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LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
04/04/2011	.	
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The Committee on Communications, Energy, and Public Utilities (Altman) recommended the following:

1 **Senate Amendment (with title amendment)**

2

3 Delete lines 160 - 251

4 and insert:

5 (b) Each provider shall purchase renewable energy pursuant
6 to a standard form contract for the purchase of renewable energy
7 from different types of renewable energy facilities located in
8 Florida.

9 1. The price to be paid for renewable energy purchased
10 through a standard form contract shall be expressed in a
11 levelized, or constant, price per kilowatt hour for the term of
12 the contract. The price shall be determined by a competitive



830712

13 auction conducted by an independent auction administrator
14 engaged by the commission to ensure the objectivity and fairness
15 of the auction. The provider shall reimburse the commission for
16 the cost for the independent auction administrator, and the cost
17 is recoverable by the provider through the environmental cost-
18 recovery clause.

19 2. The commission shall set the terms and conditions of the
20 standard form contract before such contract may be issued and
21 shall establish procedures for the conduct of the auction
22 provided for in this paragraph.

23 3. The commission shall set the term of a minimum of 20
24 years and a maximum of 30 years for the standard form contract.

25 4. A renewable energy supplier's generating facility must
26 be located in the state to be eligible to participate in an
27 auction.

28 (c) Each provider must offer a standard form contract for
29 each of the following types of renewable energy technologies and
30 sizes:

31 1. Solar electric technologies under 250 kilowatts and
32 solar electric technologies over 250 kilowatts but no more than
33 5 megawatts, including crystalline photovoltaic, solar
34 thermoelectric, and solar thermal generating technologies.

35 2. Wind technologies.

36 3. Hydroelectric technologies, including technologies that
37 use the energy in waves, ocean currents, or thermal energy
38 differentials.

39 4. Biomass technologies.

40 5. Waste-heat technologies.

41 (d) The commission shall require that a minimum of 20



830712

percent of the total funding is spent by each provider on the building of Florida renewable energy resources or the conversion of an existing fossil fuel generation plant to a Florida renewable energy resource. Fifty percent of the utility's purchased renewable energy shall be from biomass and other renewable energy technologies, and 50 percent shall be from solar suppliers, of which at least 50 percent shall be from systems under 250 kilowatts.

(e) If the bids received from the auction are insufficient to spend the total amount of funds available, the residual funds are available for purchase of renewable energy from either technologies or size class other than the undersubscribed technologies or size class or may be carried forward and spent, on a pro rata basis, over the succeeding 4 years.

(f) A renewable energy generating facility that is constructed by a renewable energy supplier or by a provider of renewable energy is not subject to s. 403.519. The commission is not required to submit a report pursuant to s. 403.507(4)(a) for the project.

(g) After the completion of construction of a new renewable energy project, the completion of the conversion of an existing facility to renewable energy, or the completion of a purchase of renewable energy, and the filing by a provider of a petition for approval of cost recovery, the commission must schedule a formal administrative hearing within 10 days after the date of the filing of the petition and vote on the petition within 90 days after the date of the filing.

(h)1. The costs incurred by a provider in connection with the construction or conversion, operation, and maintenance of a



830712

71 renewable energy project are deemed to be prudent for purposes
72 of cost recovery so long as the provider has used reasonable and
73 customary industry practices in the design, procurement, and
74 construction of the project in a cost-effective manner that is
75 appropriate for the type of renewable energy facility and
76 appropriate to the location of the facility. A provider may
77 recover all prudently incurred costs of renewable energy under
78 the environmental cost-recovery clause provisions of s.
79 366.8255. As part of the cost-recovery proceedings, the provider
80 must report to the commission the construction costs, in-service
81 costs, operating and maintenance costs, hourly energy production
82 of the renewable energy project, and any other information
83 deemed relevant by the commission.

