## Florida Senate - 2008

(Reformatted) SB 412

By Senator Bennett

21-00347A-08

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1	A bill to be entitled
2	An act relating to energy; amending s. 196.175, F.S.;
3	revising provisions of the property tax exemption provided
4	for renewable energy sources; excluding the assessed value
5	of certain real property for determination of such
6	exemption; amending s. 212.08, F.S.; redefining the term
7	"ethanol" for purposes of a sales tax exemption;
8	specifying eligible items as limited to one refund;
9	requiring a purchaser who receives a refund to notify a
10	subsequent purchaser of such refund; requiring the Florida
11	Alternative Energy Center rather than the Department of
12	Environmental Protection to certify eligibility for the
13	sales tax exemption for equipment, technology, and other
14	materials for renewable energy; amending s. 213.053, F.S.;
15	providing for the Department of Revenue to provide
16	information to the Florida Alternative Energy Center
17	rather than the Department of Environmental Protection for
18	purposes of administering the sales tax exemption and the
19	corporate income tax credit; amending s. 220.192, F.S.,
20	relating to the renewable energy technologies investment
21	tax credit; providing a definition; providing for the
22	transferability of such tax credit; providing requirements
23	and procedures therefor; providing rulemaking requirements
24	and authority; amending s. 220.193, F.S.; providing a
25	definition; providing that a taxpayer's use of certain
26	credits does not prohibit the use of other authorized
27	credits; amending s. 255.251, F.S.; revising a short
28	title; amending s. 255.252, F.S.; revising criteria for
29	energy conservation and sustainability for state-owned
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buildings; requiring buildings constructed and financed by 30 31 the state to meet certain environmental standards approved 32 by the Department of Management Services; requiring state 33 agencies to identify state-owned buildings that are 34 suitable for guaranteed energy performance savings 35 contracts; providing requirements and procedures therefor; requiring the Department of Management Services to 36 37 evaluate identified facilities and develop an energy 38 efficiency project schedule; providing criteria for such 39 schedule; amending s. 255.253, F.S.; providing 40 definitions; amending s. 255.254, F.S.; requiring certain 41 state-owned buildings to meet sustainable building 42 ratings; amending s. 255.255, F.S.; requiring the 43 department to adopt rules and procedures for energy 44 conservation performance quidelines based on sustainable building ratings; amending s. 287.063, F.S.; prohibiting 45 the term of payment for consolidated equipment finance 46 contracts from extending beyond the anticipated useful 47 life of the equipment financed; deleting the requirement 48 that the Chief Financial Officer establish criteria that 49 50 prohibits a state agency from obligating an annualized 51 amount of payments for certain deferred payment purchases; 52 amending s. 287.064, F.S.; extending the period of time 53 allowed for the repayment of funds for certain purchases 54 relating to energy conservation measures; requiring 55 guaranteed energy performance savings contractors to 56 provide for the replacement or the extension of the useful 57 life of the equipment during the term of a contract; 58 amending s. 366.04, F.S.; authorizing the Public Service

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59 Commission to review and approve an asset transfer or a 60 merger or combination between a public utility and another entity; authorizing the commission to adopt rules; 61 62 creating s. 366.915, F.S.; creating the Florida Advanced 63 Energy Portfolio Standard Act; providing legislative 64 findings; providing definitions; requiring public 65 utilities to sell a minimum amount of renewable energy; 66 authorizing the Public Service Commission to adopt rules; 67 amending s. 366.91, F.S.; redefining the term "renewable 68 energy"; creating s. 366.925, F.S.; providing a short 69 title; directing the Public Service Commission to develop 70 rules requiring all public utilities to develop net-71 metering programs; providing for a customer to receive 72 credit for electricity generated by renewable energy 73 systems owned by the customer; directing the commission to 74 adopt rules setting the standards that renewable energy 75 systems must meet in order for customers to qualify for 76 the program; requiring every wholesaler of diesel fuel to 77 a marina within the state to offer biodiesel for sale; 78 amending s. 377.703, F.S.; deleting provisions requiring 79 that the Department of Environmental Protection conduct 80 energy research and development, plan for the development 81 of renewable energy resources, promote the development and 82 use of renewable energy resources, and create a database 83 of all energy programs in the state; repealing s. 84 377.803(2), F.S.; eliminating a definition; amending s. 85 377.806, F.S.; revising rebate eligibility and application 86 requirements for solar photovoltaic systems; requiring 87 applicants to apply for rebate reservations and rebate

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88 payments; providing a limitation; revising rulemaking 89 authority; creating s. 403.0874, F.S.; providing a 90 definition; directing the Department of Environmental Protection to develop greenhouse gas inventories; 91 92 providing requirements for such inventories; authorizing 93 the department to require emission reports; requiring the 94 department to adopt rules; amending s. 489.145, F.S.; 95 revising provisions relating to guaranteed energy 96 performance savings contracting to include energy 97 consumption and energy-related operational savings; revising provisions for the financing of guaranteed energy 98 99 performance savings contracts; revising criteria for 100 proposed contracts; revising provisions governing program 101 administration and contract review; requiring that 102 consolidated financing of deferred payment commodity 103 contracts be secured by certain funds; requiring the Chief 104 Financial Officer to review proposed guaranteed energy 105 performance savings contracts; creating s. 570.958, F.S.; 106 establishing the Biofuel Retail Sales Incentive Program; 107 establishing goals for replacing petroleum consumption; 108 providing definitions; providing incentive payments to 109 qualified retail dealers for increases in the amount of 110 biofuels offered for sale; providing requirements and 111 procedures therefor; creating s. 570.959, F.S.; 112 establishing the Florida Biofuel Production Incentive 113 Program; providing definitions; providing incentive 114 payments to producers of certain biofuels; providing 115 requirements and procedures therefor; authorizing the 116 Department of Agriculture and Consumer Services to adopt

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117 rules; directing the Florida Building Commission to 118 convene a workgroup to develop a model residential energy 119 efficiency ordinance; requiring the commission to consult with specified entities to review the cost-effectiveness 120 121 of energy efficiency measures in the construction of 122 residential, commercial, and government buildings; 123 requiring the commission to consult with specified 124 entities to develop and implement a public awareness 125 campaign; requiring the commission to provide reports to 126 the Legislature; requiring all county, municipal, and 127 public community college buildings to meet certain energy 128 efficiency standards for construction; providing 129 applicability; establishing standards for diesel fuel 130 purchases for use by state-owned diesel vehicles and 131 equipment to include biodiesel fuel purchase requirements; 132 establishing standards for fuel purchases for use by 133 state-owned flex-fuel vehicles to include ethanol purchase 1.34 requirements; establishing standards for the use of 135 biodiesel fuels by school district transportation 136 services; providing effective dates. 137 138 Be It Enacted by the Legislature of the State of Florida: 139 140 Section 1. Section 196.175, Florida Statutes, is amended to

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read:

196.175 Renewable energy source exemption. --

(1) Improved real property upon which a renewable energy
source device is installed and operated shall be entitled to an
exemption in the amount of not greater than the lesser of:

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146 (a) The assessed value of such real property less any other 147 exemptions applicable under this chapter; 148 (b) the original cost of the device, including the 149 installation cost thereof, but excluding the cost of replacing 150 previously existing property removed or improved in the course of 151 such installation; or 152 (c) Eight percent of the assessed value of such property 153 immediately following installation. 154 The exempt amount authorized under subsection (1) shall (2)

apply in full if the device was installed and operative throughout the 12-month period preceding January 1 of the year of application for this exemption. If the device was operative for a portion of that period, the exempt amount authorized under this section shall be reduced proportionally.

(3) It shall be the responsibility of the applicant for an exemption pursuant to this section to demonstrate affirmatively to the satisfaction of the property appraiser that he or she meets the requirements for exemption under this section and that the original cost <del>pursuant to paragraph (1)(b)</del> and the period for which the device was operative, as indicated on the exemption application, are correct.

167 (4) No exemption authorized pursuant to this section shall
168 be granted for a period of more than 10 years. No exemption shall
169 be granted with respect to renewable energy source devices
170 installed before July 1, 2009 January 1, 1980, or after December
171 31, 1990.

172Section 2. Paragraph (ccc) of subsection (7) of section173212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and

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175 storage tax; specified exemptions.--The sale at retail, the 176 rental, the use, the consumption, the distribution, and the 177 storage to be used or consumed in this state of the following are 178 hereby specifically exempt from the tax imposed by this chapter.

179 (7) MISCELLANEOUS EXEMPTIONS. -- Exemptions provided to any 180 entity by this chapter do not inure to any transaction that is 181 otherwise taxable under this chapter when payment is made by a 182 representative or employee of the entity by any means, including, 183 but not limited to, cash, check, or credit card, even when that 184 representative or employee is subsequently reimbursed by the entity. In addition, exemptions provided to any entity by this 185 186 subsection do not inure to any transaction that is otherwise 187 taxable under this chapter unless the entity has obtained a sales tax exemption certificate from the department or the entity 188 189 obtains or provides other documentation as required by the 190 department. Eligible purchases or leases made with such a 191 certificate must be in strict compliance with this subsection and 192 departmental rules, and any person who makes an exempt purchase 193 with a certificate that is not in strict compliance with this 194 subsection and the rules is liable for and shall pay the tax. The 195 department may adopt rules to administer this subsection.

