

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing PCB: Economic Affairs Committee
2 Representative Kreegel offered the following:

3
4 **Amendment**

5 Remove lines 53-211 and insert:

6 (3) The Department of Economic Opportunity shall certify a
7 project as a Sustainable Community Demonstration Project if, in
8 addition to complying with any applicable law other than this
9 section, the project:

10 (a) Is comprehensive in scope by addressing the full range
11 of community infrastructure, including renewable energy systems,
12 smart grid technologies, data communications networks,
13 alternative transportation mobility systems, sources for
14 powering electric vehicles, digital learning centers, health and
15 wellness features, and storm safety.

16 (b) Has in place the permits and entitlements required for
17 primary infrastructure before securing building permits for a
18 particular phase of construction.

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19 (c) Proposes to meet the majority of its electricity needs
20 from renewable sources and produce more electricity from on-site
21 renewable energy-generating facilities and distributed rooftop
22 renewable energy facilities than the community is projected to
23 use annually.

24 (d) Incorporates and integrates smart grid infrastructure
25 and technology as a tool for improving grid performance; manages
26 energy distribution, transmission, and consumption; maximizes
27 efficiencies; and deploys high-speed digital operating systems
28 and data transmission networks.

29 (e) Uses reasonable and customary industry practices in
30 the design and construction of proposed renewable energy systems
31 and smart grid infrastructure.

32 (f) Consists of a land area of at least 2,500 contiguous
33 acres.

34 (g) Includes an accountability plan for developing project
35 benchmarks and evaluating, measuring, and reporting project
36 results against the criteria provided in subsection (4), with
37 the involvement of members of the Florida Energy Systems
38 Consortium and research universities, and extending the
39 application of project knowledge throughout the state in
40 partnership with the State University System. The plan shall
41 provide for submission of the initial evaluation of project
42 results and economic impacts to the Department of Economic
43 Opportunity and the Governor no later than July 1, 2014, and
44 biennially thereafter.

45 (h) Based on professionally accepted models and
46 methodologies approved by the department, is projected to

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47 generate a positive return on investment in the form of job
48 creation, production of goods and services, capital investment,
49 and overall economic activity, with the expected economic impact
50 identified in the analysis and subsequently evaluated and
51 reported to the Department of Economic Opportunity and the
52 Governor on an ongoing basis over the life of the project.

53 (4) A project is intended to demonstrate:

54 (a) The economic feasibility and viability of clean
55 renewable energy systems and smart grid infrastructure and
56 technologies.

57 (b) The affordability and appeal of a sustainable smart
58 community to industry and residents.

59 (c) The ability to attract a cluster of complementary
60 industries and stimulate new capital investment in sustainable
61 innovation and community infrastructure.

62 (d) The efficient management of energy distribution and
63 consumption using smart grid systems to improve grid performance
64 and community design and construction features.

65 (e) The incorporation of sustainable community design
66 principles and construction features in a way that promotes
67 health and wellness and the development and use of innovative
68 alternatives in personal transportation, such as electric
69 vehicles.

70 (f) The catalytic effect of a renewable energy-centered
71 community and smart grid infrastructure system in spurring job
72 creation.

73 (g) The ability to attract companies to this state to
74 invest and create new jobs and industry.

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75 (h) The stabilization of energy prices over time.

76 (i) The opportunities to enter into partnerships with the
77 State University System in conducting research in innovative
78 clean energy and smart technology communities and technologies
79 and the translation of that research into business
80 opportunities.

81 (j) The effectiveness of enhanced building techniques and
82 design criteria in providing storm safety.

83 (5) A provider, as part of a project certified under this
84 section, may use customary and innovative alternatives for
85 financing and recovering prudent and reasonable costs in planned
86 energy infrastructure, such as renewable energy-generating
87 facilities and integrated smart grid infrastructure, and may
88 initiate proceedings with the Public Service Commission pursuant
89 to s. 366.94.

