1 A bill to be entitled 2 An act relating to energy; amending s. 186.801, F.S.; 3 requiring utilities' 10-year site plans to address 4 existing and proposed renewable energy production and 5 purchases; amending s. 212.055, F.S.; providing for a 6 portion of the proceeds of the local government 7 infrastructure surtax to be used to provide loans, 8 grants, and rebates to residential property owners who 9 make energy efficiency improvements to their 10 residential property, subject to referendum; defining 11 the term "energy efficiency improvement"; amending s. 212.08, F.S.; providing definitions for the terms 12 "biodiesel," "ethanol," and "renewable fuel"; 13 14 providing for tax exemptions in the form of a rebate 15 for the sale or use of certain equipment, machinery, 16 and other materials for renewable energy technologies; providing eligibility requirements and tax credit 17 limits; authorizing the Department of Revenue and the 18 19 Department of Agriculture and Consumer Services to 20 adopt rules; directing the Department of Agriculture 21 and Consumer Services to determine and publish certain 22 information relating to exemptions; providing for 23 expiration of the exemption; amending s. 220.192, 24 F.S.; providing definitions; reestablishing a 25 corporate tax credit for certain costs related to 26 renewable energy technologies; providing eligibility 27 requirements and credit limits; providing rulemaking 28 authority to the Department of Revenue and the

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29 Department of Agriculture and Consumer Services; 30 directing the Department of Agriculture and Consumer 31 Services to determine and publish certain information; 32 providing for expiration of the tax credit; amending s. 220.193, F.S.; reestablishing a corporate tax 33 34 credit for renewable energy production; providing 35 definitions; providing a tax credit for the production 36 and sale of renewable energy; providing requirements 37 relating to the priority and proration of such tax 38 credits under certain circumstances; providing for the 39 use and transfer of the tax credit; limiting the amount of tax credits that may be granted to all 40 taxpayers during a specified period; providing 41 42 rulemaking authority to the Department of Revenue; 43 providing for expiration of the tax credit; amending 44 s. 255.257, F.S.; directing the Department of Management Services in coordination with the 45 Department of Agriculture and Consumer Services to 46 47 further develop the state energy management plan; amending s. 288.106, F.S.; clarifying the definition 48 49 of "target industry business" for purposes of the tax 50 refund program for qualified target industry 51 businesses; amending s. 20.60, F.S.; requiring the 52 Department of Economic Opportunity to prepare an 53 independent economic impact study for certain 54 renewable energy projects; amending s. 366.92, F.S.; 55 providing and revising definitions; authorizing a 56 utility to petition the Public Service Commission to Page 2 of 53

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57 determine that a proposed renewable energy project is 58 in the public interest; providing standards and 59 criteria for review; providing for cost recovery for 60 reasonable and prudent costs incurred by a utility for an approved renewable energy project; requiring the 61 62 Public Service Commission to adopt rules to establish 63 a public interest determination process for renewable 64 energy projects; establishing procedural guidelines 65 for public interest determination; creating s. 366.94, 66 F.S., relating to electric vehicle charging stations; 67 providing legislative findings; providing that the rates, terms, and conditions of electric vehicle 68 69 charging services by a nonutility are not subject to 70 regulation by the Public Service Commission; providing 71 construction; providing rulemaking authority to the 72 Department of Agriculture and Consumer Services; 73 prohibiting parking in spaces specifically designated 74 for charging an electric vehicle under specified 75 circumstances; providing penalties; amending s. 76 403.519, F.S.; requiring the Public Service 77 Commission, in an electrical power plant need 78 determination, to consider the need for fuel diversity 79 to foster fuel supply reliability and rate stability; amending s. 526.203, F.S.; revising the definitions of 80 the terms "blended gasoline" and "unblended gasoline"; 81 82 defining the term "alternative fuel"; authorizing the 83 sale of unblended fuels for certain uses; directing 84 the Department of Agriculture and Consumer Services to

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| 85  | compile a list of retail fuel stations that sell or       |
|-----|---|
| 86  | offer to sell unblended gasoline and provide that         |
| 87  | information on the department's website; amending s.      |
| 88  | 581.083, F.S.; prohibiting the cultivation of certain     |
| 89  | algae in plantings greater in size than 2 contiguous      |
| 90  | acres; providing exceptions; providing for exemption      |
| 91  | from special permitting requirements by rule; revising    |
| 92  | certain bonding requirements; requiring the Department    |
| 93  | of Agriculture and Consumer Services to conduct a         |
| 94  | statewide forest inventory analysis; requiring the        |
| 95  | Department of Agriculture and Consumer Services, in       |
| 96  | consultation with other state agencies, to develop a      |
| 97  | clearinghouse of information regarding cost savings       |
| 98  | associated with energy efficiency and conservation        |
| 99  | measures; requiring such information to be posted on      |
| 100 | its website; directing the Public Service Commission      |
| 101 | to conduct a study on the potential effects of            |
| 102 | electric vehicle charging stations on both energy         |
| 103 | consumption and the electric grid; providing an           |
| 104 | appropriation for the purpose of the Public Service       |
| 105 | Commission, in consultation with the Department of        |
| 106 | Agriculture and Consumer Services, contracting for an     |
| 107 | independent evaluation of the effectiveness of the        |
| 108 | Florida Energy Efficiency and Conservation Act;           |
| 109 | providing an effective date.                              |
| 110 |   |
| 111 | Be It Enacted by the Legislature of the State of Florida: |
| 112 |   |
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113 Section 1. Subsection (2) of section 186.801, Florida 114 Statutes, is amended to read:

115

186.801 Ten-year site plans.-

116 Within 9 months after the receipt of the proposed (2) 117 plan, the commission shall make a preliminary study of such plan and classify it as "suitable" or "unsuitable." The commission 118 119 may suggest alternatives to the plan. All findings of the commission shall be made available to the Department of 120 Environmental Protection for its consideration at any subsequent 121 122 electrical power plant site certification proceedings. It is 123 recognized that 10-year site plans submitted by an electric 124 utility are tentative information for planning purposes only and may be amended at any time at the discretion of the utility upon 125 126 written notification to the commission. A complete application for certification of an electrical power plant site under 127 128 chapter 403, when such site is not designated in the current 10-129 year site plan of the applicant, shall constitute an amendment 130 to the 10-year site plan. In its preliminary study of each 10-131 year site plan, the commission shall consider such plan as a 132 planning document and shall review:

133 The need, including the need as determined by the (a) 134 commission, for electrical power in the area to be served.

135

The effect on fuel diversity within the state. (b)

136 The anticipated environmental impact of each proposed (C) electrical power plant site. 137

Possible alternatives to the proposed plan. 138 (d)

The views of appropriate local, state, and federal 139 (e) agencies, including the views of the appropriate water 140

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141 management district as to the availability of water and its 142 recommendation as to the use by the proposed plant of salt water 143 or fresh water for cooling purposes.

144 (f) The extent to which the plan is consistent with the 145 state comprehensive plan.

(g) The plan with respect to the information of the state on energy availability and consumption.

148 (h) The amount of renewable energy resources the utility 149 produces or purchases.

(i) The amount of renewable energy resources the utility
 plans to produce or purchase over the 10-year planning horizon
 and the means by which the production or purchases will be
 achieved.

(j) The utility's indication of how the production and purchase of renewable energy resources affect the utility's present and future capacity and energy needs.

157 Section 2. Paragraph (d) of subsection (2) of section158 212.055, Florida Statutes, is amended to read:

159 212.055 Discretionary sales surtaxes; legislative intent; 160 authorization and use of proceeds.-It is the legislative intent 161 that any authorization for imposition of a discretionary sales 162 surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the 163 levy. Each enactment shall specify the types of counties 164 authorized to levy; the rate or rates which may be imposed; the 165 166 maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if 167 required; the purpose for which the proceeds may be expended; 168

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169 and such other requirements as the Legislature may provide. 170 Taxable transactions and administrative procedures shall be as 171 provided in s. 212.054.

172

(2) LOCAL GOVERNMENT INFRASTRUCTURE SURTAX.-

173 The proceeds of the surtax authorized by this (d) 174 subsection and any accrued interest shall be expended by the 175 school district, within the county and municipalities within the 176 county, or, in the case of a negotiated joint county agreement, 177 within another county, to finance, plan, and construct 178 infrastructure; to acquire land for public recreation, 179 conservation, or protection of natural resources; to provide 180 loans, grants, or rebates to residential property owners, with 181 preference given to low-income elders, Florida veterans of the 182 Armed Forces of the United States, and disabled adults, who make 183 energy efficiency improvements to their residential property, if 184 a local government ordinance authorizing such use is approved by 185 referendum; or to finance the closure of county-owned or 186 municipally owned solid waste landfills that have been closed or 187 are required to be closed by order of the Department of 188 Environmental Protection. Any use of the proceeds or interest 189 for purposes of landfill closure before July 1, 1993, is 190 ratified. The proceeds and any interest may not be used for the 191 operational expenses of infrastructure, except that a county 192 that has a population of fewer than 75,000 and that is required to close a landfill may use the proceeds or interest for long-193 term maintenance costs associated with landfill closure. 194 Counties, as defined in s. 125.011, and charter counties may, in 195 196 addition, use the proceeds or interest to retire or service

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197 indebtedness incurred for bonds issued before July 1, 1987, for 198 infrastructure purposes, and for bonds subsequently issued to 199 refund such bonds. Any use of the proceeds or interest for 200 purposes of retiring or servicing indebtedness incurred for 201 refunding bonds before July 1, 1999, is ratified.