196 (ccc) Equipment, machinery, and other materials for 197 renewable energy technologies.--

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1. As used in this paragraph, the term:

a. "Biodiesel" means the mono-alkyl esters of long-chain
fatty acids derived from plant or animal matter for use as a
source of energy and meeting the specifications for biodiesel and
biodiesel blends with petroleum products as adopted by the
Department of Agriculture and Consumer Services. Biodiesel may

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204 refer to biodiesel blends designated BXX, where XX represents the 205 volume percentage of biodiesel fuel in the blend.

b. "Ethanol" means <u>an</u> nominally anhydrous denatured alcohol produced by the <u>conversion of carbohydrates</u> fermentation of plant <del>sugars</del> meeting the specifications for fuel ethanol and fuel ethanol blends with petroleum products as adopted by the Department of Agriculture and Consumer Services. Ethanol may refer to fuel ethanol blends designated EXX, where XX represents the volume percentage of fuel ethanol in the blend.

213 c. "Hydrogen fuel cells" means equipment using hydrogen or 214 a hydrogen-rich fuel in an electrochemical process to generate 215 energy, electricity, or the transfer of heat.

216 2. The sale or use of the following in the state is exempt 217 from the tax imposed by this chapter:

a. Hydrogen-powered vehicles, materials incorporated into
hydrogen-powered vehicles, and hydrogen-fueling stations, up to a
limit of \$2 million in tax each state fiscal year for all
taxpayers.

b. Commercial stationary hydrogen fuel cells, up to a limit of \$1 million in tax each state fiscal year for all taxpayers.

c. Materials used in the distribution of biodiesel (B10-B100) and ethanol (E10-E100), including fueling infrastructure, transportation, and storage, up to a limit of \$1 million in tax each state fiscal year for all taxpayers. Gasoline fueling station pump retrofits for ethanol (E10-E100) distribution qualify for the exemption provided in this sub-subparagraph.

3. The <u>Florida Alternative Energy Center</u> <del>Department of</del>
 Environmental Protection</del> shall provide to the department a list
 of items eligible for the exemption provided in this paragraph.

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233 <u>4. The exemption provided in this paragraph is available</u>
 234 <u>only to the end user of the equipment, machinery, or other</u>
 235 materials.

5.4.a. The exemption provided in this paragraph shall be 236 237 available to a purchaser only through a refund of previously paid 238 taxes. Only one purchase of an eligible item is subject to 239 refund. A purchaser who has received a refund on an eligible item 240 must notify any subsequent purchaser of the item that the item is 241 no longer eligible for a refund of tax paid. This notification 242 must be provided to the purchaser on the sales invoice or other 243 proof of purchase.

b. To be eligible to receive the exemption provided in this
paragraph, a purchaser shall file an application with the <u>Florida</u>
<u>Alternative Energy Center</u> <del>Department of Environmental Protection</del>.
The application shall be developed by the <u>Florida Alternative</u>
<u>Energy Center</u> <del>Department of Environmental Protection</del>, in
consultation with the department, and shall require:

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(I) The name and address of the person claiming the refund.

(II) A specific description of the purchase for which a
refund is sought, including, when applicable, a serial number or
other permanent identification number.

(III) The sales invoice or other proof of purchase showing the amount of sales tax paid, the date of purchase, and the name and address of the sales tax dealer from whom the property was purchased.

(IV) A sworn statement that the information provided is accurate and that the requirements of this paragraph have been met.

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c. Within 30 days after receipt of an application, the

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262 Florida Alternative Energy Center Department of Environmental 263 Protection shall review the application and shall notify the 264 applicant of any deficiencies. Upon receipt of a completed application, the Florida Alternative Energy Center Department of 265 Environmental Protection shall evaluate the application for 266 267 exemption and issue a written certification that the applicant is 268 eligible for a refund or issue a written denial of such 269 certification within 60 days after receipt of the application. 270 The Florida Alternative Energy Center Department of Environmental 271 Protection shall provide the department with a copy of each 272 certification issued upon approval of an application.

d. Each certified applicant shall be responsible for forwarding a certified copy of the application and copies of all required documentation to the department within 6 months after certification by the <u>Florida Alternative Energy Center</u> <del>Department</del> <del>of Environmental Protection</del>.

e. The provisions of s. 212.095 do not apply to any refund application made pursuant to this paragraph. A refund approved pursuant to this paragraph shall be made within 30 days after formal approval by the department.

f. The department may adopt all rules pursuant to ss. 120.536(1) and 120.54 to administer this paragraph, including rules establishing forms and procedures for claiming this exemption.

g. The <u>Florida Alternative Energy Center</u> Department of Environmental Protection shall be responsible for ensuring that the total amounts of the exemptions authorized do not exceed the limits as specified in subparagraph 2.

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5. The Florida Alternative Energy Center Department of

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291	Environmental Protection shall determine and publish on a regular
292	basis the amount of sales tax funds remaining in each fiscal
293	year.
294	6. This paragraph expires July 1, 2010.
295	Section 3. Effective July 1, 2008, paragraph (y) of
296	subsection (8) of section 213.053, Florida Statutes, is amended
297	to read:
298	213.053 Confidentiality and information sharing
299	(8) Notwithstanding any other provision of this section,
300	the department may provide:
301	(y) Information relative to ss. 212.08(7)(ccc) and 220.192
302	to the Florida Alternative Energy Center Department of
303	Environmental Protection for use in the conduct of its official
304	business.
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306	Disclosure of information under this subsection shall be pursuant
307	to a written agreement between the executive director and the
308	agency. Such agencies, governmental or nongovernmental, shall be
309	bound by the same requirements of confidentiality as the
310	Department of Revenue. Breach of confidentiality is a
311	misdemeanor of the first degree, punishable as provided by s.
312	775.082 or s. 775.083.
313	Section 4. Subsection (1) of section 220.192, Florida
314	Statutes, is amended, present subsection (6) of that section is
315	renumbered as subsection (7) and amended, present subsection (7)
316	of that section is renumbered as subsection (8), and a new
317	subsection (6) is added to that section, to read:
318	220.192 Renewable energy technologies investment tax
319	credit

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320 (1) DEFINITIONS. -- For purposes of this section, the term: 321 (a) "Biodiesel" means biodiesel as defined in s. 322 212.08(7)(ccc). (b) "Corporation" means a general partnership, limited 323 partnership, limited liability company, unincorporated business, 324 325 or other business entity in which a taxpayer owns an interest and 326 which is taxed as a partnership or is disregarded as a separate

entity from the taxpayer for tax purposes.

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(c) (b) "Eligible costs" means:

329 1. Seventy-five percent of all capital costs, operation and 330 maintenance costs, and research and development costs incurred 331 between July 1, 2006, and June 30, 2010, up to a limit of \$3 332 million per state fiscal year for all taxpayers, in connection 333 with an investment in hydrogen-powered vehicles and hydrogen vehicle fueling stations in the state, including, but not limited 334 335 to, the costs of constructing, installing, and equipping such 336 technologies in the state.

337 Seventy-five percent of all capital costs, operation and 2. 338 maintenance costs, and research and development costs incurred 339 between July 1, 2006, and June 30, 2010, up to a limit of \$1.5 340 million per state fiscal year for all taxpayers, and limited to a 341 maximum of \$12,000 per fuel cell, in connection with an 342 investment in commercial stationary hydrogen fuel cells in the 343 state, including, but not limited to, the costs of constructing, 344 installing, and equipping such technologies in the state.

345 3. Seventy-five percent of all capital costs, operation and 346 maintenance costs, and research and development costs incurred 347 between July 1, 2006, and June 30, 2010, up to a limit of \$6.5 348 million per state fiscal year for all taxpayers, in connection

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349	with an investment in the production, storage, and distribution
350	of biodiesel (B10-B100) and ethanol (E10-E100) in the state,
351	including the costs of constructing, installing, and equipping
352	such technologies in the state. Gasoline fueling station pump
353	retrofits for ethanol (E10-E100) distribution qualify as an
354	eligible cost under this subparagraph.
355	(d) (c) "Ethanol" means ethanol as defined in s.
356	212.08(7)(ccc).
357	<u>(e)</u> "Hydrogen fuel cell" means hydrogen fuel cell as
358	defined in s. 212.08(7)(ccc).
359	(6) TRANSFERABILITY OF CREDIT
360	(a) Any corporation and any subsequent transferee allowed
361	the tax credit may transfer the tax credit, in whole or in part,
362	to any taxpayer by written agreement, without the requirement of
363	transferring any ownership interest in the property generating
364	the tax credit or any interest in the entity that owns the
365	property. Transferees are entitled to apply the credits against
366	the tax with the same effect as if the transferee had incurred
367	the eligible costs.
368	(b) To perfect the transfer, the transferor shall provide a
369	written transfer statement providing notice to the Department of
370	Revenue of the assignor's intent to transfer the tax credits to
371	the assignee; the date the transfer is effective; the assignee's
372	name, address, federal taxpayer identification number and tax
373	period; and the amount of tax credits to be transferred. The
374	Department of Revenue shall issue, upon receipt of a transfer
375	statement conforming to the requirements of this section, a
376	certificate to the assignee reflecting the tax credit amounts
377	transferred, a copy of which shall be attached to each tax return

