utility to implement the plan to  
96 meet the standards and specifying the method for payment of the  
97 plan, including each utility's authorized assessment to  
98 ratepayers for plan costs.

99 (7) During any 5-year period, an electric utility may apply  
100 to the commission for a single extension for one or more plan  
101 deadlines specified in the order. The commission may grant the  
102 extension if the electric utility provides to the commission  
103 sufficient evidence that an extension is in the best interest of  
104 the utility's ratepayers.

105 (8) (a) By February 1, 2019, and every 5 years thereafter,  
106 the commission shall submit a report to the President of the  
107 Senate and the Speaker of the House of Representatives which  
108 describes, for each electric utility, the commission's  
109 determination and order for that electric utility on its  
110 standards, a plan for grid improvement, the timetable for  
111 completion of the plan, and the projected costs and benefits of  
112 the plan.

113 (b) The commission shall adopt rules and issue orders as  
114 are necessary and proper to implement this section.

115 Section 2. This act shall take effect upon becoming a law.