202 1. For the purposes of this paragraph, the term 203 "infrastructure" means:

a. Any fixed capital expenditure or fixed capital outlay
associated with the construction, reconstruction, or improvement
of public facilities that have a life expectancy of 5 or more
years and any related land acquisition, land improvement,
design, and engineering costs.

209 b. A fire department vehicle, an emergency medical service 210 vehicle, a sheriff's office vehicle, a police department 211 vehicle, or any other vehicle, and the equipment necessary to 212 outfit the vehicle for its official use or equipment that has a 213 life expectancy of at least 5 years.

c. Any expenditure for the construction, lease, or
maintenance of, or provision of utilities or security for,
facilities, as defined in s. 29.008.

217 Any fixed capital expenditure or fixed capital outlay d. 218 associated with the improvement of private facilities that have a life expectancy of 5 or more years and that the owner agrees 219 220 to make available for use on a temporary basis as needed by a local government as a public emergency shelter or a staging area 221 for emergency response equipment during an emergency officially 222 declared by the state or by the local government under s. 223 252.38. Such improvements are limited to those necessary to 224

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225 comply with current standards for public emergency evacuation 226 shelters. The owner must enter into a written contract with the 227 local government providing the improvement funding to make the 228 private facility available to the public for purposes of 229 emergency shelter at no cost to the local government for a 230 minimum of 10 years after completion of the improvement, with 231 the provision that the obligation will transfer to any 232 subsequent owner until the end of the minimum period.

233 e. Any land acquisition expenditure for a residential housing project in which at least 30 percent of the units are 234 affordable to individuals or families whose total annual 235 236 household income does not exceed 120 percent of the area median 237 income adjusted for household size, if the land is owned by a 238 local government or by a special district that enters into a 239 written agreement with the local government to provide such 240 housing. The local government or special district may enter into 241 a ground lease with a public or private person or entity for 242 nominal or other consideration for the construction of the residential housing project on land acquired pursuant to this 243 244 sub-subparagraph.

245 2. For the purposes of this paragraph, the term "energy efficiency improvement" means any energy conservation and 246 247 efficiency measure that reduces energy consumption through 248 conservation or a more efficient use of electricity, natural gas, propane, or other forms of energy on the property, 249 including, but not limited to, air sealing; installation of 250 251 insulation; installation of energy-efficient heating, cooling, 252 or ventilation systems; installation of solar panels; building

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253 <u>modifications to increase the use of daylight or shade;</u> 254 <u>replacement of windows; installation of energy controls or</u> 255 <u>energy recovery systems; installation of electric vehicle</u> 256 <u>charging equipment; and installation of efficient lighting</u> 257 equipment.

258 3.2. Notwithstanding any other provision of this 259 subsection, a local government infrastructure surtax imposed or 260 extended after July 1, 1998, may allocate up to 15 percent of 261 the surtax proceeds for deposit in a trust fund within the 262 county's accounts created for the purpose of funding economic development projects having a general public purpose of 263 264 improving local economies, including the funding of operational 265 costs and incentives related to economic development. The ballot 266 statement must indicate the intention to make an allocation under the authority of this subparagraph. 267

268 Section 3. Paragraph (hhh) is added to subsection (7) of 269 section 212.08, Florida Statutes, to read:

212.08 Sales, rental, use, consumption, distribution, and 271 storage tax; specified exemptions.—The sale at retail, the 272 rental, the use, the consumption, the distribution, and the 273 storage to be used or consumed in this state of the following 274 are hereby specifically exempt from the tax imposed by this 275 chapter.

(7) MISCELLANEOUS EXEMPTIONS.-Exemptions provided to any
entity by this chapter do not inure to any transaction that is
otherwise taxable under this chapter when payment is made by a
representative or employee of the entity by any means,
including, but not limited to, cash, check, or credit card, even

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281 when that representative or employee is subsequently reimbursed 282 by the entity. In addition, exemptions provided to any entity by 283 this subsection do not inure to any transaction that is 284 otherwise taxable under this chapter unless the entity has 285 obtained a sales tax exemption certificate from the department 286 or the entity obtains or provides other documentation as 287 required by the department. Eligible purchases or leases made 288 with such a certificate must be in strict compliance with this subsection and departmental rules, and any person who makes an 289 exempt purchase with a certificate that is not in strict 290 291 compliance with this subsection and the rules is liable for and 292 shall pay the tax. The department may adopt rules to administer 293 this subsection. 294 Equipment, machinery, and other materials for (hhh) 295 renewable energy technologies.-296 1. As used in this paragraph, the term: 297 "Biodiesel" means the mono-alkyl esters of long-chain a. 298 fatty acids derived from plant or animal matter for use as a 299 source of energy and meeting the specifications for biodiesel 300 and biodiesel blends with petroleum products as adopted by rule 301 of the Department of Agriculture and Consumer Services. 302 "Biodiesel" may refer to biodiesel blends designated BXX, where 303 XX represents the volume percentage of biodiesel fuel in the 304 blend. b. "Ethanol" means an anhydrous denatured alcohol produced 305 306 by the conversion of carbohydrates meeting the specifications 307 for fuel ethanol and fuel ethanol blends with petroleum products 308 as adopted by rule of the Department of Agriculture and Consumer

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| Services. "Ethanol" may refer to fuel ethanol blends designated  |
|--|
| EXX, where XX represents the volume percentage of fuel ethanol   |
| in the blend.  |
| c. "Renewable fuel" means a fuel produced from biomass           |
| that is used to replace or reduce the quantity of fossil fuel    |
| present in motor fuel or diesel fuel. "Biomass" means biomass as |
| defined in s. 366.91, "motor fuel" means motor fuel as defined   |
| in s. 206.01, and "diesel fuel" means diesel fuel as defined in  |
| <u>s. 206.86.</u>  |
| 2. The sale or use in the state of the following is exempt       |
| from the tax imposed by this chapter. Materials used in the      |
| distribution of biodiesel (B10-B100), ethanol (E10-E100), and    |
| other renewable fuels, 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 biodiesel (B10-B100), ethanol (E10-   |
| E100), and other renewable fuel distribution qualify for the     |
| exemption provided in this paragraph.                            |
| 3. The Department of Agriculture and Consumer Services           |
| shall provide to the department a list of items eligible for the |
| exemption provided in this paragraph.                            |
| 4.a. The exemption provided in this paragraph shall be           |
| available to a purchaser only through a refund of previously     |
| paid taxes. An eligible item is subject to refund one time. A    |
| person who has received a refund on an eligible item shall       |
| notify the next purchaser of the item that the item is no longer |
| eligible for a refund of paid taxes. The notification shall be   |
| provided to each subsequent purchaser on the sales invoice or    |
|  |

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| 337 | other proof of purchase.   |
|-----|--|
| 338 | b. To be eligible to receive the exemption provided in           |
| 339 | this paragraph, a purchaser shall file an application with the   |
| 340 | Department of Agriculture and Consumer Services. The application |
| 341 | shall be developed by the Department of Agriculture and Consumer |
| 342 | Services, in consultation with the department, and shall         |
| 343 | require:   |
| 344 | (I) The name and address of the person claiming the              |
| 345 | refund.  |
| 346 | (II) A specific description of the purchase for which a          |
| 347 | refund is sought, including, when applicable, a serial number or |
| 348 | other permanent identification number.                           |
| 349 | (III) The sales invoice or other proof of purchase showing       |
| 350 | the amount of sales tax paid, the date of purchase, and the name |
| 351 | and address of the sales tax dealer from whom the property was   |
| 352 | purchased.   |
| 353 | (IV) A sworn statement that the information provided is          |
| 354 | accurate and that the requirements of this paragraph have been   |
| 355 | met.   |
| 356 | c. Within 30 days after receipt of an application, the           |
| 357 | Department of Agriculture and Consumer Services shall review the |
| 358 | application and notify the applicant of any deficiencies. Upon   |
| 359 | receipt of a completed application, the Department of            |
| 360 | Agriculture and Consumer Services shall evaluate the application |
| 361 | for the exemption and issue a written certification that the     |
| 362 | applicant is eligible for a refund or issue a written denial of  |
| 363 | such certification. The Department of Agriculture and Consumer   |
| 364 | Services shall provide the department a copy of each             |
|     |  |