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378 by an assignee in which such tax credits are used. 379 (c) Tax credits derived by such entities treated as 380 corporations under this section which are not transferred by such 381 entities to other taxpayers under this subsection shall be passed 382 through to the taxpayers designated as partners, members, or 383 owners, respectively, in any manner agreed to by such persons, 384 whether or not such persons are allocated or allowed any portion 385 of the federal energy tax credit with respect to the eligible 386 costs. 387 (7) (7) (6) RULES. -- The Department of Revenue shall have the 388 authority to adopt rules relating to: 389 The forms required to claim a tax credit under this (a) 390 section, the requirements and basis for establishing an 391 entitlement to a credit, and the examination and audit procedures 392 required to administer this section. 393 (b) The implementation and administration of the provisions allowing a transfer of tax credits, including rules prescribing 394 395 forms, reporting requirements, and the specific procedures, 396 guidelines, and requirements necessary for a tax credit to be 397 transferred. 398 (c) The implementation and administration of the provisions 399 allowing a pass through of tax credits, including rules 400 prescribing forms, reporting requirements, and the specific 401 procedures, guidelines, and requirements necessary for a tax 402 credit to be passed through to an owner, member, or partner. 403 (8) (7) PUBLICATION. -- The Department of Environmental 404 Protection shall determine and publish on a regular basis the 405 amount of available tax credits remaining in each fiscal year. 406 Section 5. Paragraph (f) is added to subsection (2) and

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paragraph (j) is added to subsection (3) of section 220.193, 407 408 Florida Statutes, to read: 409 220.193 Florida renewable energy production credit.--As used in this section, the term: 410 (2) 411 (f) "Sale" or "sold" includes the use of the electricity by the producer of the electricity when such use decreases the 412 413 amount of electricity that would otherwise be purchased by the 414 producer thereof. 415 An annual credit against the tax imposed by this (3) 416 section shall be allowed to a taxpayer, based on the taxpayer's 417 production and sale of electricity from a new or expanded Florida renewable energy facility. For a new facility, the credit shall 418 419 be based on the taxpayer's sale of the facility's entire electrical production. For an expanded facility, the credit shall 420 be based on the increases in the facility's electrical production 421 422 that are achieved after May 1, 2006. 423 (j) A taxpayer's use of the credit granted under this 424 section does not reduce the amount of any credit authorized by s. 425 220.186 which would otherwise be available to that taxpayer. 426 Section 6. Section 255.251, Florida Statutes, is amended to 427 read: 428 255.251 Energy Conservation and Sustainable in Buildings 429 Act; short title.--This act may shall be cited as the "Florida 430 Energy Conservation and Sustainable in Buildings Act of 1974." 4.31 Section 7. Section 255.252, Florida Statutes, is amended to 432 read: 433 255.252 Findings and intent.--434 Operating and maintenance expenditures associated with (1)435 energy equipment and with energy consumed in state-financed and

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leased buildings represent a significant cost over the life of a 436 437 building. Energy conserved by appropriate building design not 438 only reduces the demand for energy but also reduces costs for 439 building operation. For example, commercial buildings are 440 estimated to use from 20 to 80 percent more energy than would be 441 required if energy-conserving designs were used. The size, 442 design, orientation, and operability of windows, the ratio of ventilating air to air heated or cooled, the level of lighting 443 444 consonant with space-use requirements, the handling of occupancy 445 loads, and the ability to zone off areas not requiring equivalent levels of heating or cooling are but a few of the considerations 446 447 necessary to conserving energy.

Significant efforts are needed to build energy-448 (2) 449 efficient state-owned buildings that meet environmental standards 450 underway by the General Services Administration, the National 451 Institute of Standards and Technology, and others to detail the 452 considerations and practices for energy conservation in 453 buildings. Most important is that energy-efficient designs 454 provide energy savings over the life of the building structure. 455 Conversely, energy-inefficient designs cause excess and wasteful 456 energy use and high costs over that life. With buildings lasting 457 many decades and with energy costs escalating rapidly, it is 458 essential that the costs of operation and maintenance for energy-459 using equipment and sustainable materials be included in all 460 design proposals for state-owned state buildings.

(3) In order that such energy-efficiency <u>and sustainable</u>
<u>materials</u> considerations become a function of building design,
and also a model for future application in the private sector, it
shall be the policy of the state that buildings constructed and

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465 financed by the state be designed and constructed to meet the 466 United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) rating system, Green Building 467 468 Initiative's Green Globes rating system, or a nationally 469 recognized, high-performance green building rating system as 470 approved by the department in a manner which will minimize the 471 consumption of energy used in the operation and maintenance of 472 such buildings. It is further the policy of the state, when 473 economically feasible, to retrofit existing state-owned buildings 474 in a manner that which will minimize the consumption of energy 475 used in the operation and maintenance of such buildings.

476 (4) In addition to designing and constructing new buildings 477 to be energy efficient energy-efficient, it shall be the policy 478 of the state to operate, maintain, and renovate existing state-479 owned state facilities, or provide for their renovation, in a 480 manner that which will minimize energy consumption and maximize 481 their sustainability as well as ensure that facilities leased by 482 the state are operated so as to minimize energy use. Agencies are 483 encouraged to consider shared savings financing of such energy 484 projects, using contracts that which split the resulting savings 485 for a specified period of time between the agency and the private 486 firm or cogeneration contracts which otherwise permit the state 487 to lower its energy costs. Such energy contracts may be funded 488 from the operating budget.

489 (5) Each state agency must identify and compile a list of
 490 all state-owned buildings within its inventory which it
 491 determines are suitable for a guaranteed energy performance
 492 savings contract under s. 489.145. The list shall be submitted to
 493 the Department of Management Services by December 31, 2008, and

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494 must include any criteria used to determine suitability. The list 495 of suitable buildings shall be developed from the list of state-496 owned facilities of more than 5,000 square feet in area and for 497 which the agency is responsible for paying the expenses of 498 utilities and other operating expenses as they relate to energy 499 use. In consultation with each department secretary or director, 500 by March 1, 2009, the Department of Management Services shall evaluate each agency's facilities that are suitable for energy 501 502 conservation projects and shall develop an energy efficiency 503 project schedule based on factors such as project magnitude, efficiency and effectiveness of energy conservation measures to 504 505 be implemented, and other factors that may prove to be 506 advantageous to pursue. The schedule must provide the deadline 507 for guaranteed energy performance savings contract improvements 508 to be made to the state-owned buildings. 509 Section 8. Subsections (6) and (7) are added to section 510 255.253, Florida Statutes, to read: 511 255.253 Definitions; ss. 255.251-255.258.--512 "Sustainable building" means a building that is healthy (6) 513 and comfortable for its occupants and is economical to operate while conserving resources, including energy, water, raw 514 515 materials, and land, and minimizing the generation of toxic materials and waste in its design, construction, landscaping, and 516 517 operation. 518 (7) "Sustainable building rating" means a rating 519 established by the United States Green Building Council (USGBC) 520 Leadership in Energy and Environmental Design (LEED) rating 521 system, Green Building Initiative's Green Globes rating system, 522 or a nationally recognized, high-performance green building

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523 rating system as approved by the department.

524 Section 9. Section 255.254, Florida Statutes, is amended to 525 read:

526 255.254 No facility constructed <del>or leased</del> without life-527 cycle costs.--

528 (1)A No state agency may not shall lease, construct, or 529 have constructed, within limits prescribed herein, a facility 530 without having secured from the department an a proper evaluation 531 of life-cycle costs based on sustainable building ratings, as 532 computed by an architect or engineer. Furthermore, construction 533 shall proceed only upon disclosing, for the facility chosen, the 534 life-cycle costs as determined in s. 255.255, its sustainable building rating goal, and the capitalization of the initial 535 536 construction costs of the building. The life-cycle costs shall be 537 a primary consideration in the selection of a building design in 538 addition to its sustainable building rating goal. Such analysis 539 shall be required only for construction of buildings with an area 540 of 5,000 square feet or greater. For leased buildings 5,000 541 square feet or greater areas of 20,000 square feet or greater 542 within a given building boundary, an energy performance analysis a life-cycle analysis shall be performed, and a lease shall only 543 544 be made only where there is a showing that the energy life-cycle 545 costs incurred by the state are minimal compared to available 546 like facilities.

(2) On and after January 1, 1979, no state agency shall initiate construction or have construction initiated, prior to approval thereof by the department, on a facility or selfcontained unit of any facility, the design and construction of which incorporates or contemplates the use of an energy system

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552 other than a solar energy system when the life-cycle costs 553 analysis prepared by the department has determined that a solar 554 energy system is the most cost-efficient energy system for the 555 facility or unit.

(3) After September 30, 1985, when any state agency must 556 557 replace or supplement major items of energy-consuming equipment 558 in existing state-owned or leased facilities or any self-559 contained unit of any facility with other major items of energy-560 consuming equipment, the selection of such items shall be made on 561 the basis of a life-cycle cost analysis of alternatives in 562 accordance with rules promulgated by the department under s. 563 255.255.

564 Section 10. Subsection (1) of section 255.255, Florida 565 Statutes, is amended to read:

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255.255 Life-cycle costs.--

567 The department shall adopt promulgate rules and (1)568 procedures, including energy conservation performance guidelines 569 based on sustainable building ratings, for conducting a lifecycle cost analysis of alternative architectural and engineering 570 571 designs and alternative major items of energy-consuming equipment 572 to be retrofitted in existing state-owned or leased facilities 573 and for developing energy performance indices to evaluate the 574 efficiency of energy utilization for competing designs in the 575 construction of state-financed and leased facilities.