90 Section 3. Section 366.94, Florida Statutes, is created to
91 read:

92 366.94 Renewable energy cost recovery as part of a
93 Sustainable Community Demonstration Project.—

94 (1) As used in this section, the term:

95 (a) "Costs" include all costs or expenses incurred by a
96 provider in siting, licensing, designing, constructing, and
97 operating a renewable energy-generating facility and
98 transmission, distribution, and metering systems using
99 integrated smart grid infrastructure and components. The term
100 includes, but is not limited to, construction costs, inservice
101 capital investments, engineering expenses, operation and

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102 maintenance expenses, and any applicable taxes. The term does
103 not include the land on which the facility is constructed.

104 (b) "Renewable energy" has the same meaning as provided in
105 s. 366.91(2)(d).

106 (c) "Renewable energy-generating facility" or "facility"
107 means a facility of less than 75 megawatt gross capacity which
108 generates renewable energy, emits zero greenhouse gases at the
109 point of generation, is constructed and operated by a provider
110 as part of a Sustainable Community Demonstration Project
111 certified under s. 288.036, and is part of the electric utility
112 grid for this state. The term includes associated transmission
113 and distribution systems.

114 (2) To demonstrate the feasibility and viability of
115 renewable energy-generating facilities and integrated smart grid
116 infrastructure and the economic benefits for this state, and as
117 an investment in renewable energy, the commission may approve
118 all reasonable and prudent costs incurred by a provider under
119 the environmental cost-recovery clause in s. 366.8255 for
120 renewable energy-generating facilities and integrated smart grid
121 infrastructure that are constructed and operated as part of a
122 Sustainable Community Demonstration Project certified under s.
123 288.036.

124 (a) When determining whether to approve the recovery of
125 costs, the commission shall consider, among other factors, the
126 specific economic development and job creation benefits, the
127 projected long-term stabilization of energy costs, the reduction
128 of adverse environmental impacts, and the legislative findings

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129 and intent in ss. 366.91(1) and 366.92(1), including, but not
130 limited to:

131 1. Promoting this state's leadership among competitor
132 states in the development of renewable energy resources;

133 2. Diversifying the fuel mix;

134 3. Reducing the growing dependence on fuel sources which
135 results in an outflow of the state's capital;

136 4. Encouraging new investments in innovation and job
137 creation;

138 5. Protecting the economic viability of renewable energy
139 resources in the state; and

140 6. Minimizing the volatility of fuel costs.

141 (b) For purposes of this section, costs are reasonable and
142 prudent if the provider has used reasonable and customary
143 industry practices in the design, procurement, and construction
144 of the facility and has integrated smart grid infrastructure in
145 a cost-effective manner appropriate to the location of the
146 facility.

147 (c) A provider must initiate proceedings with the
148 commission no later than July 1, 2013.

149 (d) As part of the proceedings, each provider shall report
150 its construction costs, in-service costs, operating and
151 maintenance costs, hourly energy production of the renewable
152 energy-generating facility, and any other information deemed
153 relevant by the commission.

154 (e) The Legislature recognizes the potential catalytic
155 effect that a Sustainable Community Demonstration Project under
156 s. 288.036 is expected to have on economic growth, job creation,

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157 entrepreneurial innovation, capital investment, and energy
158 diversification. The Legislature also recognizes the opportunity
159 to position this state as a hub for renewable energy and smart
160 technology infrastructure, products, and expertise, while
161 reducing the risk of price instability and customer rate hikes
162 resulting from the current lack of fuel diversity. As a result,
163 the amount of cost recovery the commission may authorize under
164 this section may not exceed 5 cents per 1,000 kilowatt hours per
165 month, calculated on a levelized basis over the life of a facility
166 projected to produce cost savings in a majority of those years.

167 (3) As directed by the commission, providers approved for
168 cost recovery pursuant to this section shall report to the
169 commission on the construction and operational status of
170 approved renewable energy generating facilities that are part of
171 a demonstration project under this act.

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