### **HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

BILL #: PCB EUS 15-01 Public Service Commission

SPONSOR(S): Energy & Utilities Subcommittee

TIED BILLS: None IDEN./SIM. BILLS: CS/SB 288

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Energy & Utilities Subcommittee	12 Y, 0 N	Keating	Keating

#### **SUMMARY ANALYSIS**

This proposed committee bill:

- Establishes term limits of three consecutive terms for persons appointed to serve on the Public Service Commission (PSC) after July 1, 2015;
- Requires a person who lobbies the Public Service Commission Nominating Council to register as a legislative lobbyist pursuant to s. 11.045, F.S., and comply with the provisions of that section;
- Requires PSC commissioners to annually complete four hours of ethics training on s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of the state;
- Expands the prohibition on ex parte communications to communications in a proceeding affecting substantial interests which a commissioner knows or reasonably expects will be filed within 180 days after the date of the communication:
- Expands the prohibition on ex parte communications to include certain communications at scheduled and noticed open public meetings of educational programs and conferences of associations of regulatory agencies;
- Authorizes the Governor to remove from office a commissioner found by the Commission on Ethics to have willfully and knowingly violated the law with respect to ex parte communications, and requires removal from office after a second such finding;
- Requires the PSC to provide live streaming on the Internet of each PSC meeting attended by two or more commissioners and each PSC meeting at which a decision is made concerning the rights or obligations of any person;
- Requires the PSC to make a recorded copy of each meeting, workshop, hearing, or proceeding available on its website:
- Prohibits a regulated electric utility from charging a higher rate under a tiered rate structure due to an increase in usage attributable to a billing cycle extension;
- Establishes limits on the total amount of deposit that a regulated electric utility may require from a customer;
- Requires a regulated electric utility to notify each customer of all available rates and to provide good faith assistance to the customer in selecting the best rate;
- Requires new and amended tariffs of regulated electric utilities to be approved by vote of the PSC, except for administrative changes;
- Specifies that moneys received for implementation of measures to encourage demand-side renewable energy systems must be used solely for that purpose, including administrative costs of such measures.

The bill does not appear to have an impact on state government revenues. As discussed in the *Fiscal Comments* section, the bill may have an indeterminate impact on state government expenditures. The bill does not appear to have an impact on local government revenues or expenditures.

The bill provides an effective date of July 1, 2015.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives. STORAGE NAME: pcb01a.EUS

#### **FULL ANALYSIS**

#### I. SUBSTANTIVE ANALYSIS

# A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

Proceedings of the Florida Public Service Commission

The Florida Public Service Commission ("PSC" or "commission") is an arm of the legislative branch of government. The role of the PSC is to ensure that Florida's consumers receive some of their most essential services – electric, natural gas, telephone, water, and wastewater – in a safe, affordable, and reliable manner.<sup>2</sup> In doing so, the PSC exercises regulatory authority over utilities in one or more of three key areas: rate base/economic regulation; competitive market oversight; and monitoring of safety, reliability, and service issues.3

In performing this role, the PSC conducts proceedings ranging from workshops, customer hearings, internal affairs meetings, and rulemaking to informal "proposed agency action" proceedings and formal evidentiary hearings. The PSC conducts customer service hearings in the service territory of a rateregulated utility to obtain customer comments in all formal evidentiary proceedings in which the PSC is considering a change in a utility's base rates.<sup>4</sup> If feasible, the PSC holds formal evidentiary hearings concerning water and wastewater certificates in the service area of the utility seeking a new or amended certificate.5

The PSC streams live on the Internet all internal affairs meetings, agenda conferences, and hearings held in Tallahassee. It also streams live on the Internet all workshops, including rule development workshops, that it believes are of great public interest. All recordings of such meetings, hearings, and workshops are available for future review on the PSC's web page.<sup>6</sup>

Appointment of Public Service Commissioners

The PSC is comprised of five commissioners appointed to staggered 4-year terms.<sup>7</sup> There are no limits on the number of terms that a commissioner may serve. Although the PSC is an arm of the legislative branch of government, the Legislature has delegated to the Governor a "limited authority with respect to the Public Service Commission by authorizing him or her to participate in the selection of members" in a specific manner<sup>8</sup>: commissioners are appointed by the Governor from a slate of nominees selected by the Public Service Commission Nominating Council (PSC Nominating Council), and the Governor's appointments must be confirmed by the Senate.9

The PSC Nominating Council consists of 12 members, with six appointed by the President of the Senate and six appointed by the Speaker of the House of Representatives. The President and the Speaker must each appoint three members from their own chamber, including one member from the

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<sup>&</sup>lt;sup>1</sup> s. 350.001, F.S.