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| FLORIDA HOUSE OF REPRESENTATIVES | F | L | 0 | R |  | D | Α | F | ł | 0 | U | S | Е | 0 | F | = | R | Е | Ρ | R | Е | S | Е | Ν | Т | Α | Т |  | V | Е | S |
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365 certification issued upon approval of an application. 366 d. Each certified applicant is responsible for applying 367 for the refund and forwarding the certification that the 368 applicant is eligible to the department within 6 months after 369 certification by the Department of Agriculture and Consumer 370 Services. 371 e. A refund approved pursuant to this paragraph shall be 372 made within 30 days after formal approval by the department. 373 f. The Department of Agriculture and Consumer Services may 374 adopt by rule the form for the application for a certificate, 375 requirements for the content and format of information submitted 376 to the Department of Agriculture and Consumer Services in 377 support of the application, other procedural requirements, and 378 criteria by which the application will be determined. The 379 Department of Agriculture and Consumer Services may adopt other rules pursuant to ss. 120.536(1) and 120.54 to administer this 380 381 paragraph, including rules establishing additional forms and 382 procedures for claiming the exemption. 383 g. The Department of Agriculture and Consumer Services 384 shall be responsible for ensuring that the total amount of the 385 exemptions authorized do not exceed the limits specified in 386 subparagraph 2. 387 5. Approval of the exemptions under this paragraph is on a 388 first-come, first-served basis, based upon the date complete applications are received by the Department of Agriculture and 389 390 Consumer Services. Incomplete placeholder applications shall not 391 be accepted and shall not secure a place in the first-come, 392 first-served application line. The Department of Agriculture and

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393 Consumer Services shall determine and publish on its website on 394 a regular basis the amount of sales tax funds remaining in each 395 fiscal year. 396 This paragraph expires July 1, 2016. 6. 397 Section 4. Subsections (1), (2), (4), (6), (7), and (8) of 398 section 220.192, Florida Statutes, are amended to read: 399 220.192 Renewable energy technologies investment tax credit.-400 401 DEFINITIONS.-For purposes of this section, the term: (1)"Biodiesel" means biodiesel as defined in s. 402 (a) 403 212.08(7)(hhh) former s. 212.08(7)(ccc). 404 "Corporation" includes a general partnership, limited (b) 405 partnership, limited liability company, unincorporated business, 406 or other business entity, including entities taxed as 407 partnerships for federal income tax purposes. 408 (C) "Eligible costs" means: 409 1. Seventy-five percent of all capital costs, operation 410 and maintenance costs, and research and development costs 411 incurred between July 1, 2006, and June 30, 2010, up to a limit 412 of \$3 million per state fiscal year for all taxpayers, in 413 connection with an investment in hydrogen-powered vehicles and 414 hydrogen vehicle fueling stations in the state, including, but 415 not limited to, the costs of constructing, installing, and equipping such technologies in the state. 416 417 2. Seventy-five percent of all capital costs, operation and maintenance costs, and research and development costs 418 incurred between July 1, 2006, and June 30, 2010, up to a limit 419 420 \$1.5 million per state fiscal year for all taxpayers, and Page 15 of 53

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421 limited to a maximum of \$12,000 per fuel cell, in connection 422 with an investment in commercial stationary hydrogen fuel cells 423 in the state, including, but not limited to, the costs of 424 constructing, installing, and equipping such technologies in the 425 state.

426 3. seventy-five percent of all capital costs, operation 427 and maintenance costs, and research and development costs 428 incurred between July 1, 2012 2006, and June 30, 2016 2010, not to exceed \$1 million per state fiscal year for each taxpayer and 429 430 up to a limit of \$10  $\frac{6.5}{10}$  million per state fiscal year for all 431 taxpayers, in connection with an investment in the production, 432 storage, and distribution of biodiesel (B10-B100), and ethanol (E10-E100), and other renewable fuel in the state, including the 433 434 costs of constructing, installing, and equipping such technologies in the state. Gasoline fueling station pump 435 436 retrofits for biodiesel (B10-B100), ethanol (E10-E100), and 437 other renewable fuel distribution qualify as an eligible cost 438 under this section subparagraph.

439

(d)

440 <u>212.08(7)(hhh)</u> former s. 212.08(7)(ccc).

(e) "Renewable fuel" means a fuel produced from biomass that is used to replace or reduce the quantity of fossil fuel present in motor fuel or diesel fuel. "Biomass" means biomass as defined in s. 366.91, "motor fuel" means motor fuel as defined in s. 206.01, and "diesel fuel" means diesel fuel as defined in s. 206.86.
(e) "Hydrogen fuel cell" means hydrogen fuel cell as

"Ethanol" means ethanol as defined in s.

448 defined in former s. 212.08(7)(ccc).

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449 (f) "Taxpayer" includes a corporation as defined in 450 paragraph (b) or s. 220.03.

451 TAX CREDIT.-For tax years beginning on or after (2) 452 January 1, 2013 2007, a credit against the tax imposed by this 453 chapter shall be granted in an amount equal to the eligible 454 costs. Credits may be used in tax years beginning January 1, 455 2013 2007, and ending December 31, 2016 2010, after which the 456 credit shall expire. If the credit is not fully used in any one 457 tax year because of insufficient tax liability on the part of 458 the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2013 2007, and ending 459 460 December 31, 2018 <del>2012</del>, after which the credit carryover expires 461 and may not be used. A taxpayer that files a consolidated return 462 in this state as a member of an affiliated group under s. 220.131(1) may be allowed the credit on a consolidated return 463 464 basis up to the amount of tax imposed upon the consolidated 465 group. Any eligible cost for which a credit is claimed and which 466 is deducted or otherwise reduces federal taxable income shall be 467 added back in computing adjusted federal income under s. 220.13.

468 TAXPAYER APPLICATION PROCESS.-To claim a credit under (4)469 this section, each taxpayer must apply to the Department of 470 Agriculture and Consumer Services for an allocation of each type 471 of annual credit by the date established by the Department of Agriculture and Consumer Services. The application form adopted 472 473 by rule of the Department of Agriculture and Consumer Services must include an affidavit from each taxpayer certifying that all 474 information contained in the application, including all records 475 476 of eligible costs claimed as the basis for the tax credit, are

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477 true and correct. Approval of the credits under this section is 478 on a first-come, first-served basis, based upon the date 479 complete applications are received by the Department of 480 Agriculture and Consumer Services. A taxpayer must submit only 481 one complete application based upon eligible costs incurred 482 within a particular state fiscal year. Incomplete placeholder 483 applications will not be accepted and will not secure a place in 484 the first-come, first-served application line. If a taxpayer 485 does not receive a tax credit allocation due to the exhaustion 486 of the annual tax credit authorizations, then such taxpayer may 487 reapply in the following year for those eligible costs and will 488 have priority over other applicants for the allocation of 489 credits.

490

(6) TRANSFERABILITY OF CREDIT.-

491 (a) For tax years beginning on or after January 1, 2014 492 2009, any corporation or subsequent transferee allowed a tax 493 credit under this section may transfer the credit, in whole or 494 in part, to any taxpayer by written agreement without 495 transferring any ownership interest in the property generating 496 the credit or any interest in the entity owning such property. 497 The transferee is entitled to apply the credits against the tax 498 with the same effect as if the transferee had incurred the 499 eligible costs.

(b) To perfect the transfer, the transferor shall provide the Department of Revenue with a written transfer statement notifying the Department of Revenue of the transferor's intent to transfer the tax credits to the transferee; the date the transfer is effective; the transferee's name, address, and

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505 federal taxpayer identification number; the tax period; and the 506 amount of tax credits to be transferred. The Department of 507 Revenue shall, upon receipt of a transfer statement conforming 508 to the requirements of this section, provide the transferee with 509 a certificate reflecting the tax credit amounts transferred. A 510 copy of the certificate must be attached to each tax return for 511 which the transferee seeks to apply such tax credits.

512 A tax credit authorized under this section that is (C) 513 held by a corporation and not transferred under this subsection 514 shall be passed through to the taxpayers designated as partners, 515 members, or owners, respectively, in the manner agreed to by 516 such persons regardless of whether such partners, members, or 517 owners are allocated or allowed any portion of the federal 518 energy tax credit for the eligible costs. A corporation that 519 passes the credit through to a partner, member, or owner must 520 comply with the notification requirements described in paragraph 521 (b). The partner, member, or owner must attach a copy of the 522 certificate to each tax return on which the partner, member, or 523 owner claims any portion of the credit.

(7) RULES.—The Department of Revenue <u>and the Department of</u>
 <u>Agriculture and Consumer Services</u> shall have the authority to
 adopt rules pursuant to ss. 120.536(1) and 120.54 to administer
 this section, including rules relating to:

(a) The forms required to claim a tax credit under this
section, the requirements and basis for establishing an
entitlement to a credit, and the examination and audit
procedures required to administer this section.

532

(b)

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The implementation and administration of the

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533 provisions allowing a transfer of a tax credit, including rules 534 prescribing forms, reporting requirements, and specific 535 procedures, guidelines, and requirements necessary to transfer a 536 tax credit.

537 (8) PUBLICATION.—The Department of Agriculture and
538 Consumer Services shall determine and publish <u>on its website</u> on
539 a regular basis the amount of available tax credits remaining in
540 each fiscal year.

541 Section 5. Section 220.193, Florida Statutes, is amended 542 to read:

543

220.193 Florida renewable energy production credit.-

(1) The purpose of this section is to encourage the
development and expansion of facilities that produce renewable
energy in Florida.

547 (2) As used in this section, the term:

548 (a) "Commission" means shall mean the Public Service
549 Commission.

(b) "Department" <u>means</u> shall mean the Department of Revenue.

(c) "Expanded facility" <u>means</u> shall mean a Florida renewable energy facility that increases its electrical production and sale by more than 5 percent above the facility's electrical production and sale during the <u>2011</u> <del>2005</del> calendar year.

(d) "Florida renewable energy facility" <u>means</u> shall mean a facility in the state that produces electricity for sale from renewable energy, as defined in s. 377.803.