576 Section 11. Paragraph (b) of subsection (2) and subsection 577 (5) of section 287.063, Florida Statutes, are amended to read:

578 287.063 Deferred-payment commodity contracts; preaudit review.--579 (2)

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(b) The Chief Financial Officer shall establish, by rule,
criteria for approving purchases made under deferred-payment
contracts which require the payment of interest. Criteria shall
include, but not be limited to, the following provisions:

585 A No contract may not shall be approved in which 1. 586 interest exceeds the statutory ceiling contained in this section. 587 However, the interest component of any master equipment financing 588 agreement entered into for the purpose of consolidated financing 589 of a deferred-payment, installment sale, or lease-purchase shall 590 be deemed to comply with the interest rate limitation of this 591 section so long as the interest component of every interagency 592 agreement under such master equipment financing agreement 593 complies with the interest rate limitation of this section.

594 2. A No deferred-payment purchase for less than \$30,000 may 595 not shall be approved, unless it can be satisfactorily 596 demonstrated and documented to the Chief Financial Officer that 597 failure to make such deferred-payment purchase would adversely 598 affect an agency in the performance of its duties. However, the Chief Financial Officer may approve any deferred-payment purchase 599 600 if the Chief Financial Officer determines that such purchase is 601 economically beneficial to the state.

602 3. No agency shall obligate an annualized amount of 603 payments for deferred-payment purchases in excess of current 604 operating capital outlay appropriations, unless specifically 605 authorized by law or unless it can be satisfactorily demonstrated 606 and documented to the Chief Financial Officer that failure to 607 make such deferred-payment purchase would adversely affect an 608 agency in the performance of its duties.

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3.4. A No contract may not shall be approved which extends

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610 payment beyond 5 years, unless it can be satisfactorily 611 demonstrated and documented to the Chief Financial Officer that 612 failure to make such deferred-payment purchase would adversely 613 affect an agency in the performance of its duties. <u>The payment</u> 614 <u>term may not exceed the useful life of the equipment unless the</u> 615 <u>contract provides for the replacement or the extension of the</u> 616 useful life of the equipment during the term of the loan.

617 (5) For purposes of this section, the annualized amount of 618 any such deferred payment commodity contract must be supported 619 from available recurring funds appropriated to the agency in an 620 appropriation category, other than the expense appropriation 621 category as defined in chapter 216, which that the Chief 622 Financial Officer has determined is appropriate or which that the 623 Legislature has designated for payment of the obligation incurred 624 under this section.

625 Section 12. Subsections (10) and (11) of section 287.064, 626 Florida Statutes, are amended to read:

627 287.064 Consolidated financing of deferred-payment628 purchases.--

(10) Costs incurred pursuant to a guaranteed energy 629 630 performance savings contract, including the cost of energy 631 conservation measures, each as defined in s. 489.145, may be 632 financed pursuant to a master equipment financing agreement; 633 however, the costs of training, operation, and maintenance may 634 not be financed. The period of time for repayment of the funds 635 drawn pursuant to the master equipment financing agreement under 636 this subsection may exceed 5 years but may not exceed 20  $\frac{10}{10}$  years 637 for energy conservation measures pursuant to s. 489.145, excluding the costs of training, operation, and maintenance. The 638

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639 guaranteed energy performance savings contractor shall provide
 640 for the replacement or the extension of the useful life of the
 641 equipment during the term of the contract.

For purposes of consolidated financing of deferred 642 (11)643 payment commodity contracts under this section by a state agency, 644 the annualized amount of any such contract must be supported from 645 available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation 646 647 category as defined in chapter 216, which that the Chief 648 Financial Officer has determined is appropriate or that the 649 Legislature has designated for payment of the obligation incurred 650 under this section.

Section 13. Effective upon this act becoming a law,
subsection (7) is added to section 366.04, Florida Statutes, to
read:

654

366.04 Jurisdiction of commission.--

(7) The commission has specific authority to approve,
 conditionally approve, or deny a proposed transfer of utility
 assets or a proposed merger between a public utility and another
 entity or the public utility's parent company or holding company
 and another entity.

660 (a) A transfer of a utility asset or a merger or 661 combination between a public utility and another entity or the 662 utility's parent company or holding company and another entity 663 may not occur through acquisition or change in control by stock 664 purchase or otherwise without the approval of the commission and 665 a determination that the proposed asset transfer or the proposed 666 merger or combination is not detrimental to the public interest. 667 However, a proposed asset transfer or a proposed merger or

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21-00347A-08 2008412 668 combination of a public utility and another entity or the public 669 utility's parent or holding company and another entity may be 670 made before the commission's approval if the action is made 671 contingent upon commission approval. The commission may establish, by rule, minimum values 672 (b) 673 of asset transfers which, because the value involved would not 674 adversely affect the utility, would be deemed immaterial, and 675 therefore would not be subject to commission review and approval. 676 (c) The commission may approve an asset transfer or a 677 merger or combination as not being detrimental to the public 678 interest if it finds, after full review of all relevant facts, 679 that none of the following conditions exist or will exist if such 680 asset transfer or merger or combination is consummated: 1. The transaction will adversely affect the adequacy and 681 682 reliability of the electric service that is provided to the 683 public utility's end-use customers; 684 2. The transaction will materially adversely affect the 685 financial condition of the public utility; or 686 3. The public utility's plans for managing the costs and benefits of the merger or combination will unreasonably increase 687 688 the rates of the end-use customers. 689 (d) A public utility seeking review under this subsection 690 must file a petition with the commission concurrent with or 691 before filing a similar petition to the Federal Energy Regulatory 692 Commission pursuant to s. 1289, EPACT 2005 s. 203(a) of the Federal Power Act, 16 U.S.C. s. 824b(a). In support of the 693 694 petition, the public utility shall file direct testimony and 695 supporting documents at the time the initial petition is filed 696 with the commission.

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697	(e) The commission shall enter its final order within 150
698	days after the filing of the petition unless the commission and
699	the utility agree to extend this time.
700	(f) The commission may adopt rules to administer this
701	subsection.
702	Section 14. Effective upon this act becoming a law, section
703	366.915, Florida Statutes, is created to read:
704	366.915 Advanced Energy Portfolio Standard
705	(1) This section may be cited as the "Florida Advanced
706	Energy Portfolio Standard Act."
707	(2)(a) The Legislature finds that it is in the public's
708	interest to:
709	1. Encourage investment in renewable energy resources in
710	order to expand environmentally sustainable methods of generating
711	electricity.
712	2. Stimulate the economic growth of this state.
713	3. Enhance the continued diversification of the fuel
714	sources for electricity used in the state.
715	(b) The Legislature further finds and declares that a
716	program requiring public utilities to use renewable energy is a
717	way to encourage investments in renewable energy resources,
718	stimulate economic growth within the state, and enhance the
719	continued diversification of the state's energy resources.
720	(3) As used in this section, the term:
721	(a) "Biomass" means a power source that is comprised of,
722	but not limited to, combustible residues or gases from forest
723	products manufacturing, agricultural and orchard crops, waste
724	products from livestock and poultry operations and food
725	processing, urban wood waste, municipal solid waste, municipal

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726 liquid waste treatment operations, and landfill gas. 727 (b) "Advanced energy" means electrical energy produced from 728 a method that uses one or more of the following fuels or energy 729 sources: hydrogen produced from sources other than fossil fuels, 730 biomass, solar energy, geothermal energy, wind energy, ocean 731 energy, and hydroelectric power. The term also includes energy-732 efficiency resources, such as waste heat from sulfuric acid 733 manufacturing operations and combined heat and power. The term 734 also includes nuclear and coal fuel when coal is used in a 735 facility having potential carbon-capturing technology. 736 (4) Each public utility, as defined in s. 366.02, shall 737 ensure that by 2015 and for each year thereafter, at least 50 738 percent of all new net energy for load, using 2006 as a base 739 year, is derived from advanced energy produced in this state. If 740 a utility retrofits an existing plant to produce advanced energy, 741 this energy counts toward meeting this requirement. 742 (5) If a public utility must purchase advanced energy in 743 order to satisfy the requirements of this section, the public 744 utility shall use a competitive-procurement process and give 745 priority to entities that produce advanced energy in this state. 746 (6) The Public Service Commission may adopt rules to ensure 747 that the purchase of advanced energy by public utilities is 748 conducted in a fair and impartial manner, consistent with the 749 goals set forth in this section. The commission also may develop 750 an accreditation process to ensure that any entities providing 751 renewable energy in this state satisfy the goals of this section. 752 (7) The requirements of this section shall be held in 753 abeyance if the reasons for a utility's failure to comply are 754 beyond the utility's control, including, but not limited to,

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755 actions of a governmental entity or agency or weather-related 756 damage. 757 Section 15. Effective upon this act becoming a law, 758 paragraph (b) of subsection (2) of section 366.91, Florida 759 Statutes, is amended to read: 760 366.91 Renewable energy.--761 (2) As used in this section, the term: "Renewable energy" means electrical energy produced 762 (b) 763 from a method that uses one or more of the following fuels or 764 energy sources: hydrogen produced from sources other than fossil 765 fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, and hydroelectric power. The term also includes the 766 767 alternative energy efficiency resources resource, waste heat, 768 from sulfuric acid manufacturing operations, and combined heat 769 and power. 770 Section 16. Effective upon this act becoming a law, section 771 366.925, Florida Statutes, is created to read: 772 366.925 Electric utilities; net metering.--773 This section may be cited as the "Florida Net Metering (1) 774 Conservation Act." 775 (2) The commission shall develop rules requiring all public 776 utilities to develop net-metering programs that meet the 777 requirements of this subsection. Each utility shall make 778 available meters that measure both energy production and 779 consumption by the customer. The customer shall receive credit at 780 the full retail rate for energy generated by an eligible system 781 and consumed by that customer behind the meter. If the customer's 782 system or systems behind the meter generates more energy than the 783 customer consumes behind the meter during a billing cycle, the

