

Amendment No. 1

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WITHDRAWN	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: Energy, Communications &  
 2 Cybersecurity Subcommittee  
 3 Representative Yeager offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

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

366.91 Renewable energy.—

(9) ~~The commission may approve cost recovery by a gas public utility for~~ A public utility contracts for the purchase of renewable natural gas or hydrogen fuel in which the pricing provisions exceed the current market price of natural gas is eligible for cost recovery, but only if ~~which are otherwise deemed reasonable and prudent by the commission~~ finds, that the

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17 contract provides net benefits to the public utility and its  
18 customers and is therefore in the public interest. In making  
19 this determination, the commission may consider the contract's  
20 impact on the overall diversity of the public utility's natural  
21 gas commodity supply or other fuel supply, the potential to  
22 reduce the impact of volatility in the natural gas commodity  
23 market upon the public utility and its customers, any  
24 reliability benefits associated with the in-state production of  
25 these fuel supplies, and the public utility's cost of fuel.

26 (10) (a) A public utility may petition the commission for  
27 approval to recover costs prudently incurred for a renewable  
28 natural gas or hydrogen fuel infrastructure project at a  
29 location in Florida for use in providing utility service within  
30 this state.

31 (b) In its review of a petition filed pursuant to this  
32 subsection, the commission shall consider:

33 1. The estimated volume and reliability of renewable  
34 natural gas or hydrogen fuel that the project will produce for  
35 use by the public utility, and the comparative cost of the same  
36 volume of volume of natural gas purchases;

37 2. The estimated rate impact of the project over time,  
38 including estimated savings, if any, to the public utility and  
39 its customers;

40 3. The service and reliability benefits to be derived from  
41 the project;

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42 4. The proposed mechanism for recovery of project costs;

43 5. The impact of the project on fuel diversity in this  
44 state and fuel cost volatility; and

45 6. Any other matter deemed relevant by the commission.

46 (c)1. Upon consideration of all matters specified in  
47 paragraph (b), the commission shall determine whether, and the  
48 extent to which, approval for recovery of project costs from the  
49 public utility's ratepayers provides net benefits to the state  
50 and is therefore in the public interest.

51 2. If the commission approves recovery of project costs,  
52 in whole or in part, the commission shall determine the  
53 appropriate mechanism for recovery of such costs. Appropriate  
54 mechanisms may include an existing cost recovery mechanism, not  
55 excluding base rates, or a new cost recovery mechanism  
56 established by the commission.

57 3. Costs approved by the commission are not subject to  
58 disallowance or further prudence review except for fraud,  
59 perjury, or intentional withholding of material information by  
60 the public utility.

61 (d) Costs of renewable natural gas and hydrogen fuel  
62 infrastructure projects that are eligible for recovery under  
63 this subsection include:

64 1. Capital investment in projects necessary to prepare or  
65 produce renewable natural gas or hydrogen fuel for pipeline  
66 distribution and usage;

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67 2. Capital investment in facilities, including pipelines,  
68 necessary to inject into pipelines, and deliver for utility use,  
69 renewable natural gas or hydrogen fuel throughout this state;

70 3. Renewable natural gas and hydrogen fuel storage  
71 facilities;

72 4. Operation and maintenance expenses associated with such  
73 renewable natural gas and hydrogen fuel infrastructure projects;  
74 and

75 5. An appropriate return on investment consistent with the  
76 utility's authorized return on investment for other utility  
77 plants used to provide service to customers.

78 (e) Recovery of costs incurred by a public utility for a  
79 renewable natural gas or hydrogen fuel infrastructure project  
80 approved for cost recovery under this section shall not be  
81 allowed until such facility is placed in service. Upon approval  
82 of cost recovery by the commission, costs incurred prior to the  
83 facility being placed in service may be deferred on the public  
84 utility's books for recovery once the facility is in service.  
85 This shall not preclude application of any other appropriate  
86 regulatory accounting rules that are otherwise deemed  
87 appropriate, including but not limited to, normal recovery of  
88 costs for construction work in progress.

89 (f) Beginning January 1, 2025, the commission must  
90 annually submit a report to the Governor, the President of the  
91 Senate, and the Speaker of the House of Representatives

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92 indicating, for the 12-month reporting period and cumulatively:  
93 the investment made in such infrastructure projects; the  
94 eligible costs incurred and the amount of such costs recovered;  
95 the volume of renewable natural gas or hydrogen fuel used to  
96 provide utility service; and an analysis of the price of  
97 renewable natural gas or hydrogen fuel used to provide utility  
98 service as compared to the market cost of gas, including actual  
99 rate impacts of such projects.

100 (g) This subsection shall stand repealed on June 30, 2028,  
101 unless reviewed and saved from repeal by the Legislature. A  
102 public utility may continue to recover eligible costs of  
103 renewable natural gas or hydrogen fuel infrastructure projects  
104 approved prior to June 30, 2028, under this subsection as being  
105 in the public interest.

106 (h) The commission may adopt rules to implement and  
107 administer this section.

110 -----  
111 **T I T L E A M E N D M E N T**

112 Remove everything before the enacting clause and insert:  
113 An act relating to renewable energy cost recovery; amending s.  
114 366.91, F.S.; revising the types of contracts which are eligible  
115 for cost recovery by a public utility under certain  
116 circumstances; authorizing a public utility to recover prudently

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117 incurred renewable natural gas and hydrogen fuel infrastructure  
118 project costs approved by the Public Service Commission;  
119 establishing criteria for consideration by the Public Service  
120 Commission; establishing terms for cost recovery; specifying  
121 eligible renewable natural gas and hydrogen fuel infrastructure  
122 projects; requiring an annual report; providing for repeal on  
123 June 30, 2028, unless reviewed and saved from repeal by the  
124 Legislature; providing an effective date.