560 (e) "New facility" <u>means</u> <del>shall mean</del> a Florida renewable Page 20 of 53

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561 energy facility that is operationally placed in service after 562 May 1, 2006. <u>"New facility" includes a Florida renewable energy</u> 563 <u>facility that has had an expansion operationally placed in</u> 564 <u>service after May 1, 2006, and whose cost exceeded 50 percent of</u> 565 <u>the assessed value of the facility immediately before the</u> 566 expansion.

(f) "Sale" or "sold" includes the use of electricity by the producer of such electricity which decreases the amount of electricity that the producer would otherwise have to purchase.

(g) "Taxpayer" includes a general partnership, limited partnership, limited liability company, trust, or other artificial entity in which a corporation, as defined in s. 220.03(1)(e), owns an interest and is taxed as a partnership or is disregarded as a separate entity from the corporation under this chapter.

576 (3) An annual credit against the tax imposed by this 577 section shall be allowed to a taxpayer, based on the taxpayer's 578 production and sale of electricity from a new or expanded 579 Florida renewable energy facility. For a new facility, the 580 credit shall be based on the taxpayer's sale of the facility's 581 entire electrical production. For an expanded facility, the 582 credit shall be based on the increases in the facility's 583 electrical production that are achieved after May 1, 2012 <del>2006</del>.

(a) The credit shall be \$0.01 for each kilowatt-hour of
electricity produced and sold by the taxpayer to an unrelated
party during a given tax year.

(b) The credit may be claimed for electricity produced and sold on or after January 1, 2013 2007. Beginning in 2014 2008

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589 and continuing until 2017 2011, each taxpayer claiming a credit 590 under this section must first apply to the department by 591 February 1 of each year for an allocation of available credit. 592 The department, in consultation with the commission, shall 593 develop an application form. The application form shall, at a 594 minimum, require a sworn affidavit from each taxpayer certifying 595 the increase in production and sales that form the basis of the 596 application and certifying that all information contained in the 597 application is true and correct.

(c) If the amount of credits applied for each year exceeds \$5 million, the department shall award credits to qualified applicants based on the following priority: to each applicant a prorated amount based on each applicant's increased production and sales and the increased production and sales of all applicants.

604 1. An applicant who places a new facility in operation 605 after May 1, 2012, shall be granted credits first, up to a 606 maximum of \$250,000 each, with remaining credits to be granted 607 pursuant to subparagraph 3., but if there are insufficient funds 608 authorized to grant all such credits, the credits granted under 609 this subparagraph shall be prorated based upon each applicant's 610 qualified production and sales as a percentage of total 611 qualified production and sales of all applicants in this 612 category for the year. 613 2. An applicant who does not qualify under subparagraph 1. 614 but who claims a credit of \$50,000 or less shall be granted 615 credits next, and if there are insufficient funds authorized to 616 grant all such credits, the credits shall be prorated based upon

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617 <u>each applicant's qualified production and sales as a percentage</u>
618 <u>of total qualified production and sales of all applicants in</u>
619 this category for the year.

620 3. An applicant who does not qualify under subparagraph 1. 621 or subparagraph 2. and an applicant whose credits have not been 622 fully awarded under subparagraph 1. shall be awarded credits 623 from remaining authorized funds, and if there are insufficient 624 authorized funds to grant all such remaining credits, the 625 credits shall be prorated based upon each applicant's remaining claims for qualified production and sales as a percentage of 626 627 total remaining claims for qualified production and sales of all 628 applicants in this category for the year.

629 If the credit granted pursuant to this section is not (d) 630 fully used in one year because of insufficient tax liability on 631 the part of the taxpayer, the unused amount may be carried 632 forward for a period not to exceed 5 years. The carryover credit 633 may be used in a subsequent year when the tax imposed by this 634 chapter for such year exceeds the credit for such year, after 635 applying the other credits and unused credit carryovers in the order provided in s. 220.02(8). 636

(e) A taxpayer that files a consolidated return in this
state as a member of an affiliated group under s. 220.131(1) may
be allowed the credit on a consolidated return basis up to the
amount of tax imposed upon the consolidated group.

(f)1. Tax credits that may be available under this section
to an entity eligible under this section may be transferred
after a merger or acquisition to the surviving or acquiring
entity and used in the same manner with the same limitations.

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645 2. The entity or its surviving or acquiring entity as 646 described in subparagraph 1. may transfer any unused credit in 647 whole or in units of no less than 25 percent of the remaining 648 credit. The entity acquiring such credit may use it in the same 649 manner and with the same limitations under this section. Such 650 transferred credits may not be transferred again although they 651 may succeed to a surviving or acquiring entity subject to the 652 same conditions and limitations as described in this section.

653 In the event the credit provided for under this section 3. is reduced as a result of an examination or audit by the 654 department, such tax deficiency shall be recovered from the 655 656 first entity or the surviving or acquiring entity to have 657 claimed such credit up to the amount of credit taken. Any 658 subsequent deficiencies shall be assessed against any entity 659 acquiring and claiming such credit, or in the case of multiple 660 succeeding entities in the order of credit succession.

661 Notwithstanding any other provision of this section, (a) 662 credits for the production and sale of electricity from a new or 663 expanded Florida renewable energy facility may be earned between 664 January 1, 2013 <del>2007</del>, and June 30, 2016 <del>2010</del>. The amount of tax 665 credits that may be granted to each taxpayer under this section 666 is limited to \$1 million per state fiscal year. The combined 667 total amount of tax credits which may be granted for all 668 taxpayers under this section is limited to \$5 million per state fiscal year. 669

(h) A taxpayer claiming a credit under this section shall
be required to add back to net income that portion of its
business deductions claimed on its federal return paid or

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673 incurred for the taxable year which is equal to the amount of674 the credit allowable for the taxable year under this section.

(i) A taxpayer claiming credit under this section may not
claim a credit under s. 220.192. A taxpayer claiming credit
under s. 220.192 may not claim a credit under this section.

678 When an entity treated as a partnership or a (i) 679 disregarded entity under this chapter produces and sells 680 electricity from a new or expanded renewable energy facility, 681 the credit earned by such entity shall pass through in the same 682 manner as items of income and expense pass through for federal 683 income tax purposes. When an entity applies for the credit and 684 the entity has received the credit by a pass-through, the application must identify the taxpayer that passed the credit 685 686 through, all taxpayers that received the credit, and the percentage of the credit that passes through to each recipient 687 688 and must provide other information that the department requires.

(k) A taxpayer's use of the credit granted pursuant to
this section does not reduce the amount of any credit available
to such taxpayer under s. 220.186.

(4) The department may adopt rules to implement and
administer this section, including rules prescribing forms, the
documentation needed to substantiate a claim for the tax credit,
and the specific procedures and guidelines for claiming the
credit.

(5) This section shall take effect upon becoming law and
shall apply to tax years beginning on and after January 1, 2013
2007.

700 Section 6. Subsection (3) of section 255.257, Florida Page 25 of 53

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701 Statutes, is amended to read: 702 255.257 Energy management; buildings occupied by state 703 agencies.-CONTENTS OF THE STATE ENERGY MANAGEMENT PLAN.-The 704 (3) 705 Department of Management Services, in coordination with the 706 Department of Agriculture and Consumer Services, shall further 707 develop the a state energy management plan consisting of, but 708 not limited to, the following elements: 709 (a) Data-gathering requirements; Building energy audit procedures; 710 (b) Uniform data analysis and reporting procedures; 711 (C) 712 (d) Employee energy education program measures; 713 Energy consumption reduction techniques; (e) 714 (f) Training program for state agency energy management 715 coordinators; and 716 (q) Guidelines for building managers. 717 718 The plan shall include a description of actions that state 719 agencies shall take to reduce consumption of electricity and 720 nonrenewable energy sources used for space heating and cooling, 721 ventilation, lighting, water heating, and transportation. 722 Section 7. Paragraph (q) of subsection (2) of section 723 288.106, Florida Statutes, is amended to read: 724 288.106 Tax refund program for qualified target industry 725 businesses.-DEFINITIONS.-As used in this section: 726 (2) "Target industry business" means a corporate 727 (a) 728 headquarters business or any business that is engaged in one of Page 26 of 53

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729 the target industries identified pursuant to the following 730 criteria developed by the department in consultation with 731 Enterprise Florida, Inc.:

1. Future growth.-Industry forecasts should indicate strong expectation for future growth in both employment and output, according to the most recent available data. Special consideration should be given to businesses that export goods to, or provide services in, international markets and businesses that replace domestic and international imports of goods or services.

739 2. Stability.-The industry should not be subject to 740 periodic layoffs, whether due to seasonality or sensitivity to 741 volatile economic variables such as weather. The industry should 742 also be relatively resistant to recession, so that the demand 743 for products of this industry is not typically subject to 744 decline during an economic downturn.

745 3. High wage.-The industry should pay relatively high746 wages compared to statewide or area averages.

4. Market and resource independent.—The location of
industry businesses should not be dependent on Florida markets
or resources as indicated by industry analysis, except for
businesses in the renewable energy industry.