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784	utility shall pay the customer for the excess generation at its
785	full avoided cost, as set forth in s. 366.051. Net metering is
786	available only at a single metering point and is not available as
787	a part of conjunctive billing of multiple points for a customer
788	or group of customers.
789	(3) The commission shall develop rules setting the
790	interconnection requirements and other standards that renewable
791	energy systems must meet in order to ensure public safety and
792	reliability for customers who participate in the net-metering
793	program.
794	Section 17. Effective upon this act becoming a law, every
795	wholesaler of diesel to a marina within this state must offer
796	biodiesel for sale.
797	Section 18. Subsection (3) of section 377.703, Florida
798	Statutes, is amended to read:
799	377.703 Additional functions of the Department of
800	Environmental Protection; energy emergency contingency plan;
801	federal and state conservation programs
802	(3) DEPARTMENT OF ENVIRONMENTAL PROTECTION; DUTIESThe
803	Department of Environmental Protection shall, in addition to
804	assuming the duties and responsibilities provided by ss. 20.255
805	and 377.701, perform the following functions consistent with the
806	development of a state energy policy:
807	(a) The department shall assume the responsibility for
808	development of an energy emergency contingency plan to respond to
809	serious shortages of primary and secondary energy sources. Upon a
810	finding by the Governor, implementation of any emergency program
811	shall be upon order of the Governor that a particular kind or
812	type of fuel is, or that the occurrence of an event which is

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813 reasonably expected within 30 days will make the fuel, in short 814 supply. The department shall then respond by instituting the 815 appropriate measures of the contingency plan to meet the given 816 emergency or energy shortage. The Governor may utilize the 817 provisions of s. 252.36(5) to carry out any emergency actions 818 required by a serious shortage of energy sources.

(b) The department shall constitute the responsible state
agency for performing or coordinating the functions of any
federal energy programs delegated to the state, including energy
supply, demand, conservation, or allocation.

823 (c) The department shall analyze present and proposed
824 federal energy programs and make recommendations regarding those
825 programs to the Governor.

(d) The department shall coordinate efforts to seek federal
support or other support for state energy <u>conservation</u>
activities, <u>including energy conservation</u>, <u>research</u>, or
development, and shall be the state agency responsible for the
coordination of multiagency energy conservation programs and
plans.

(e) The department shall analyze energy data collected and prepare long-range forecasts of energy supply and demand in coordination with the Florida Public Service Commission, which shall have responsibility for electricity and natural gas forecasts. To this end, the forecasts shall contain:

837 1. An analysis of the relationship of state economic growth 838 and development to energy supply and demand, including the 839 constraints to economic growth resulting from energy supply 840 constraints.

841

2. Plans for the development of renewable energy resources

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and reduction in dependence on depletable energy resources, particularly oil and natural gas, and an analysis of the extent to which renewable energy sources are being utilized in the state.

846 3. Consideration of alternative scenarios of statewide 847 energy supply and demand for 5, 10, and 20 years, to identify 848 strategies for long-range action, including identification of 849 potential social, economic, and environmental effects.

850 4. An assessment of the state's energy resources, including 851 examination of the availability of commercially developable and 852 imported fuels, and an analysis of anticipated effects on the 853 state's environment and social services resulting from energy 854 resource development activities or from energy supply 855 constraints, or both.

856 (e) (f) The department shall make a report, as requested by 857 the Governor or the Legislature, reflecting its activities and 858 making recommendations of policies for improvement of the state's 859 response to energy supply and demand and its effect on the 860 health, safety, and welfare of the people of Florida. The report 861 shall include a report from the Florida Public Service Commission 862 on electricity and natural gas and information on energy 863 conservation programs conducted and under way in the past year 864 and shall include recommendations for energy conservation 865 programs for the state, including, but not limited to, the 866 following factors:

Formulation of specific recommendations for improvement
 in the efficiency of energy utilization in governmental,
 residential, commercial, industrial, and transportation sectors.

870

2. Collection and dissemination of information relating to

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871	energy conservation.
872	3. Development and conduct of educational and training
873	programs relating to energy conservation.
874	4. An analysis of the ways in which state agencies are
875	seeking to implement s. 377.601(4), the state energy policy, and
876	recommendations for better fulfilling this policy.
877	(f) <del>(g)</del> The department has authority to adopt rules pursuant
878	to ss. 120.536(1) and 120.54 to implement the provisions of this
879	act.
880	(h) Promote the development and use of renewable energy
881	resources, in conformance with the provisions of chapter 187 and
882	<del>s. 377.601, by:</del>
883	1. Establishing goals and strategies for increasing the use
884	of solar energy in this state.
885	2. Aiding and promoting the commercialization of solar
886	energy technology, in cooperation with the Florida Solar Energy
887	Center, Enterprise Florida, Inc., and any other federal, state,
888	or local governmental agency which may seek to promote research,
889	development, and demonstration of solar energy equipment and
890	technology.
891	3. Identifying barriers to greater use of solar energy
892	systems in this state, and developing specific recommendations
893	for overcoming identified barriers, with findings and
894	recommendations to be submitted annually in the report to the
895	Legislature required under paragraph (f).
896	4. In cooperation with the Department of Transportation,
897	the Department of Community Affairs, Enterprise Florida, Inc.,
898	the Florida Solar Energy Center, and the Florida Solar Energy
899	Industries Association, investigating opportunities, pursuant to

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900 the National Energy Policy Act of 1992 and the Housing and 901 Community Development Act of 1992, for solar electric vehicles 902 and other solar energy manufacturing, distribution, installation, 903 and financing efforts which will enhance this state's position as 904 the leader in solar energy research, development, and use. 905 5. Undertaking other initiatives to advance the development 906 and use of renewable energy resources in this state. 907 908 In the exercise of its responsibilities under this paragraph, the 909 department shall seek the assistance of the solar energy industry 910 in this state and other interested parties and is authorized to 911 enter into contracts, retain professional consulting services, 912 and expend funds appropriated by the Legislature for such 913 purposes. 914 (q) (i) The department shall promote energy conservation in 915 all energy use sectors throughout the state and shall constitute 916 the state agency primarily responsible for this function. To this 917 end, the department shall coordinate the energy conservation 918 programs of all state agencies and review and comment on the 919 energy conservation programs of all state agencies.

920 (j) The department shall serve as the state clearinghouse 921 for indexing and gathering all information related to energy 922 programs in state universities, in private universities, in 923 federal, state, and local government agencies, and in private 924 industry and shall prepare and distribute such information in any 925 manner necessary to inform and advise the citizens of the state 926 of such programs and activities. This shall include developing 927 and maintaining a current index and profile of all research 928 activities, which shall be identified by energy area and may

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929 include a summary of the project, the amount and sources of 930 funding, anticipated completion dates, or, in case of completed 931 research, conclusions, recommendations, and applicability to 932 state government and private sector functions. The department 933 shall coordinate, promote, and respond to efforts by all sectors 934 of the economy to seek financial support for energy activities. 935 The department shall provide information to consumers regarding 936 the anticipated energy-use and energy-saving characteristics of 937 products and services in coordination with any federal, state, or 938 local governmental agencies as may provide such information to 939 consumers.

940 (h) (k) The department shall coordinate energy-related 941 programs of state government, including, but not limited to, the 942 programs provided in this section. To this end, the department 943 shall:

944 1. Provide assistance to other state agencies, counties,
945 municipalities, and regional planning agencies to further and
946 promote their energy planning activities.

947 2. Require, in cooperation with the Department of 948 Management Services, all state agencies to operate state-owned 949 and state-leased buildings in accordance with energy conservation 950 standards as adopted by the Department of Management Services. 951 Every 3 months, the Department of Management Services shall 952 furnish the department data on agencies' energy consumption in a 953 format mutually agreed upon by the two departments.

954 3. Promote the development and use of renewable energy 955 resources, energy efficiency technologies, and conservation 956 measures.

957

4. Promote the recovery of energy from wastes, including,

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958 but not limited to, the use of waste heat, the use of 959 agricultural products as a source of energy, and recycling of 960 manufactured products. Such promotion shall be conducted in 961 conjunction with, and after consultation with, the Department of Environmental Protection, the Florida Public Service Commission 962 963 where electrical generation or natural gas is involved, and any 964 other relevant federal, state, or local governmental agency 965 having responsibility for resource recovery programs.

966 <u>(i)(1)</u> The department shall develop, coordinate, and 967 promote a comprehensive research plan for state programs. Such 968 plan shall be consistent with state energy policy and shall be 969 updated on a biennial basis.

970 (j) (m) In recognition of the devastation to the economy of 971 this state and the dangers to the health and welfare of residents 972 of this state caused by Hurricane Andrew, and the potential for 973 such impacts caused by other natural disasters, the department 974 shall include in its energy emergency contingency plan and 975 provide to the Department of Community Affairs for inclusion in 976 the state model energy efficiency building code specific 977 provisions to facilitate the use of cost-effective solar energy 978 technologies as emergency remedial and preventive measures for 979 providing electric power, street lighting, and water heating 980 service in the event of electric power outages.

