

1 A bill to be entitled
 2 An act relating to sustainable community demonstration
 3 projects; providing a short title; creating s.
 4 288.036, F.S.; establishing the Sustainable Community
 5 Demonstration Project; providing a purpose; providing
 6 legislative findings and intent; requiring that the
 7 Department of Economic Opportunity certify projects
 8 that meet certain requirements; providing intent for
 9 such projects; authorizing a provider, as part of a
 10 certified project, to initiate proceedings pursuant to
 11 s. 366.94, F.S.; creating s. 366.94, F.S.; providing
 12 definitions; authorizing the Public Service Commission
 13 to approve all reasonable and prudent costs incurred
 14 by providers of certain renewable energy-generating
 15 facilities; requiring that the commission consider
 16 certain factors when determining whether to approve
 17 the recovery of costs; requiring that a provider
 18 initiate proceedings with the commission by a
 19 specified date; providing requirements for the
 20 proceedings; providing a limitation; providing for
 21 application and construction; authorizing the
 22 commission to adopt rules; providing an effective
 23 date.

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 25 Be It Enacted by the Legislature of the State of Florida:

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 27 Section 1. This act may be cited as the "Sustainable
 28 Community Demonstration Project Act."

29 Section 2. Section 288.036, Florida Statutes, is created
 30 to read:

31 288.036 Sustainable Community Demonstration Project.—

32 (1) The purpose of this section is to establish the
 33 Sustainable Community Demonstration Project and to certify
 34 projects that demonstrate the catalytic economic, technological,
 35 and environmental benefits of a prototypical community as a
 36 living laboratory for accelerating economic development through
 37 innovative technological infrastructure and capital investment,
 38 including clean renewable energy systems and smart grid
 39 technologies.

40 (2) The Legislature finds that a Sustainable Community
 41 Demonstration Project is in the public interest and will advance
 42 state economic development goals and promote fuel diversity,
 43 energy independence, and innovation in this state as expressed
 44 in the legislative findings and intent in ss. 366.91 and 366.92.
 45 It is the intent of the Legislature that a project certified as
 46 a Sustainable Community Demonstration Project result in the
 47 creation of a cluster of high-wage, high-skilled complementary
 48 technology and communications industries which can become a
 49 magnet for new capital investment, job creation, and innovation
 50 in the region and throughout the state, and serve as a model for
 51 the future development of new communities and the retrofitting
 52 of existing communities.

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

57 (a) Is comprehensive in scope by addressing the full range
58 of community infrastructure, including renewable energy systems,
59 smart grid technologies, data communications networks,
60 alternative transportation mobility systems, sources for
61 powering electric vehicles, digital learning centers, health and
62 wellness features, and storm safety.

63 (b) Has in place the permits and entitlements required for
64 primary infrastructure before securing building permits for a
65 particular phase of construction.

66 (c) Proposes to meet the majority of its electricity needs
67 from renewable sources and produce more electricity from on-site
68 renewable energy-generating facilities and distributed rooftop
69 renewable energy facilities than the community is projected to
70 use annually.

71 (d) Incorporates and integrates smart grid infrastructure
72 and technology as a tool for improving grid performance; manages
73 energy distribution, transmission, and consumption; maximizes
74 efficiencies; and deploys high-speed digital operating systems
75 and data transmission networks.

76 (e) Uses reasonable and customary industry practices in
77 the design and construction of proposed renewable energy systems
78 and smart grid infrastructure.

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

81 (g) Includes an accountability plan for developing project
82 benchmarks and evaluating, measuring, and reporting project
83 results against the criteria provided in subsection (4), with
84 the involvement of members of the Florida Energy Systems

85 Consortium and research universities, and extending the
 86 application of project knowledge throughout the state in
 87 partnership with the State University System. The plan shall
 88 provide for submission of the initial evaluation of project
 89 results to the Department of Economic Opportunity no later than
 90 July 1, 2014.

91 (4) A project is intended to demonstrate:

92 (a) The economic feasibility and viability of clean
 93 renewable energy systems and smart grid infrastructure and
 94 technologies.

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

97 (c) The ability to attract a cluster of complementary
 98 industries and stimulate new capital investment in sustainable
 99 innovation and community infrastructure.

100 (d) The efficient management of energy distribution and
 101 consumption using smart grid systems to improve grid performance
 102 and community design and construction features.

103 (e) The incorporation of sustainable community design
 104 principles and construction features in a way that promotes
 105 health and wellness and the development and use of innovative
 106 alternatives in personal transportation, such as electric
 107 vehicles.

108 (f) The catalytic effect of a renewable energy-centered
 109 community and smart grid infrastructure system in spurring job
 110 creation.