5. Industrial base diversification and strengthening.—The industry should contribute toward expanding or diversifying the state's or area's economic base, as indicated by analysis of employment and output shares compared to national and regional trends. Special consideration should be given to industries that strengthen regional economies by adding value to basic products

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766

757 or building regional industrial clusters as indicated by 758 industry analysis. Special consideration should also be given to 759 the development of strong industrial clusters that include 760 defense and homeland security businesses.

6. Positive economic impact.—The industry is expected to have strong positive economic impacts on or benefits to the state or regional economies. Special consideration should be given to industries that facilitate the development of the state as a hub for domestic and global trade and logistics.

767 The term does not include any business engaged in retail 768 industry activities; any electrical utility company as defined 769 in s. 366.02(2); any phosphate or other solid minerals 770 severance, mining, or processing operation; any oil or gas 771 exploration or production operation; or any business subject to 772 regulation by the Division of Hotels and Restaurants of the 773 Department of Business and Professional Regulation. Any business 774 within NAICS code 5611 or 5614, office administrative services 775 and business support services, respectively, may be considered a 776 target industry business only after the local governing body and 777 Enterprise Florida, Inc., make a determination that the 778 community where the business may locate has conditions affecting 779 the fiscal and economic viability of the local community or 780 area, including but not limited to, factors such as low per capita income, high unemployment, high underemployment, and a 781 782 lack of year-round stable employment opportunities, and such conditions may be improved by the location of such a business to 783 784 the community. By January 1 of every 3rd year, beginning January

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785 1, 2011, the department, in consultation with Enterprise 786 Florida, Inc., economic development organizations, the State 787 University System, local governments, employee and employer 788 organizations, market analysts, and economists, shall review 789 and, as appropriate, revise the list of such target industries 790 and submit the list to the Governor, the President of the 791 Senate, and the Speaker of the House of Representatives. 792 Section 8. Paragraph (c) of subsection (5) of section 793 20.60, Florida Statutes, is amended to read: 794 20.60 Department of Economic Opportunity; creation; powers and duties.-795 796 (5) The divisions within the department have specific 797 responsibilities to achieve the duties, responsibilities, and 798 goals of the department. Specifically: 799 The Division of Workforce Services shall: (C) 800 1. Prepare and submit a unified budget request for 801 workforce in accordance with chapter 216 for, and in conjunction 802 with, Workforce Florida, Inc., and its board. 803 2. Ensure that the state appropriately administers federal 804 and state workforce funding by administering plans and policies 805 of Workforce Florida, Inc., under contract with Workforce 806 Florida, Inc. The operating budget and midyear amendments 807 thereto must be part of such contract. 808 All program and fiscal instructions to regional a. 809 workforce boards shall emanate from the Department of Economic Opportunity pursuant to plans and policies of Workforce Florida, 810 811 Inc., which shall be responsible for all policy directions to 812 the regional workforce boards.

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b. Unless otherwise provided by agreement with Workforce
Florida, Inc., administrative and personnel policies of the
Department of Economic Opportunity shall apply.

3. Implement the state's unemployment compensation program. The Department of Economic Opportunity shall ensure that the state appropriately administers the unemployment compensation program pursuant to state and federal law.

820 4. Assist in developing the 5-year statewide strategic821 plan required by this section.

5. Prepare an independent economic impact study for each
 renewable energy project submitted to the Public Service
 Commission for a public interest determination and provided to
 the department for review pursuant to s. 366.92. The study shall
 include, but is not limited to, the impacts of the project on
 regional employment, income, compensation, and output.

828 Section 9. Section 366.92, Florida Statutes, is amended to 829 read:

830

366.92 Florida renewable energy policy.-

831 (1)It is the intent of the Legislature to promote the 832 development of renewable energy; protect the economic viability 833 of Florida's existing renewable energy facilities; diversify the 834 types of fuel used to generate electricity in Florida; lessen 835 Florida's dependence on natural gas and fuel oil for the 836 production of electricity; minimize the volatility of fuel 837 costs; encourage investment within the state; improve environmental conditions; and, at the same time, minimize the 838 costs of power supply to electric utilities and their customers. 839 840 (2) As used in this section, the term:

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841 "Department" means the Department of Economic (a) Opportunity "Florida renewable energy resources" means renewable 842 843 energy, as defined in s. 377.803, that is produced in Florida. (b) "Provider" means a "utility" as defined in s. 844 845 <del>366.8255(1)(a).</del> 846 (b) (c) "Renewable energy" means renewable energy as 847 defined in s. 366.91(2)(d) which is produced in this state. 848 (c) "Renewable energy project" means the construction of a 849 new renewable energy generating facility, the conversion of an 850 existing fossil fuel generating facility to a renewable energy 851 generating facility, or a contract for the purchase of renewable 852 energy from a nonutility generating facility. 853 (d) "Utility" means an electric utility as defined in s. 854 366.8255 "Renewable energy credit" or "REC" means a product that 855 represents the unbundled, separable, renewable attribute of 856 renewable energy produced in Florida and is equivalent to 1 857 megawatt-hour of electricity generated by a source of renewable 858 energy located in Florida. 859 (e) "Renewable portfolio standard" or "RPS" means the 860 minimum percentage of total annual retail electricity sales by a provider to consumers in Florida that shall be supplied by 861 862 renewable energy produced in Florida. 863 (3) (a) A utility may petition the commission to determine 864 pursuant to this section that a proposed renewable energy 865 project, selected as a result of competitive bidding, is in the 866 public interest. Notwithstanding s. 366.91(3) and (4), the 867 commission shall determine that a proposed project is in the 868 public interest if the commission finds that the project

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| 869 | provides an overall net benefit to the state. A public interest  |
|-----|--|
| 870 | determination is available only for those renewable energy       |
| 871 | projects that are exempt from the requirement to obtain a        |
| 872 | determination of need pursuant to s. 403.519, and may be         |
| 873 | requested at the discretion of a utility as an alternative to a  |
| 874 | prudence determination through any other available process.      |
| 875 | (b) In evaluating whether a renewable energy project,            |
| 876 | selected as a result of competitive bidding and proposed by a    |
| 877 | utility for consideration, is prudent and in the public          |
| 878 | interest, the commission shall consider:                         |
| 879 | 1. The estimated cost and estimated rate impacts of the          |
| 880 | project;   |
| 881 | 2. The impact of the project on the reliability and              |
| 882 | integrity of the utility's system and the statewide electric     |
| 883 | grid;  |
| 884 | 3. The extent to which the project strengthens fuel supply       |
| 885 | reliability to the utility and the state;                        |
| 886 | 4. The extent to which the project promotes rate stability       |
| 887 | by reducing the risk of fuel cost volatility;                    |
| 888 | 5. The extent to which the project retains energy                |
| 889 | expenditures in the state or regional economy;                   |
| 890 | 6. The extent to which the project reduces the utility's         |
| 891 | regulatory costs associated with adverse environmental impacts;  |
| 892 | and  |
| 893 | 7. The regional and statewide net economic benefits              |
| 894 | associated with the project, taking into consideration an        |
| 895 | independent economic impact study of the project prepared by the |
| 896 | department.  |
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| 897 | (c) The commission shall approve for recovery through the        |
|-----|--|
| 898 | environmental cost recovery clause all reasonable and prudent    |
| 899 | costs incurred by a utility for a renewable energy project that  |
| 900 | the commission determines to be in the public interest pursuant  |
| 901 | to this section. For a new renewable energy generating facility, |
| 902 | recoverable costs include, but are not limited to, the siting,   |
| 903 | licensing, engineering, design, permitting, construction,        |
| 904 | operation, and maintenance of such facilities, including any     |
| 905 | applicable taxes and a return based on the utility's last        |
| 906 | authorized rate of return. For conversion of an existing fossil  |
| 907 | fuel generating facility to a renewable energy generating        |
| 908 | facility, recoverable costs include reasonable and prudent       |
| 909 | conversion costs, including the costs of retirement of the       |
| 910 | fossil fuel plant that exceed any amounts accrued by the         |
| 911 | provider for such purposes through rates previously set by the   |
| 912 | commission. For purchase of renewable energy from a nonutility   |
| 913 | generating facility, recoverable costs include the reasonable    |
| 914 | and prudent costs associated with the purchase.                  |
| 915 | (3) The commission shall adopt rules for a renewable             |
| 916 | portfolio standard requiring each provider to supply renewable   |
| 917 | energy to its customers directly, by procuring, or through       |
| 918 | renewable energy credits. In developing the RPS rule, the        |
| 919 | commission shall consult the Department of Environmental         |
| 920 | Protection and the Department of Agriculture and Consumer        |
| 921 | Services. The rule shall not be implemented until ratified by    |
| 922 | the Legislature. The commission shall present a draft rule for   |
| 923 | legislative consideration by February 1, 2009.                   |
| 924 | (a) In developing the rule, the commission shall evaluate        |
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925 the current and forecasted levelized cost in cents per kilowatt 926 hour through 2020 and current and forecasted installed capacity 927 in kilowatts for each renewable energy generation method through 928 2020.