84 2. The commission must allow full cost recovery over the
85 entire useful life of the Florida renewable energy resource of
86 the revenue requirements using traditional declining balance
87 amortization of all reasonable and prudently incurred costs,
88 including, but not limited to, the following:

89 a. The siting, licensing, engineering, design, permitting,
90 construction, operation, and maintenance of a renewable energy
91 facility and associated transmission facilities by the provider.
92 For purposes of this paragraph, the term "cost" includes, but is
93 not limited to, all capital investments, including rate of
94 return, and any applicable taxes and all expenses, including
95 operation and maintenance expenses; and

96 b. The costs associated with the purchase of capacity and
97 energy from new renewable energy resources;

98 c. The costs for conversion of an existing fossil fuel
99 generating plant to a renewable energy facility, including the



830712

100 costs of retirement of the fossil fuel generation plant.

101 (i) The cost of producing or purchasing renewable energy in
102 any calendar year may not exceed 2 percent of the investor-owned
103 utility's total revenue from retail sales of electricity for the
104 2010 calendar year.

105 (j) A provider must submit the proposed project to the same
106 bid process as with any other generating facility to develop a
107 renewable energy project.

108 (k) If a provider pays costs for purchased power above the
109 provider's full avoided costs, the seller must surrender to the
110 provider all renewable attributes of the energy being purchased
111 by the provider.

112 (l) Any revenues or other economic benefit that is derived
113 from any renewable energy credit, carbon credit, or other
114 mechanism that attributes value to the production of renewable
115 energy and that is received by a provider relating to renewable
116 energy or other carbon-neutral or carbon-free means of producing
117 electricity must be shared with the provider's ratepayers, such
118 that the ratepayers are credited with at least 90 percent of
119 such revenues or of the value of such other economic benefit.

120 (m) The Legislature finds that there is a need for the
121 renewable energy facilities to be developed pursuant to this
122 subsection and this legislative finding serves as the
123 determination of need required under s. 403.519 and as the
124 commission's agency report required under s. 403.507(4)(a). This
125 legislative determination of need creates a presumption of
126 public need and necessity which may not be raised in any other
127 forum or in the review of proceedings in such other forum and
128 substitutes for the commission's report required by s.



830712

129 403.507(4).

130 (n) Each provider obtaining cost recovery under this
131 subsection must, for the duration of the recovery period, file
132 an annual report with the commission containing the information
133 required in this subsection and any other information the
134 commission deems necessary. The commission must gather all such
135 reports annually and file a report with the Governor, the
136 President of the Senate, and the Speaker of the House of
137 Representatives not later than March 1 of each year. Each
138 provider report must contain the following:

139 1. A description of the project, including a description of
140 the technology used, the size of the project, and its location.

141 2. A description and the amounts of the costs of
142 construction, operation, and maintenance of the project.

143 3. A description and the total number of the jobs created
144 as a result of the project, including how long each job lasted.

145 4. A description of the impact of the project on existing
146 and planned generation and transmission facilities and on
147 ratepayers, including how much production by traditional means
148 was avoided, any planned traditional plants included in the 10-
149 year site plan which were made unnecessary, any additional
150 transmission that was necessary, a description of any impact on
151 grid security and reliability, and a description of the price
152 impact on ratepayers.

153 (o) The commission shall adopt rules to implement this
154 section.

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

156 And the title is amended as follows:



830712

158 Between lines 13 and 14

159 insert:

160 requiring certain electric providers to purchase
161 renewable energy by a standard form contract from
162 different types of renewable energy facilities in the
163 state; providing criteria for an auction that sets the
164 price to be paid for the renewable energy; requiring
165 the provider to reimburse the cost for the independent
166 auction administrator; providing that the cost is
167 recoverable through the environmental cost-recovery
168 clause; requiring the commission to oversee the
169 auction and ensure that certain conditions are met;
170 providing criteria for the standard form contract;
171 requiring each provider to offer a standard form
172 contract for certain types of renewable energy
173 technology and size; requiring a certain percent of
174 the total funding expended by each provider be spent
175 on renewable energy and solar energy resources;
176 providing for expenditure of funds if the bids from
177 the auction are insufficient to expend the total funds
178 available; exempting certain renewable energy
179 generating facilities from the siting act; requiring
180 the commission to adopt rules implementing the
181 section;