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

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

114 (i) The opportunities to enter into partnerships with the
 115 State University System in conducting research in innovative
 116 clean energy and smart technology communities and technologies
 117 and the translation of that research into business
 118 opportunities.

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

121 (5) A provider, as part of a project certified under this
 122 section, may use customary and innovative alternatives for
 123 financing and recovering prudent and reasonable costs in planned
 124 energy infrastructure, such as renewable energy-generating
 125 facilities and integrated smart grid infrastructure, and may
 126 initiate proceedings with the Public Service Commission pursuant
 127 to s. 366.94.

128 Section 3. Section 366.94, Florida Statutes, is created to
 129 read:

130 366.94 Renewable energy cost recovery as part of a
 131 Sustainable Community Demonstration Project.—

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

133 (a) "Costs" include all costs or expenses incurred by a
 134 provider in siting, licensing, designing, constructing, and
 135 operating a renewable energy-generating facility and
 136 transmission, distribution, and metering systems using
 137 integrated smart grid infrastructure and components. The term
 138 includes, but is not limited to, construction costs, inservice
 139 capital investments, engineering expenses, operation and
 140 maintenance expenses, and any applicable taxes. The term does

141 not include the land on which the facility is constructed.

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

144 (c) "Renewable energy-generating facility" or "facility"
 145 means a facility of less than 75 megawatt gross capacity which
 146 generates renewable energy, emits zero greenhouse gases at the
 147 point of generation, is constructed and operated by a provider
 148 as part of a Sustainable Community Demonstration Project
 149 certified under s. 288.036, and is part of the electric utility
 150 grid for this state. The term includes associated transmission
 151 and distribution systems.

152 (2) To demonstrate the feasibility and viability of
 153 renewable energy-generating facilities and integrated smart grid
 154 infrastructure and the economic benefits for this state, and as
 155 an investment in renewable energy, the commission may approve
 156 all reasonable and prudent costs incurred by a provider under
 157 the environmental cost-recovery clause in s. 366.8255 for
 158 renewable energy-generating facilities and integrated smart grid
 159 infrastructure that are constructed and operated as part of a
 160 Sustainable Community Demonstration Project certified under s.
 161 288.036.

162 (a) When determining whether to approve the recovery of
 163 costs, the commission shall consider, among other factors, the
 164 projected long-term stabilization of energy costs and the
 165 legislative findings and intent in ss. 366.91(1) and 366.92(1),
 166 including, but not limited to:

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

169 2. Diversifying the fuel mix;
 170 3. Reducing the growing dependence on fuel sources which
 171 results in an outflow of the state's capital;
 172 4. Encouraging new investments in innovation and job
 173 creation;
 174 5. Protecting the economic viability of renewable energy
 175 resources in the state; and
 176 6. Minimizing the volatility of fuel costs.
 177 (b) For purposes of this section, costs are reasonable and
 178 prudent if the provider has used reasonable and customary
 179 industry practices in the design, procurement, and construction
 180 of the facility and has integrated smart grid infrastructure in
 181 a cost-effective manner appropriate to the location of the
 182 facility.
 183 (c) A provider must initiate proceedings with the
 184 commission no later than January 1, 2013.
 185 (d) As part of the proceedings, each provider shall report
 186 its construction costs, in-service costs, operating and
 187 maintenance costs, hourly energy production of the renewable
 188 energy-generating facility, and any other information deemed
 189 relevant by the commission.
 190 (e) The Legislature recognizes the potential catalytic
 191 effect that a Sustainable Community Demonstration Project under
 192 s. 288.036 will have on economic growth, job creation,
 193 entrepreneurial innovation, and energy diversification. The
 194 Legislature also recognizes the investment and knowledge
 195 necessary to position this state as a hub for renewable energy
 196 and smart technology infrastructure, products, and expertise,

197 while reducing the risk of price instability and customer rate
 198 hikes resulting from the current lack of fuel diversity. As a
 199 result, the amount of cost recovery the commission may authorize
 200 for a demonstration project under this section is limited to a
 201 maximum of 5 cents per month for an average residential customer
 202 using 1,000 kilowatt hours per month, calculated on a levelized
 203 basis over the life of a facility projected to produce cost
 204 savings in a majority of those years.

205 (3) This section applies only to a facility constructed
 206 and operated as part of a Sustainable Community Demonstration
 207 Project certified under s. 288.036. However, this section does
 208 not preclude a provider that is not a part of a Sustainable
 209 Community Demonstration Project from seeking cost recovery under
 210 any other applicable provision of law.

211 (4) The commission may adopt rules as necessary to
 212 administer this section.

213 Section 4. This act shall take effect upon becoming a law.