



973390

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/21/2023	.	
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The Committee on Regulated Industries (DiCeglie) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (9) of section 366.91, Florida Statutes, is amended, and subsections (10) and (11) are added to that section, to read:

366.91 Renewable energy.—

(9) A public utility's ~~The commission may approve cost recovery by a gas public utility for~~ contracts for the purchase



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11 of renewable natural gas and hydrogen-based fuel in which the
12 pricing provisions exceed the current market price of natural
13 gas are eligible for cost recovery, but only if ~~which are~~
14 ~~otherwise deemed reasonable and prudent by the commission~~ finds
15 that the contract meets the overall goals of subsection (1) by
16 promoting the development or use of renewable energy resources
17 in this state and providing fuel diversification and that the
18 contract is otherwise reasonable.

19 (10) A public utility may recover, through an appropriate
20 cost-recovery mechanism administered by the commission,
21 prudently incurred costs for renewable natural gas or hydrogen-
22 based fuel infrastructure projects. If the commission determines
23 that such costs were reasonable, that the incremental bill
24 impact will not result in an undue hardship to customers, and
25 that the project will facilitate achieving the goals of
26 subsection (1), those costs are not subject to disallowance or
27 further prudence review except for fraud, perjury, or
28 intentional withholding of key information by the public
29 utility. For purposes of utility cost recovery pursuant to this
30 subsection only, renewable natural gas may include a mixture of
31 natural gas and renewable natural gas. Eligible renewable
32 natural gas and hydrogen-based fuel infrastructure projects must
33 be located in this state. Types of costs eligible for cost
34 recovery include, but are not limited to, capital investment in
35 projects necessary to prepare or produce renewable natural gas
36 and hydrogen-based fuel for pipeline distribution and usage;
37 capital investment in facilities, including pipelines, necessary
38 to inject and deliver renewable natural gas and hydrogen-based
39 fuel; renewable natural gas and hydrogen-based fuel storage



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40 facilities; operation and maintenance expenses associated with
41 any such renewable natural gas and hydrogen-based fuel
42 infrastructure projects; and an appropriate return on investment
43 consistent with that allowed for other utility plants that
44 provide service to customers.

45 (11) Cost recovery for any renewable natural gas or
46 hydrogen-based fuel infrastructure project sought pursuant to
47 this section must be approved by the commission.

48 (a) In assessing whether cost recovery for any renewable
49 natural gas or hydrogen-based-based fuel infrastructure projects
50 is appropriate, the commission shall consider whether the
51 projected costs for such renewable natural gas or hydrogen-based
52 fuel infrastructure projects are reasonable and consistent with
53 subsection (10).

54 (b) Recovery of costs incurred by a public utility for a
55 renewable natural gas or hydrogen-based fuel infrastructure
56 project approved for cost recovery under this section may not be
57 allowed until such facility is placed in service. Upon approval
58 of cost recovery by the commission, costs incurred before the
59 facility is placed in service may be deferred on the public
60 utility's books for recovery once the facility is in service.
61 This does not preclude application of any other regulatory
62 accounting rules that are otherwise deemed appropriate,
63 including, but not limited to, normal recovery of costs for
64 construction work in progress.

65 Section 2. This act shall take effect July 1, 2023.

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

68 And the title is amended as follows:



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69 Delete everything before the enacting clause
70 and insert:

71 A bill to be entitled
72 An act relating to renewable energy cost recovery;
73 amending s. 366.91, F.S.; revising the types of
74 contracts which are eligible for cost recovery by a
75 public utility under certain circumstances;
76 authorizing a public utility to recover prudently
77 incurred renewable natural gas or hydrogen-based fuel
78 infrastructure project costs through an appropriate
79 Florida Public Service Commission cost-recovery
80 mechanism; providing that such costs are not subject
81 to further actions except under certain circumstances;
82 specifying eligible renewable natural gas and
83 hydrogen-based fuel infrastructure projects; requiring
84 that cost recovery for such projects be approved by
85 the commission; providing requirements for the
86 approval determination; prohibiting cost recovery
87 until a facility is placed in service; providing that
88 certain other regulatory accounting rules may apply to
89 such cost recovery; providing an effective date.