929

(b) The commission's rule:

930 1. Shall include methods of managing the cost of 931 compliance with the renewable portfolio standard, whether 932 through direct supply or procurement of renewable power or 933 through the purchase of renewable energy credits. The commission 934 shall have rulemaking authority for providing annual cost 935 recovery and incentive-based adjustments to authorized rates of 936 return on common equity to providers to incentivize renewable energy. Notwithstanding s. 366.91(3) and (4), upon the 937 938 ratification of the rules developed pursuant to this subsection, 939 the commission may approve projects and power sales agreements 940 with renewable power producers and the sale of renewable energy 941 credits needed to comply with the renewable portfolio standard. 942 In the event of any conflict, this subparagraph shall supersede 943 s. 366.91(3) and (4). However, nothing in this section shall 944 alter the obligation of each public utility to continuously 945 offer a purchase contract to producers of renewable energy. 946 2. Shall provide for appropriate compliance measures and 947 the conditions under which noncompliance shall be excused due to 948 a determination by the commission that the supply of renewable energy or renewable energy credits was not adequate to satisfy 949 950 the demand for such energy or that the cost of securing 951 renewable energy or renewable energy credits was cost 952 prohibitive.

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953 3. May provide added weight to energy provided by wind and 954 solar photovoltaic over other forms of renewable energy, whether 955 directly supplied or procured or indirectly obtained through the 956 purchase of renewable energy credits. 957 4. Shall determine an appropriate period of time for which 958 renewable energy credits may be used for purposes of compliance 959 with the renewable portfolio standard. 960 5. Shall provide for monitoring of compliance with and 961 enforcement of the requirements of this section. 962 6. Shall ensure that energy credited toward compliance 963 with the requirements of this section is not credited toward any 964 other purpose. 965 7. Shall include procedures to track and account for 966 renewable energy credits, including ownership of renewable 967 energy credits that are derived from a customer-owned renewable 968 energy facility as a result of any action by a customer of an 969 electric power supplier that is independent of a program 970 sponsored by the electric power supplier. 971 8. Shall provide for the conditions and options for the repeal or alteration of the rule in the event that new 972 973 provisions of federal law supplant or conflict with the rule. 974 (c) Beginning on April 1 of the year following final 975 adoption of the commission's renewable portfolio standard rule, 976 each provider shall submit a report to the commission describing

- 977 the steps that have been taken in the previous year and the
- 978 steps that will be taken in the future to add renewable energy
- 979 to the provider's energy supply portfolio. The report shall
- 980 state whether the provider was in compliance with the renewable

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981 portfolio standard during the previous year and how it will 982 comply with the renewable portfolio standard in the upcoming 983 vear. 984 The commission shall adopt rules to implement a public (4) 985 interest determination process by which it shall determine 986 whether a renewable energy project, proposed by a utility for 987 purposes of supplying electrical energy to its retail customers, 988 provides an overall net benefit to the state pursuant to the 989 criteria in subsection (3). The commission's rules shall: 990 (a) Provide a process for competitive bidding of a 991 renewable energy project based on the type and technology of the 992 renewable energy resource that the utility elects to use. 993 Provide minimum requirements and information that a (b) 994 utility must include in a request for proposals for a new 995 renewable energy project and other information related to the 996 request for proposal and competitive bidding processes. 997 (c) Establish minimum requirements and information that a 998 utility must include in a petition for a public interest 999 determination for a renewable energy project, including 1000 information required by the department to conduct an economic 1001 impact study of the project as required by s. 20.60. (d) Provide for recovery through the environmental cost 1002 1003 recovery clause of all reasonable and prudent costs incurred by 1004 a utility for a renewable energy project that the commission 1005 determines to be in the public interest pursuant to subsection 1006 (3). (e) Establish a mechanism for the sharing of revenues 1007 1008 derived from any renewable energy credit, carbon credit, or

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1009 other mechanism that attributes value to the production of 1010 renewable energy, either existing or hereafter devised, and 1011 received by a utility by virtue of the production or purchase of 1012 renewable energy found to be in the public interest pursuant to 1013 subsection (3). The utility shall be entitled to retain from 1014 these revenues no more than the amount deemed reasonable by the 1015 commission to cover the utility's transaction costs associated with the credit or other mechanism, plus 5 percent of the 1016 1017 remaining revenues. The remainder of the revenues shall be 1018 credited to the utility's ratepayers. 1019 Require a utility to report to the commission on an (f) 1020 annual basis, with respect to any renewable energy project that 1021 the commission determines to be in the public interest, the 1022 status of the project, the economic impacts of the project on the region and the state, the amount and type of fuel displaced 1023 1024 by the project, operational statistics, and any other 1025 information deemed relevant by the commission. 1026 Require a seller of renewable energy, under a (q) 1027 purchased power agreement approved pursuant to the commission's 1028 rules and this subsection, to surrender to the utility all 1029 renewable attributes of the renewable energy purchased. 1030 1031 Agency rules promulgated under the authority of this subsection 1032 shall not take effect before July 1, 2013. 1033 (4) In order to demonstrate the feasibility and viability 1034 of clean energy systems, the commission shall provide for full cost recovery under the environmental cost-recovery clause of 1035 1036 all reasonable and prudent costs incurred by a provider for Page 37 of 53

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1037 renewable energy projects that are zero greenhouse gas emitting 1038 at the point of generation, up to a total of 110 megawatts 1039 statewide, and for which the provider has secured necessary 1040 land, zoning permits, and transmission rights within the state. 1041 Such costs shall be deemed reasonable and prudent for purposes 1042 of cost recovery so long as the provider has used reasonable and 1043 customary industry practices in the design, procurement, and 1044 construction of the project in a cost-effective manner 1045 appropriate to the location of the facility. The provider shall 1046 report to the commission as part of the cost-recovery 1047 proceedings the construction costs, in-service costs, operating 1048 and maintenance costs, hourly energy production of the renewable 1049 energy project, and any other information deemed relevant by the 1050 commission. Any provider constructing a clean energy facility 1051 pursuant to this section shall file for cost recovery no later than July 1, 2009. 1052 1053 (5) (a) Within 7 days after receipt of a petition for a 1054 public interest determination pursuant to subsection (3), the 1055 commission, through administrative review by its staff, shall 1056 determine whether the petition is complete. If the commission 1057 finds that the petition is not complete, it shall notify the 1058 petitioner of all deficiencies and provide the petitioner an 1059 opportunity to correct the deficiencies through an amended or 1060 supplemental filing. 1061 (b) When the commission determines that a petition is 1062 complete, the commission shall notify the department and forward 1063 a copy of the petition to the department within 3 days. After 1064 receipt and review of the petition, the department may request

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1065 any additional information it deems necessary to complete an 1066 economic impact study of the project as required by s. 20.60. 1067 (c) Within 45 days after receipt of the complete petition 1068 or 30 days after receipt of all additional information 1069 requested, whichever is later, the department shall complete its 1070 economic impact study and submit a report reflecting the results 1071 of the study to the commission for consideration in the 1072 commission's public interest determination proceeding. The 1073 department's study and report are not subject to the provisions 1074 of ss. 120.569 and 120.57. Any party to the commission's public 1075 interest determination proceeding may present evidence to the 1076 commission concerning the regional and statewide net economic 1077 benefits associated with the project. The commission shall issue a final order within 180 1078 (d) days after receipt of a complete petition for a public interest 1079

1080 determination filed pursuant to subsection (3).

1081 <u>(6) (5)</u> Each municipal electric utility and rural electric 1082 cooperative shall develop standards for the promotion, encouragement, and expansion of the use of renewable energy 1084 resources and energy conservation and efficiency measures. On or 1085 before April 1, 2009, and annually thereafter, each municipal electric utility and electric cooperative shall submit to the 1087 commission a report that identifies such standards.

1088 <u>(7) (6)</u> Nothing in This section and any action taken under 1089 this section may not shall be construed to impede or impair the 1090 terms and conditions of, or serve as a basis for renegotiating 1091 <u>or repricing an</u> existing <u>contract</u> <del>contracts</del>. This section may 1092 not be construed to apply to purchases required pursuant to s.