981 Section 19. <u>Subsection (2) of section 377.803</u>, Florida 982 <u>Statutes, is repealed.</u>

983 Section 20. Subsections (2) and (3) of section 377.806, 984 Florida Statutes, are amended, present subsection (6) of that 985 section is renumbered as subsection (7), present subsection (7) 986 of that section is renumbered as subsection (8) and amended, and

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a new subsection (6) is added to that section, to read: 987 988 377.806 Solar Energy System Incentives Program.--989 (2) SOLAR PHOTOVOLTAIC SYSTEM INCENTIVE. --990 Eligibility requirements. -- A solar photovoltaic system (a) qualifies for a rebate if: 991 992 The system is installed by a state-licensed master 1. 993 electrician, electrical contractor, or solar contractor. 994 2. The system complies with state interconnection standards 995 as provided by the commission. 996 3. The system complies with all applicable building codes 997 as defined by the local jurisdictional authority. 998 (b) Rebate amounts.--The rebate amount shall be set at \$4 999 per watt based on the total wattage rating of the system. The 1000 maximum allowable rebate per solar photovoltaic system 1001 installation shall be as follows: 1002 Twenty thousand dollars for a residence. 1. 1003 2. One hundred thousand dollars for a place of business, a 1004 publicly owned or operated facility, or a facility owned or operated by a private, not-for-profit organization, including 1005 1006 condominiums or apartment buildings. 1007 (c) Application.--To be eligible to receive a rebate, 1008 applicants must file with the department a preapplication form 1009 demonstrating that the planned system will meet applicable 1010 requirements of this section. The department shall review the preapplication to determine if it complies with the requirements 1011 1012 of this section, shall notify the applicant within 30 days after 1013 receipt of the preapplication that the preapplication has been

1014 received and meets such requirements, and shall reserve funding

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for the preapplication for up to 90 days following the date of

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1016	issuance of notification to the applicant. Within 90 days after
1017	the purchase of the solar photovoltaic system, the applicant must
1018	submit to the department a separate application for a rebate
1019	payment.
1020	(3) SOLAR THERMAL SYSTEM INCENTIVE
1021	(a) Eligibility requirementsA solar thermal system
1022	qualifies for a rebate if:
1023	1. The system is installed by a state-licensed solar or
1024	plumbing contractor.
1025	2. The system complies with all applicable building codes
1026	as defined by the local jurisdictional authority.
1027	(b) Rebate amountsAuthorized rebates for installation of
1028	solar thermal systems shall be as follows:
1029	1. Five hundred dollars for a residence.
1030	2. Fifteen dollars per 1,000 Btu up to a maximum of \$5,000
1031	for a place of business, a publicly owned or operated facility,
1032	or a facility owned or operated by a private, not-for-profit
1033	organization, including condominiums or apartment buildings. <del>Btu</del>
1034	must be verified by approved metering equipment.
1035	(6) LIMITATIONRebates are limited to one type of system
1036	per resident per state fiscal year.
1037	(8)(7) RULESThe department shall adopt rules pursuant to
1038	ss. 120.536(1) and 120.54 to develop <del>rebate</del> applications <u>for</u>
1039	rebate reservations and rebate payments and administer the
1040	issuance of rebates.
1041	Section 21. Section 403.0874, Florida Statutes, is created
1042	to read:
1043	403.0874 Greenhouse gas inventories
1044	(1) "Greenhouse gases" means gases that trap heat in the

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1045 atmosphere. The principal greenhouse gases are: carbon dioxide 1046 (CO2), methane (CH4), nitrous oxide (N2O), and fluorinated gases, 1047 such as hydrofluorocarbons, perfluorocarbons, and sulfur 1048 hexafluoride. 1049 The department shall develop greenhouse gas inventories (2) 1050 that account for annual greenhouse gases emitted to and removed 1051 from the atmosphere, and forecast gases emitted and removed, for 1052 all major greenhouse gases, for time periods determined 1053 sufficient by the department to provide for adequate analysis and 1054 planning. The inventory shall also include greenhouse gas emissions that are considered carbon neutral through the use of 1055 1056 renewable energy as defined in s. 366.91(2)(a). 1057

1057 (3) By rule, the department shall define which greenhouse 1058 gases are to be included in each inventory, the criteria for 1059 defining major emitters, which emitters must report emissions, 1060 and what methodologies shall be used to estimate gases emitted 1061 and removed from those not required to report.

1062 (4) The department may require all major emitters of
 1063 defined greenhouse gases to report emissions according to
 1064 methodologies and reporting systems approved by the department
 1065 and established by rule, which may include the use of quality 1066 assured data from continuous emissions monitoring systems.

1067 Section 22. Section 489.145, Florida Statutes, is amended 1068 to read:

1069 489.145 Guaranteed energy performance savings 1070 contracting.--

1071(1) SHORT TITLE.--This section may be cited as the1072"Guaranteed Energy Performance Savings Contracting Act."

1073

(2) LEGISLATIVE FINDINGS.--The Legislature finds that

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1074 investment in energy conservation measures in agency facilities 1075 can reduce the amount of energy consumed and produce immediate 1076 and long-term savings. It is the policy of this state to 1077 encourage agencies to invest in energy conservation measures that 1078 reduce energy consumption, produce a cost savings for the agency, 1079 and improve the quality of indoor air in public facilities and to operate, maintain, and, when economically feasible, build or 1080 1081 renovate existing agency facilities in such a manner as to 1082 minimize energy consumption and maximize energy savings. It is 1083 further the policy of this state to encourage agencies to 1084 reinvest any energy savings resulting from energy conservation 1085 measures in additional energy conservation efforts.

1086

(3) DEFINITIONS.--As used in this section, the term:

1087 (a) "Agency" means the state, a municipality, or a1088 political subdivision.

(b) "Energy conservation measure" means a training program, facility alteration, or <u>an</u> equipment purchase to be used in new construction, including an addition to an existing facility, which reduces energy or <u>energy-related</u> operating costs and includes, but is not limited to:

1094 1. Insulation of the facility structure and systems within 1095 the facility.

2. Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat-absorbing, or heatreflective, glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption.

- 1101 1102
- 3. Automatic energy control systems.
- 4. Heating, ventilating, or air-conditioning system

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2008412 21-00347A-08 1103 modifications or replacements. 1104 5. Replacement or modifications of lighting fixtures to 1105 increase the energy efficiency of the lighting system, which, at 1106 a minimum, must conform to the applicable state or local building 1107 code. 1108 6. Energy recovery systems. Cogeneration systems that produce steam or forms of 1109 7. 1110 energy such as heat, as well as electricity, for use primarily 1111 within a facility or complex of facilities. 1112 8. Energy conservation measures that reduce Btu, kW, or kWh 1113 consumed or provide long-term operating cost reductions or 1114 significantly reduce Btu consumed. 1115 Renewable energy systems, such as solar, biomass, or 9. 1116 wind systems. 1117 10. Devices that reduce water consumption or sewer charges. 1118 11. Storage systems, such as fuel cells and thermal 1119 storage. Generating technologies, such as microturbines. 1120 12. 1121 13. Any other repair, replacement, or upgrade of existing 1122 equipment. 1123 (C) "Energy cost savings" means a measured reduction in the 1124 cost of fuel, energy consumption, and stipulated operation and 1125 maintenance created from the implementation of one or more energy 1126 conservation measures when compared with an established baseline 1127 for the previous cost of fuel, energy consumption, and stipulated 1128 operation and maintenance. 1129 (d) "Guaranteed energy performance savings contract" means 1130 a contract for the evaluation, recommendation, and implementation of energy conservation measures or energy-related operational 1131

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1132 <u>saving measures</u>, which, at a minimum, shall include:

1133 1. The design and installation of equipment to implement 1134 one or more of such measures and, if applicable, operation and 1135 maintenance of such measures.

1136 The amount of any actual annual savings that meet or 2. 1137 exceed total annual contract payments made by the agency for the 1138 contract and may include allowable cost avoidance. As used in 1139 this section, allowable cost avoidance calculations include, but 1140 are not limited to, avoided provable budgeted costs contained in 1141 a capital replacement plan less the current undepreciated value of replaced equipment and the replacement cost of the new 1142 1143 equipment.

1144 3. The finance charges incurred by the agency over the life 1145 of the contract.

(e) "Guaranteed energy performance savings contractor" means a person or business that is licensed under chapter 471, chapter 481, or this chapter, and is experienced in the analysis, design, implementation, or installation of energy conservation measures through energy performance contracts.

(4) PROCEDURES.--

1151

(a) An agency may enter into a guaranteed energy performance savings contract with a guaranteed energy performance savings contractor to significantly reduce energy <u>consumption</u> or <u>energy-related</u> operating costs of an agency facility through one or more energy conservation measures.

(b) Before design and installation of energy conservation measures, the agency must obtain from a guaranteed energy performance savings contractor a report that summarizes the costs associated with the energy conservation measures <u>or energy</u>-

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1161 related operational cost saving measures and provides an estimate 1162 of the amount of the energy cost savings. The agency and the 1163 quaranteed energy performance savings contractor may enter into a 1164 separate agreement to pay for costs associated with the 1165 preparation and delivery of the report; however, payment to the 1166 contractor shall be contingent upon the report's projection of energy or operational cost savings being equal to or greater than 1167 1168 the total projected costs of the design and installation of the 1169 report's energy conservation measures.

