

Committee on Communications, Energy, and Public Utilities

CS/CS/HB 7117 — Energy

by State Affairs Committee; Finance and Tax Committee; Energy and Utilities Subcommittee; and Reps. Plakon, Mayfield, and others (CS/CS/CS/SB 2094 by Budget; Agriculture; Communications, Energy, and Public Utilities)

The bill contains provisions on energy efficiency and conservation, renewable electric energy, and renewable and alternative fuels for motor vehicles.

On conservation and efficiency, the bill does the following:

- It appropriates \$250,000 in nonrecurring money for the 2012-2013 fiscal year from the PSC Regulatory Trust Fund for the Public Service Commission (PSC), in consultation with the Department of Agriculture and Consumer Services (DACS), to use to contract for an independent evaluation of the Florida Energy Efficiency and Conservation Act to determine whether it remains in the public interest. (Section 17) The review must consider:
 - The cost to ratepayers;
 - The incentives and disincentives associated with the act's provisions;
 - Whether the programs create benefits without undue burden on the customers; and
 - The models and methods used to determine conservation goals.
- It requires DACS and other specified entities to develop and DACS to maintain a webpage containing cost and benefit information on energy efficiency and conservation measures to educate consumers. (Section 16)
- Finally, the bill authorizes local government to use discretionary sales surtax proceeds to provide funding to residential property owners who make energy efficiency improvements to their residential property if done pursuant to referendum. (Section 3)

On renewable and alternative motor vehicle fuels, the bill does the following.

- It creates a sales tax exemption for equipment used in distribution of biodiesel, ethanol, and other renewable fuels. The cap is \$1 million per state fiscal tax year. The definition of "renewable fuel" includes fuels other than ethanol, such as biobutanol. (Section 4)
- It provides a renewable energy technologies investment tax credit against the corporate income tax based on investment in equipment to be used in production, storage, and distribution of renewable fuels. The cap is \$1 million per corporation and \$10 million total per state fiscal year. The definition of "renewable fuel" includes fuels other than ethanol, such as biobutanol. (Section 6)
- It includes algae in the Department of Agriculture's permitting of nonnative plants so they can be used on a large-scale as foodstocks for renewable fuels. It also allows consideration of experience and research in exempting plants from permitting requirements and in decreasing bonding requirements. (Section 14)
- Finally, it exempts electric vehicle charging stations from regulation by the Public Service Commission. It also provides for DACS rulemaking on sales practices. (Section 11)

On renewable electric energy, the bill does the following:

- It creates a renewable energy production credit against the corporate income tax based on \$0.01 per kilowatt hour of renewable energy produced. The cap is \$1 million per corporation and \$5 million for state fiscal year 2012-2013, which is increased to \$10 million for 2013-2014 through 2016-2017, with provisions for prorating credits if claims exceed the annual cap. (Section 7)
- It also requires DACS to do a forest inventory, which will help determine what biomass is available for these purposes. (Section 15)

DACS is required to annually report an assessment of the utilization of all of the tax incentives. (Section 12)

The bill provides that the renewable fuel standard does not prohibit a retail dealer from selling or offering to sell unblended gasoline and requires DACS to compile a list of retail fuel stations that sell or offer to sell unblended gasoline and provide this information on its website to inform consumers of the options available for unblended gasoline. (Section 13)

If approved by the Governor, these provisions take effect July 1, 2012.

Vote: Senate 38-2; House 116-2