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| 1093 | <u>366.051 or s. 366.91.</u>  |
|------|---|
| 1094 | (8) <del>(7)</del> The commission may adopt rules to administer and |
| 1095 | implement the provisions of this section.                           |
| 1096 | Section 10. Section 366.94, Florida Statutes, is created            |
| 1097 | to read:  |
| 1098 | 366.94 Electric vehicle charging stations                           |
| 1099 | (1) LEGISLATIVE FINDINGSThe Legislature finds that the              |
| 1100 | provision of electric vehicle charging to the public by a           |
| 1101 | nonutility is a service and not the retail sale of electricity.     |
| 1102 | The rates, terms, and conditions of electric vehicle charging       |
| 1103 | services by a nonutility are not subject to regulation under        |
| 1104 | this chapter. Nothing in this section affects the ability of        |
| 1105 | individuals, businesses, or governmental entities to acquire,       |
| 1106 | install, or use an electric vehicle charger for their own           |
| 1107 | vehicles.   |
| 1108 | (2) RULESThe Department of Agriculture and Consumer                 |
| 1109 | Services shall adopt rules to provide definitions, methods of       |
| 1110 | sale, labeling requirements, and price-posting requirements for     |
| 1111 | electric vehicle charging stations to allow for consistency for     |
| 1112 | consumers and the industry.   |
| 1113 | (3) PARKING SPACES FOR ELECTRIC VEHICLE CHARGING                    |
| 1114 | STATIONS  |
| 1115 | (a) It is unlawful for a person to stop, stand, or park a           |
| 1116 | vehicle that is not capable of using an electrical recharging       |
| 1117 | station within any parking space specifically designated for        |
| 1118 | charging an electric vehicle.                                       |
| 1119 | (b) If a law enforcement officer finds a motor vehicle in           |
| 1120 | violation of this subsection, the officer or specialist shall       |
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1121 charge the operator or other person in charge of the vehicle in 1122 violation with a noncriminal traffic infraction, punishable as 1123 provided in s. 316.008(4) or s. 318.18. 1124 Section 11. Subsection (3) of section 403.519, Florida 1125 Statutes, is amended to read: 403.519 Exclusive forum for determination of need.-1126 1127 The commission is shall be the sole forum for the (3) determination of this matter, which accordingly may shall not be 1128 1129 raised in any other forum or in the review of proceedings in 1130 such other forum. In making its determination, the commission 1131 shall take into account the need for electric system reliability and integrity, the need for adequate electricity at a reasonable 1132 1133 cost, the need for fuel diversity to foster fuel supply 1134 reliability and rate stability, the need for and supply 1135 reliability, whether the proposed plant is the most cost-1136 effective alternative available, and whether renewable energy sources and technologies, as well as conservation measures, are 1137 1138 used utilized to the extent reasonably available. The commission 1139 shall also expressly consider the conservation measures taken by or reasonably available to the applicant or its members which 1140 1141 might mitigate the need for the proposed plant and other matters 1142 within its jurisdiction which it deems relevant. The 1143 commission's determination of need for an electrical power plant 1144 creates shall create a presumption of public need and necessity and serves shall serve as the commission's report required by s. 1145 1146 403.507(4). An order entered pursuant to this section 1147 constitutes final agency action. Section 12. Subsection (1) of section 526.203, Florida 1148

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1149 Statutes, is amended, and subsections (5) and (6) are added to 1150 that section, to read:

1151

526.203 Renewable fuel standard.-

1152 (1) DEFINITIONS.—As used in this act:

(a) "Alternative fuel" means a fuel produced from biomass, as defined in s. 366.91, that is used to replace or reduce the quantity of fossil fuel present in a petroleum fuel that meets the specifications as adopted by the department.

1157 (b) (a) "Blender," "importer," "terminal supplier," and 1158 "wholesaler" are defined as provided in s. 206.01.

1159 <u>(c) (b)</u> "Blended gasoline" means a mixture of 90 to 91 1160 percent gasoline and 9 to 10 percent fuel ethanol <u>or other</u> 1161 <u>alternative fuel</u>, by volume, that meets the specifications as 1162 adopted by the department. The fuel ethanol <u>or other alternative</u> 1163 fuel portion may be derived from any agricultural source.

1164 <u>(d) (c)</u> "Fuel ethanol" means an anhydrous denatured alcohol 1165 produced by the conversion of carbohydrates that meets the 1166 specifications as adopted by the department.

1167 <u>(e) (d)</u> "Unblended gasoline" means gasoline that has not 1168 been blended with fuel ethanol <u>or other alternative fuel</u> and 1169 that meets the specifications as adopted by the department.

1170 (5) This section does not prohibit a retail dealer as 1171 defined in s. 206.01 from selling or offering to sell unblended 1172 gasoline.

1173 (6) The Department of Agriculture and Consumer Services 1174 shall compile a list of retail fuel stations that sell or offer 1175 to sell unblended gasoline. This information shall be compiled 1176 by the department as part of its routine retail fuel station

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1177 <u>inspections, authorized under s. 525.07, and from information</u> 1178 <u>provided voluntarily by retail dealers. The Department of</u> 1179 <u>Agriculture and Consumer Services shall provide this information</u> 1180 <u>on its website to inform consumers of the options available for</u> 1181 <u>unblended gasoline.</u>

Section 13. Subsection (4) of section 581.083, Florida
Statutes, is amended to read:

1184 581.083 Introduction or release of plant pests, noxious 1185 weeds, or organisms affecting plant life; cultivation of 1186 nonnative plants; special permit and security required.-

1187 A person may not cultivate a nonnative plant, algae, (4) 1188 or blue-green algae, including a genetically engineered plant, algae, or blue-green algae or a plant that has been introduced, 1189 1190 for purposes of fuel production or purposes other than 1191 agriculture in plantings greater in size than 2 contiguous 1192 acres, except under a special permit issued by the department 1193 through the division, which is the sole agency responsible for 1194 issuing such special permits. A permit is not required to cultivate any plant or group of plants that, based on experience 1195 1196 or research data, does not pose a threat of becoming an invasive 1197 species and is commonly grown in this state for the purpose of 1198 human food consumption, commercial feed, feedstuff, forage for 1199 livestock, nursery stock, or silviculture. The department is 1200 authorized to adopt additional exemptions to the permitting 1201 requirements of this section if the department determines, after 1202 consulting with the Institute of Food and Agricultural Sciences at the University of Florida, that based on experience or 1203 1204 research data, the nonnative plant, algae, or blue-green algae

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1205 does not pose a threat of becoming an invasive species or a pest 1206 of plants or native fauna under conditions in this state and 1207 subsequently exempts the plant or group of plants by rule Such a 1208 permit shall not be required if the department determines, in 1209 conjunction with the Institute of Food and Agricultural Sciences 1210 at the University of Florida, that the plant is not invasive and 1211 subsequently exempts the plant by rule.

1212 (a)1. Each application for a special permit must be 1213 accompanied by a fee as described in subsection (2) and proof that the applicant has obtained, on a form approved by the 1214 1215 department, a bond in the form approved by the department and 1216 issued by a surety company admitted to do business in this state or a certificate of deposit, or other type of security adopted 1217 1218 by rule of the department which provides a financial assurance of cost recovery for the removal of a planting. The application 1219 1220 must include, on a form provided by the department, the name of 1221 the applicant and the applicant's address or the address of the 1222 applicant's principal place of business; a statement completely 1223 identifying the nonnative plant to be cultivated; and a 1224 statement of the estimated cost of removing and destroying the 1225 plant that is the subject of the special permit and the basis 1226 for calculating or determining that estimate. If the applicant 1227 is a corporation, partnership, or other business entity, the applicant must also provide in the application the name and 1228 address of each officer, partner, or managing agent. The 1229 applicant shall notify the department within 10 business days of 1230 any change of address or change in the principal place of 1231 1232 business. The department shall mail all notices to the

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1233 applicant's last known address.

1234 As used in this subsection, the term "certificate of 2. 1235 deposit" means a certificate of deposit at any recognized 1236 financial institution doing business in the United States. The 1237 department may not accept a certificate of deposit in connection 1238 with the issuance of a special permit unless the issuing 1239 institution is properly insured by the Federal Deposit Insurance 1240 Corporation or the Federal Savings and Loan Insurance 1241 Corporation.

Upon obtaining a permit, the permitholder may annually 1242 (b) 1243 cultivate and maintain the nonnative plants as authorized by the 1244 special permit. If the permitholder ceases to maintain or cultivate the plants authorized by the special permit, if the 1245 1246 permit expires, or if the permitholder ceases to abide by the 1247 conditions of the special permit, the permitholder shall 1248 immediately remove and destroy the plants that are subject to 1249 the permit, if any remain. The permitholder shall notify the 1250 department of the removal and destruction of the plants within 10 days after such event. 1251

1252

(c) If the department:

1253 1. Determines that the permitholder is no longer 1254 maintaining or cultivating the plants subject to the special 1255 permit and has not removed and destroyed the plants authorized 1256 by the special permit;

1257 2. Determines that the continued maintenance or 1258 cultivation of the plants presents an imminent danger to public 1259 health, safety, or welfare;

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3. Determines that the permitholder has exceeded the

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Receives a notice of cancellation of the surety bond,

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4.

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1261 conditions of the authorized special permit; or

1263 1264 the department may issue an immediate final order, which shall 1265 be immediately appealable or enjoinable as provided by chapter 1266 120, directing the permitholder to immediately remove and 1267 destroy the plants authorized to be cultivated under the special 1268 permit. A copy of the immediate final order must shall be mailed 1269 to the permitholder and to the surety company or financial 1270 institution that has provided security for the special permit, 1271 if applicable.