1170 (C) The agency may enter into a guaranteed energy 1171 performance savings contract with a guaranteed energy performance 1172 savings contractor if the agency finds that the amount the agency 1173 would spend on the energy conservation or energy-related cost 1174 saving measures will not likely exceed the amount of the energy or energy-related cost savings for up to 20 years from the date 1175 1176 of installation, based on the life cycle cost calculations provided in s. 255.255, if the recommendations in the report were 1177 followed and if the qualified provider or providers give a 1178 1179 written guarantee that the energy or energy-related cost savings 1180 will meet or exceed the costs of the system. However, actual computed cost savings must meet or exceed the estimated cost 1181 1182 savings provided in program approval. Baseline adjustments used 1183 in calculations must be specified in the contract. The contract 1184 may provide for installment payments for a period not to exceed 1185 20 years.

(d) A guaranteed energy performance savings contractor must be selected in compliance with s. 287.055; except that if fewer than three firms are qualified to perform the required services, the requirement for agency selection of three firms, as provided

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1190 in s. 287.055(4)(b), and the bid requirements of s. 287.057 do 1191 not apply.

(e) Before entering into a guaranteed energy performance savings contract, an agency must provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

1196 (f) A quaranteed energy performance savings contract may 1197 provide for financing, including tax exempt financing, by a third 1198 party. The contract for third party financing may be separate 1199 from the energy performance contract. A separate contract for 1200 third party financing pursuant to this paragraph must include a provision that the third party financier must not be granted 1201 1202 rights or privileges that exceed the rights and privileges 1203 available to the guaranteed energy performance savings 1204 contractor.

(g) Financing for guaranteed energy performance savings contracts may be provided under the authority of s. 287.064.

1207 (h) The Office of the Chief Financial Officer shall review 1208 proposals to ensure that the most effective financing is being 1209 used.

1210 (i) (q) In determining the amount the agency will finance to 1211 acquire the energy conservation measures, the agency may reduce 1212 such amount by the application of any grant moneys, rebates, or 1213 capital funding available to the agency for the purpose of buying 1214 down the cost of the guaranteed energy performance savings 1215 contract. However, in calculating the life cycle cost as required 1216 in paragraph (c), the agency shall not apply any grants, rebates, 1217 or capital funding.

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(5) CONTRACT PROVISIONS.--

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(a) A guaranteed energy performance savings contract must include a written guarantee that may include, but is not limited to the form of, a letter of credit, insurance policy, or corporate guarantee by the guaranteed energy performance savings contractor that annual energy cost savings will meet or exceed the amortized cost of energy conservation measures.

(b) The guaranteed energy performance savings contract must provide that all payments, except obligations on termination of the contract before its expiration, may be made over time, but not to exceed 20 years from the date of complete installation and acceptance by the agency, and that the annual savings are guaranteed to the extent necessary to make annual payments to satisfy the guaranteed energy performance savings contract.

32 (c) The guaranteed energy performance savings contract must 33 require that the guaranteed energy performance savings contractor 34 to whom the contract is awarded provide a 100-percent public 35 construction bond to the agency for its faithful performance, as 36 required by s. 255.05.

(d) The guaranteed energy performance savings contract may contain a provision allocating to the parties to the contract any annual energy cost savings that exceed the amount of the energy cost savings guaranteed in the contract.

(e) The guaranteed energy performance savings contract shall require the guaranteed energy performance savings contractor to provide to the agency an annual reconciliation of the guaranteed energy <u>or energy-related</u> cost savings. If the reconciliation reveals a shortfall in annual energy <u>or energy-</u> <u>related</u> cost savings, the guaranteed energy performance savings contractor is liable for such shortfall. If the reconciliation

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1248 reveals an excess in annual energy cost savings, the excess 1249 savings may be allocated under paragraph (d) but may not be used 1250 to cover potential energy cost savings shortages in subsequent 1251 contract years.

(f) The guaranteed energy performance savings contract must provide for payments of not less than one-twentieth of the price to be paid within 2 years from the date of the complete installation and acceptance by the agency <u>using straight-line</u> <u>amortization for the term of the loan</u>, and the remaining costs to be paid at least quarterly, not to exceed a 20-year term, based on life cycle cost calculations.

(g) The guaranteed energy performance savings contract may extend beyond the fiscal year in which it becomes effective; however, the term of any contract expires at the end of each fiscal year and may be automatically renewed annually for up to 20 years, subject to the agency making sufficient annual appropriations based upon continued realized energy savings.

1265 (h) The guaranteed energy performance savings contract must 1266 stipulate that it does not constitute a debt, liability, or 1267 obligation of the state.

1268 (6) PROGRAM ADMINISTRATION AND CONTRACT REVIEW.--The 1269 Department of Management Services, with the assistance of the 1270 Office of the Chief Financial Officer, shall may, within 1271 available resources, provide technical content assistance to 1272 state agencies contracting for energy conservation measures and 1273 engage in other activities considered appropriate by the 1274 department for promoting and facilitating guaranteed energy 1275 performance contracting by state agencies. The Office of the 1276 Chief Financial Officer, with the assistance of the Department of

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1277	Management Services, <u>shall</u> may, within available resources,
1278	develop model contractual and related documents for use by state
1279	agencies. Prior to entering into a guaranteed energy performance
1280	savings contract, any contract or lease for third-party
1281	financing, or any combination of such contracts, a state agency
1282	shall submit such proposed contract or lease to the Office of the
1283	Chief Financial Officer for review and approval. <u>A proposed</u>
1284	contract or lease shall include:
1285	(a) Supporting information required by s. 216.023(4)(a)9.
1286	(b) Documentation supporting recurring funds requirements
1287	in ss. 287.063(5) and 287.064(11).
1288	(c) Approval by the agency head or his or her designee.
1289	(d) An agency measurement and verification plan to monitor
1290	costs savings.
1291	(7) FUNDING SUPPORT For purposes of consolidated
1292	financing of deferred payment commodity contracts under this
1293	section by a state agency, any such contract must be supported
1294	from available recurring funds appropriated to the agency in an
1295	appropriation category, as defined in chapter 216, which the
1296	Chief Financial Officer has determined is appropriate or which
1297	the Legislature has designated for payment of the obligation
1298	incurred under this section.
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1300	The Office of the Chief Financial Officer may not approve any
1301	contract submitted under this section which does not meet the
1302	requirements of this section.
1303	Section 23. Section 570.958, Florida Statutes, is created
1304	to read:
1305	570.958 Biofuel Retail Sales Incentive Program
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1306	(1) The purpose of this section is to encourage the retail
1307	sale of biofuels in this state and replace petroleum consumption
1308	in the state by the following percentages over the specified
1309	periods:
1310	(a) Three percent from January 1, 2010, through December
1311	<u>31, 2010.</u>
1312	(b) Five percent from January 1, 2011, through December 31,
1313	2011.
1314	(c) Seven percent from January 1, 2012, through December
1315	<u>31, 2012.</u>
1316	(d) Ten percent from January 1, 2013, through December 31,
1317	2013.
1318	(2) As used in this section, the term:
1319	(a) "Biodiesel" means the mono-alkyl esters of long-chain
1320	fatty acids derived from plant or animal matter for use as a
1321	source of energy and meeting the specifications for biodiesel and
1322	biodiesel blended with petroleum products as adopted by the
1323	department.
1324	(b) "Biofuel" means E85 fuel ethanol, E10 motor fuel,
1325	biodiesel, and diesel blended fuel.
1326	(c) "Diesel blended fuel" means a fuel mixture containing
1327	10 percent or more biodiesel or renewable diesel fuel, with the
1328	balance comprised of diesel fuel and meeting the specifications
1329	for diesel blends as adopted by the department.
1330	(d) "E85 fuel ethanol" means ethanol blended with gasoline
1331	and formulated with a nominal percentage of 85 percent ethanol by
1332	volume and meeting the applicable fuel quality specifications as
1333	adopted by the department.
1334	(e) "E10 motor fuel" means a motor fuel blend consisting of

