

1 A bill to be entitled
 2 An act relating to cost recovery for nuclear and
 3 integrated gasification combined cycle power plants;
 4 amending s. 366.93, F.S.; revising provisions
 5 establishing alternative cost recovery mechanisms;
 6 revising provisions for the calculation of carrying
 7 costs; requiring utilities to identify certain costs
 8 on customer bills; authorizing the Public Service
 9 Commission to approve recovery of costs after federal
 10 licensure under certain conditions; providing for
 11 applicability; requiring the Public Service Commission
 12 to review certain proposed nuclear power plants;
 13 providing review requirements; providing an effective
 14 date.

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 16 Be It Enacted by the Legislature of the State of Florida:

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 18 Section 1. Subsections (2) and (3) of section 366.93,
 19 Florida Statutes, are amended, and subsection (7) is added to
 20 that section, to read:

21 366.93 Cost recovery for the siting, design, licensing,
 22 and construction of nuclear and integrated gasification combined
 23 cycle power plants.—

24 (2) ~~Within 6 months after the enactment of this act,~~ The
 25 commission shall establish, by rule, alternative cost recovery
 26 mechanisms for the recovery of costs incurred in the siting,
 27 design, licensing, and construction of a nuclear power plant,
 28 including new, expanded, or relocated electrical transmission

29 | lines and facilities that are necessary thereto, or of an
 30 | integrated gasification combined cycle power plant. Such
 31 | mechanisms shall be designed to promote utility investment in
 32 | nuclear or integrated gasification combined cycle power plants
 33 | and allow for the recovery in rates of all prudently and
 34 | reasonably incurred costs and shall include, but not be limited
 35 | to:

36 | (a) Recovery through the capacity cost recovery clause of
 37 | any preconstruction costs.

38 | (b) Recovery through an incremental increase in the
 39 | utility's capacity cost recovery clause rates of the carrying
 40 | costs on the utility's projected construction cost balance
 41 | associated with the nuclear or integrated gasification combined
 42 | cycle power plant. ~~To encourage investment and provide~~
 43 | ~~certainty, for nuclear or integrated gasification combined cycle~~
 44 | ~~power plant need petitions submitted on or before December 31,~~
 45 | ~~2010,~~ Associated carrying costs shall be equal to the utility's
 46 | pretax AFUDC rate approved by the commission ~~in effect upon this~~
 47 | ~~act becoming law. For nuclear or integrated gasification~~
 48 | ~~combined cycle power plants for which need petitions are~~
 49 | ~~submitted after December 31, 2010, the utility's existing pretax~~
 50 | ~~AFUDC rate is presumed to be appropriate unless determined~~
 51 | ~~otherwise by the commission in the determination of need for the~~
 52 | ~~nuclear or integrated gasification combined cycle power plant.~~

53 | (3) (a) After a petition for determination of need is
 54 | granted, a utility may petition the commission for cost recovery
 55 | as permitted by this section and commission rules. The utility
 56 | shall identify, on each customer bill, the amount of the bill

57 attributable to recovery of costs authorized by the commission
58 pursuant to this section.

59 (b) Not later than 1 year after the date on which a
60 utility obtains a combined license from the Nuclear Regulatory
61 Commission for a nuclear power plant, the utility shall file
62 with the commission a petition demonstrating that the utility
63 intends to construct the plant and, based on updated cost
64 estimates, construction schedules, and feasibility analyses,
65 that construction of the plant will continue to provide the most
66 cost-effective source of power for the consumer, taking into
67 account whether the plant provides needed base-load capacity to
68 the consumer, improves the balance of fuel diversity, and
69 enhances the long-term stability and reliability of the electric
70 grid. If the commission finds that these conditions exist, the
71 utility shall remain eligible for cost recovery pursuant to this
72 section.

73 (c) The utility may recover the costs specified under
74 subsection (2) until the nuclear or integrated gasification
75 combined cycle power plant is placed in commercial service,
76 provided that such cost recovery does not extend beyond December
77 31, 2025, for a nuclear power plant.

78 (7) This section applies only to nuclear power plants for
79 which the commission granted a determination of need before
80 January 1, 2013, and to integrated gasification combined cycle
81 power plants granted a determination of need thereafter.

82 Section 2. The Public Service Commission shall perform a
83 comprehensive review of the continuing prudence, cost
84 effectiveness, and need for any proposed nuclear power plant for

85 which cost recovery under s. 366.93, Florida Statutes, has been
86 authorized if the currently anticipated inservice date for the
87 plant has been extended more than 6 years beyond the original
88 proposed inservice date and if the most recent estimate of the
89 plant's total cost has increased by more than 50 percent of the
90 original cost estimate for the plant. In making this
91 determination, the commission must consider all relevant
92 factors, including, but not limited to, the utility's need for
93 the plant, technology and fuel choices, applicable federal and
94 state licensing and permitting factors, and short- and long-term
95 costs to ratepayers. Based on its review, the commission shall
96 determine whether to authorize for cost recovery under s.
97 366.93, Florida Statutes, any new or future costs for which cost
98 recovery has not already been authorized. Such review shall
99 begin on or before July 1, 2013, and shall be completed by
100 February 1, 2014.

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