1272 If, upon issuance by the department of an immediate (d) 1273 final order to the permitholder, the permitholder fails to 1274 remove and destroy the plants subject to the special permit 1275 within 60 days after issuance of the order, or such shorter 1276 period as is designated in the order as public health, safety, 1277 or welfare requires, the department may enter the cultivated 1278 acreage and remove and destroy the plants that are the subject 1279 of the special permit. If the permitholder makes a written 1280 request to the department for an extension of time to remove and 1281 destroy the plants that demonstrates specific facts showing why 1282 the plants could not reasonably be removed and destroyed in the 1283 applicable timeframe, the department may extend the time for 1284 removing and destroying plants subject to a special permit. The 1285 reasonable costs and expenses incurred by the department for 1286 removing and destroying plants subject to a special permit shall 1287 be reimbursed to the department by the permitholder within 21 1288 days after the date the permitholder and the surety company or

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1289 financial institution are served a copy of the department's 1290 invoice for the costs and expenses incurred by the department to 1291 remove and destroy the cultivated plants, along with a notice of 1292 administrative rights, unless the permitholder or the surety 1293 company or financial institution object to the reasonableness of 1294 the invoice. In the event of an objection, the permitholder or 1295 surety company or financial institution is entitled to an 1296 administrative proceeding as provided by chapter 120. Upon entry of a final order determining the reasonableness of the incurred 1297 1298 costs and expenses, the permitholder has shall have 15 days 1299 after following service of the final order to reimburse the 1300 department. Failure of the permitholder to timely reimburse the 1301 department for the incurred costs and expenses entitles the 1302 department to reimbursement from the applicable bond or certificate of deposit. 1303

1304 (e) Each permitholder shall maintain for each separate 1305 growing location a bond or a certificate of deposit in an amount 1306 determined by the department, but not more less than 150 percent 1307 of the estimated cost of removing and destroying the cultivated plants. The bond or certificate of deposit may not exceed \$5,000 1308 1309 per acre, unless a higher amount is determined by the department 1310 to be necessary to protect the public health, safety, and 1311 welfare or unless an exemption is granted by the department 1312 based on conditions specified in the application which would 1313 preclude the department from incurring the cost of removing and 1314 destroying the cultivated plants and would prevent injury to the 1315 public health, safety, and welfare. The aggregate liability of 1316 the surety company or financial institution to all persons for

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1317 all breaches of the conditions of the bond or certificate of 1318 deposit may not exceed the amount of the bond or certificate of 1319 deposit. The original bond or certificate of deposit required by 1320 this subsection shall be filed with the department. A surety 1321 company shall give the department 30 days' written notice of cancellation, by certified mail, in order to cancel a bond. 1322 1323 Cancellation of a bond does not relieve a surety company of 1324 liability for paying to the department all costs and expenses 1325 incurred or to be incurred for removing and destroying the 1326 permitted plants covered by an immediate final order authorized 1327 under paragraph (c). A bond or certificate of deposit must be 1328 provided or assigned in the exact name in which an applicant 1329 applies for a special permit. The penal sum of the bond or 1330 certificate of deposit to be furnished to the department by a 1331 permitholder in the amount specified in this paragraph must 1332 guarantee payment of the costs and expenses incurred or to be 1333 incurred by the department for removing and destroying the 1334 plants cultivated under the issued special permit. The bond or 1335 certificate of deposit assignment or agreement must be upon a 1336 form prescribed or approved by the department and must be 1337 conditioned to secure the faithful accounting for and payment of 1338 all costs and expenses incurred by the department for removing 1339 and destroying all plants cultivated under the special permit. 1340 The bond or certificate of deposit assignment or agreement must 1341 include terms binding the instrument to the Commissioner of Agriculture. Such certificate of deposit shall be presented with 1342 an assignment of the permitholder's rights in the certificate in 1343 1344 favor of the Commissioner of Agriculture on a form prescribed by Page 48 of 53

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1345 the department and with a letter from the issuing institution 1346 acknowledging that the assignment has been properly recorded on 1347 the books of the issuing institution and will be honored by the 1348 issuing institution. Such assignment is irrevocable while a 1349 special permit is in effect and for an additional period of 6 1350 months after termination of the special permit if operations to 1351 remove and destroy the permitted plants are not continuing and 1352 if the department's invoice remains unpaid by the permitholder 1353 under the issued immediate final order. If operations to remove 1354 and destroy the plants are pending, the assignment remains in 1355 effect until all plants are removed and destroyed and the 1356 department's invoice has been paid. The bond or certificate of 1357 deposit may be released by the assignee of the surety company or 1358 financial institution to the permitholder, or to the 1359 permitholder's successors, assignee, or heirs, if operations to 1360 remove and destroy the permitted plants are not pending and no 1361 invoice remains unpaid at the conclusion of 6 months after the 1362 last effective date of the special permit. The department may 1363 not accept a certificate of deposit that contains any provision that would give to any person any prior rights or claim on the 1364 1365 proceeds or principal of such certificate of deposit. The 1366 department shall determine by rule whether an annual bond or 1367 certificate of deposit will be required. The amount of such bond 1368 or certificate of deposit shall be increased, upon order of the 1369 department, at any time if the department finds such increase to 1370 be warranted by the cultivating operations of the permitholder. In the same manner, the amount of such bond or certificate of 1371 1372 deposit may be adjusted downward or removed decreased when a

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1373 decrease in the cultivating operations of the permitholder 1374 occurs or when research or practical field knowledge and 1375 observations indicate a low risk of invasiveness by the 1376 nonnative species warrants such decrease. Factors that may be 1377 considered for change include multiple years or cycles of 1378 successful large-scale contained cultivation; no observation of 1379 plant, algae, or blue-green algae escape from managed areas; or 1380 science-based evidence that established or approved adjusted 1381 cultivation practices provide a similar level of containment of the nonnative plant, algae, or blue-green algae. This paragraph 1382 1383 applies to any bond or certificate of deposit, regardless of the 1384 anniversary date of its issuance, expiration, or renewal.

1385 In order to carry out the purposes of this subsection, (f) 1386 the department or its agents may require from any permitholder 1387 verified statements of the cultivated acreage subject to the 1388 special permit and may review the permitholder's business or 1389 cultivation records at her or his place of business during 1390 normal business hours in order to determine the acreage 1391 cultivated. The failure of a permitholder to furnish such statement, to make such records available, or to make and 1392 1393 deliver a new or additional bond or certificate of deposit is 1394 cause for suspension of the special permit. If the department 1395 finds such failure to be willful, the special permit may be 1396 revoked.

Section 14. <u>The Department of Agriculture and Consumer</u> Services shall conduct a comprehensive statewide forest inventory analysis and study, using a geographic information system, to identify where available biomass is located,

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1401 determine the available biomass resources, and ensure forest 1402 sustainability within the state. The department shall submit the 1403 results of the study to the President of the Senate, the Speaker 1404 of the House of Representatives, and the Executive Office of the 1405 Governor by July 1, 2013. 1406 Section 15. The Department of Agriculture and Consumer 1407 Services, in consultation with the Public Service Commission, the Florida Building Commission, and the Florida Energy Systems 1408 Consortium, shall develop a clearinghouse of information 1409 regarding cost savings associated with various energy efficiency 1410 1411 and conservation measures. The department shall post the 1412 information on its website by July 1, 2013. 1413 Section 16. The Public Service Commission is directed to 1414 conduct a study of the potential effects of public charging 1415 stations and privately owned electric vehicle charging on both 1416 energy consumption and the impact on the electric grid in the 1417 state. The Public Service Commission shall also investigate the 1418 feasibility of using off-grid solar photovoltaic power as a 1419 source of electricity for the electric vehicle charging 1420 stations. The commission shall submit the results of the study 1421 to the President of the Senate, the Speaker of the House of Representatives, and the Executive Office of the Governor by 1422 1423 December 31, 2012. 1424 Section 17. For the 2012-2013 fiscal year, the 1425 nonrecurring sum of \$250,000 is appropriated from the Florida 1426 Public Service Regulatory Trust Fund for the purpose of the 1427 Public Service Commission, in consultation with the Department 1428 of Agriculture and Consumer Services, contracting for an

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1429 independent evaluation of the effectiveness of the Florida 1430 Energy Efficiency and Conservation Act in achieving the 1431 statutory objectives of reducing and controlling the growth 1432 rates of electric consumption and reducing the growth rates of 1433 weather-sensitive peak demand, increasing the overall efficiency 1434 and cost-effectiveness of electricity and natural gas production 1435 and use, encouraging further development of demand-side renewable energy systems; and conserving expensive resources, 1436 1437 particularly petroleum fuels. 1438 The evaluation shall include an assessment of: (1) 1439 (a) The effectiveness of the act in accomplishing 1440 statutory objectives in a cost-effective manner, taking into account short-term and long-term costs and benefits; 1441 1442 (b) The models and methods used to establish conservation 1443 goals and programs to meet those goals; 1444 (C) The strengths and weaknesses of the act relative to 1445 alternative methods available to achieve statutory objectives; 1446 The coordination between the goal-setting process in (d) 1447 s. 366.82 and the determination of need process in s. 403.519, 1448 including the manner in which supply-side conservation and 1449 efficiency measures are addressed; and The potential for time-based rates and advanced 1450 (e) metering technology, or other mechanisms, to allow customers to 1451 1452 manage their energy consumption and allow for peak load shaving. 1453 The potential for a low-interest loan program to (f) provide a cost-effective means to encourage the development of 1454 demand-side renewable energy systems to achieve the statutory 1455 1456 objectives of reducing and controlling the growth rates of

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| 1457 | electric consumption and reducing the growth rates of weather-   |  |  |  |  |  |
|------|--|--|--|--|--|--|
| 1458 | sensitive peak demand, including an evaluation of similar        |  |  |  |  |  |
| 1459 | programs operating both within and outside of the state.         |  |  |  |  |  |
| 1460 | (2) The findings and recommendations of the evaluation           |  |  |  |  |  |
| 1461 | shall be submitted to the President of the Senate, the Speaker   |  |  |  |  |  |
| 1462 | of the House of Representatives, and the Executive Office of the |  |  |  |  |  |
| 1463 | Governor by January 31, 2013.                                    |  |  |  |  |  |
| 1464 | Section 18. This act shall take effect July 1, 2012.             |  |  |  |  |  |
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