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1335	nominal percentages of 90 percent gasoline by volume and 10
1336	percent ethanol by volume and meeting the fuel quality
1337	specifications for gasoline as adopted by the department.
1338	(f) "Ethanol or fuel ethanol" means an anhydrous denatured
1339	alcohol produced by the conversion of carbohydrates and meeting
1340	the specifications for fuel ethanol as adopted by the department.
1341	(g) "Fuel dispenser" means a pump, meter, or similar device
1342	used to measure and deliver motor fuel or diesel fuel on a retail
1343	basis.
1344	(h) "Renewable diesel fuel" means a fuel that meets the
1345	registration requirements for fuels and fuel additives
1346	established by the Environmental Protection Agency in the Clean
1347	Air Act; is not a mono-alkyl ester; is intended for use in
1348	engines that are designed to run on conventional, petroleum-
1349	derived diesel fuel; is derived from nonpetroleum renewable
1350	resources, including, but not limited to, vegetable oils, animal
1351	wastes, including poultry fats and poultry wastes, and other
1352	waste materials, or municipal solid waste and sludges and oils
1353	derived from wastewater and the treatment of wastewater; and
1354	meets the specifications for diesel fuel as adopted by the
1355	department.
1356	(i) "Retail dealer" means any person who is engaged in the
1357	business of selling fuel at retail at posted retail prices.
1358	(j) "Retail motor fuel site" means a geographic location in
1359	this state where a retail dealer sells or offers for sale motor
1360	fuel, diesel fuel, or biofuel to the public.
1361	(3)(a) Subject to specific appropriation, a retail dealer
1362	who sells biofuel through fuel dispensers at retail motor fuel
1363	sites is entitled to an incentive payment that shall be computed
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1364	as follows:
1365	1. An incentive of 1 cent for each gallon of E10 motor fuel
1366	sold through a fuel dispenser.
1367	2. An incentive of 5 cents for each gallon of E85 fuel
1368	ethanol sold through a fuel dispenser.
1369	3. An incentive of 1 cent for each gallon of diesel blended
1370	fuel sold through a fuel dispenser.
1371	4. An incentive of 3 cents for each gallon of biodiesel
1372	sold through a fuel dispenser.
1373	(b) The incentive may be claimed for biofuel sold on or
1374	after January 1, 2010. Beginning in 2011, each applicant claiming
1375	an incentive under this section must first apply to the
1376	department by February 1 of each year for an allocation of the
1377	available incentive for the preceding calendar year. The
1378	department shall develop an application form. The application
1379	form shall, at a minimum, require a sworn affidavit from each
1380	retail dealer certifying the following information:
1381	1. The name and principal address of the retail dealer.
1382	2. The address of the retail dealer's retail motor fuel
1383	sites from which it sold biofuels during the preceding calendar
1384	year.
1385	3. The total gallons of E10 ethanol sold through fuel
1386	dispensers.
1387	4. The total gallons of E85 ethanol sold through fuel
1388	dispensers.
1389	5. The total gallons of diesel blended fuel sold through
1390	fuel dispensers.
1391	6. The total gallons of biodiesel sold through fuel
1392	dispensers.
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1393	7. Any other information deemed necessary by the department
1394	to adequately ensure that the incentive allowed under this
1395	section shall be made only to qualified Florida retail dealers.
1396	(c) The department shall determine the amount of the
1397	incentive allowed under this section.
1398	(4) If the amount of incentives applied for each year
1399	exceeds the amount appropriated, the department shall pay to each
1400	applicant a prorated amount based on each applicant's gallonage
1401	of qualified biofuel sold and dispensed that is eligible for the
1402	incentive under this section.
1403	(5) The department may adopt rules pursuant to ss.
1404	120.536(1) and 120.54 to implement and administer this section,
1405	including rules prescribing forms, the documentation needed to
1406	substantiate a claim for the incentive, and the specific
1407	procedures and guidelines for claiming the incentive.
1408	Section 24. Section 570.959, Florida Statutes, is created
1409	to read:
1410	570.959 Florida Biofuel Production Incentive Program
1411	(1) The purpose of this section is to encourage the
1412	development and expansion of facilities that produce biofuels in
1413	this state from crops, agricultural waste and residues, and other
1414	biomass produced in this state by providing economic incentives
1415	to do so.
1416	(2) As used in this section, the term:
1417	(a) "Biodiesel" means the mono-alkyl esters of long-chain
1418	fatty acids derived from plant or animal matter for use as a
1419	source of energy and meeting the specifications for biodiesel and
1420	biodiesel blended with petroleum products as adopted by the
1421	department.

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1422	(b) "Biofuel" means ethanol or biodiesel.
1423	(c) "Ethanol" or "fuel ethanol" means an anhydrous
1424	denatured alcohol produced by the conversion of carbohydrates and
1425	meeting the specifications for fuel ethanol adopted by the
1426	department.
1427	(d) "Florida biofuel production" means production of
1428	biofuel in the state from crops, agricultural waste and residues,
1429	and other biomass produced in this state.
1430	(3) In order to be eligible for the incentive provided in
1431	this section, a producer must have registered and have met the
1432	requirements contained in chapter 206.
1433	(4) An incentive, subject to appropriation, shall be paid
1434	to a producer based on Florida biofuel production as follows:
1435	(a) The incentive shall be 5 cents for each gallon of
1436	unblended Florida biofuel produced, exclusive of denaturant,
1437	during a given calendar year and sold to an unrelated blender of
1438	biofuel.
1439	(b) The incentive may be earned for production on or after
1440	January 1, 2010. Beginning in 2011, each producer claiming an
1441	incentive under this section must first apply to the department
1442	by February 1 of each year for an allocation of available
1443	incentives. The department shall develop an application form that
1444	shall, at a minimum, require a sworn affidavit from each producer
1445	certifying the production that forms the basis of the application
1446	and certifying that all information contained in the application
1447	is true and correct.
1448	(c) The department shall determine whether or not such
1449	production is eligible for the incentive under this section.
1450	(d) If the amount of incentives applied for each year

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1451	exceeds the amount appropriated, the department shall pay to each
1452	applicant a prorated amount based on the percentage of biofuel
1453	produced that is eligible for the incentive under this section.
1454	(5) The department may adopt rules pursuant to ss.
1455	120.536(1) and 120.54 to implement and administer this section,
1456	including rules prescribing forms, the documentation needed to
1457	substantiate a claim for the incentive, and the specific
1458	procedures and guidelines for claiming the incentive.
1459	Section 25. (1) The Florida Building Commission shall
1460	convene a workgroup comprised of representatives from the Florida
1461	Energy Commission, the Department of Community Affairs, the
1462	Building Officials Association of Florida, the Florida Energy
1463	Office, the Florida Home Builders Association, the Association of
1464	Counties, the League of Cities, and other stakeholders to develop
1465	a model residential energy efficiency ordinance that provides
1466	incentives to meet energy efficiency standards. The commission
1467	must report back to the Legislature with a developed ordinance by
1468	March 1, 2010.
1469	(2) The Florida Building Commission shall, in consultation
1470	with the Florida Energy Commission, the Building Officials
1471	Association of Florida, the Florida Energy Office, the Florida
1472	Home Builders Association, the Association of Counties, the
1473	League of Cities, and other stakeholders, review the Florida
1474	Energy Code for Building Construction. Specifically, the
1475	commission shall revisit the analysis of cost-effectiveness that
1476	serves as the basis for energy efficiency levels for residential
1477	buildings, identify cost-effective means to improve energy
1478	efficiency in commercial buildings, and compare the code to the
1479	International Energy Conservation Code and the American Society

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1480 of Heating Air-Conditioning and Refrigeration Engineers Standards 1481 90.1 and 90.2. The commission shall provide a report containing a 1482 standard to the Legislature by March 1, 2010, which may be adopted for the construction of all new residential, commercial, 1483 1484 and government buildings. The Florida Building Commission, in consultation with 1485 (3) 1486 the Florida Solar Energy Center, the Florida Energy Commission, 1487 the Florida Energy Office, the United States Department of 1488 Energy, and the Florida Home Builders Association, shall develop and implement a public awareness campaign that promotes energy 1489 efficiency and the benefits of building green by January 1, 2010. 1490 1491 The campaign must include enhancement of an existing web site 1492 from which the public can obtain information pertaining to green building practices, calculate anticipated savings from use of 1493 1494 those options, as well as learn about energy efficiency 1495 strategies that may be used in their existing home or when 1496 building a home. The campaign shall focus on the benefits of 1497 promoting energy efficiency to the purchasers of new homes, the 1498 various green building ratings available, and the promotion of 1499 various energy-efficient products through existing trade shows. 1500 The campaign must also include strategies for using print 1501 advertising, press releases, and television advertising to 1502 promote voluntary use of green building practices. 1503 Section 26. (1) The Legislature declares that there is an 1504 important state interest in promoting the construction of energyefficient and sustainable buildings. Government leadership in 1505 1506 promoting these standards is vital to demonstrate the state's

1507 commitment to energy conservation, saving taxpayers money, and 1508 raising public awareness of energy-rating systems.

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1509	(2) All county, municipal, and public community college
1510	buildings shall be constructed to meet the United States Green
1511	Building Council (USGBC) Leadership in Energy and Environmental
1512	Design (LEED) rating system, Green Building Initiative's Green
1513	Globes rating system, or a nationally recognized, high-
1514	performance green building rating system as approved by the
1515	Department of Management Services. This section applies to all
1516	county, municipal, and public community college buildings whose
1517	architectural plans are started after July 1, 2010.
1518	Section 27. State fleet biodiesel usage
1519	(1) By July 1, 2010, a minimum of 5 percent, by January 1,
1520	2011, a minimum of 10 percent, and by January 1, 2012, a minimum
1521	of 20 percent of total diesel fuel purchases for use by state-
1522	owned diesel vehicles and equipment shall be biodiesel fuel
1523	(B20), subject to availability.
1524	(2) By July 1, 2010, a minimum of 5 percent, by January 1,
1525	2011, a minimum of 10 percent, and by January 1, 2012, a minimum
1526	of 20 percent of total fuel purchases for use by state-owned
1527	flex-fuel vehicles shall be ethanol, subject to availability.
1528	(3) The Department of Management Services shall provide for
1529	the proper administration, implementation, and enforcement of
1530	this section.
1531	(4) The Department of Management Services shall report to
1532	the Legislature on or before March 1, 2010, and annually
1533	thereafter, the extent of biodiesel and ethanol use in the state
1534	fleet. The report must contain the number of gallons purchased
1535	since July 1, 2008, the average price of biodiesel and ethanol,
1536	and a description of fleet performance.
1537	Section 28. School district biodiesel usage
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1538 (1) By January 1, 2010, a minimum of 20 percent of total 1539 diesel fuel purchases for use by school districts shall be 1540 biodiesel fuel (B20), subject to availability. 1541 (2) If a school district contracts with another government 1542 entity or private entity to provide transportation services for 1543 any of its pupils, the biodiesel blend fuel requirement 1544 established pursuant to subsection (1) shall be part of that 1545 contract. However, this requirement applies only to contracts 1546 entered into on or after July 1, 2009.

1547 Section 29. Except as otherwise expressly provided in this 1548 act and except for this section, which shall take effect upon 1549 becoming a law, this act shall take effect July 1, 2008.