<sup>&</sup>lt;sup>2</sup> http://www.psc.state.fl.us/about/overview.aspx#one

<sup>&</sup>lt;sup>3</sup> Id. During 2014, the PSC regulated five investor-owned electric companies, eight investor-owned natural gas utilities, and 149 investor-owned water and/or wastewater utilities. While the PSC does not fully regulate publicly owned municipal or cooperative electric utilities, the Commission does have jurisdiction, with regard to rate structure, territorial boundaries, bulk power supply operations and planning, over 34 municipally owned electric systems and 18 rural electric cooperatives. The PSC has jurisdiction, with regard to territorial boundaries and safety, over 28 municipally owned natural gas utilities and also exercises safety authority over all electric and natural gas systems operating in the state.

<sup>&</sup>lt;sup>4</sup> Public Service Commission Analysis of HB 219 (2015), submitted February 17, 2015 (on file with the Energy & Utilities Subcommittee).

<sup>&</sup>lt;sup>5</sup> *Id.* See s. 367.045(4), F.S.

<sup>&</sup>lt;sup>6</sup> *Id*.

<sup>&</sup>lt;sup>7</sup> ss. 350.01 and 350.031, F.S.

<sup>&</sup>lt;sup>8</sup> s. 350.001, F.S.

<sup>&</sup>lt;sup>9</sup> s. 350.031, F.S.

minority party, and three nonlegislator members. Council members have four-year terms, except that legislator members serve two-year terms concurrent with the two-year elected terms of House members. Council meetings are subject to public records and public meetings law.<sup>10</sup>

Before nominating a person to the Governor for appointment, the PSC Nominating Council must determine that the person is competent and knowledgeable in one or more fields, including but not limited to: public affairs, law, economics, accounting, engineering, finance, natural resource conservation, energy, or "another field substantially related to the duties and functions of the commission." The law requires that the commission fairly represent these fields. 11

Public Service Commissioners - Standards of Conduct

The PSC is required to perform its duties independently.<sup>12</sup> Part III of Chapter 112, F.S., establishes a code of ethics for public officers and employees, which includes Public Service Commissioners. Generally, this code prohibits public officers, including commissioners, from soliciting or accepting anything of value to influence a vote or official action, using their official position to secure a special benefit, disclosing or using non-public information for personal benefit, soliciting gifts from lobbyists, and soliciting an honorarium from anyone or accepting an honorarium from a lobbyist. This code also establishes restrictions on public officers, including commissioners, from doing business with one's own agency, having outside employment or contractual relationships that conflict with public duties, representing any party before one's agency for compensation for two years after leaving office, and employing relatives in the agency. Finally, this code requires that public officers, including commissioners, disclose voting conflicts when a vote would result in a special private gain or loss, file quarterly reports for gifts over \$100 from persons not lobbyists or relatives, file quarterly reports for receipt of honorarium-related expenses from lobbyists, and disclose certain financial interests.

In addition to the provisions of part III of chapter 112, public service commissioners are subject to more stringent requirements in s. 350.041, F.S. In the event of a conflict between part III of chapter 112 and s. 350.041, F.S., the more restrictive provision applies.<sup>13</sup> Section 350.041, F.S., provides the following standards of conduct:

- A commissioner may not accept anything from a regulated public utility (or a business entity that owns or controls the utility or an affiliate or subsidiary of the utility).
- A commissioner may not accept anything from a party in a proceeding currently pending before the commission.
- A commissioner may not accept any form of employment with, or engage in any business activity with, a regulated public utility (or a business entity that owns or controls the utility or an affiliate or subsidiary of the utility).
- A commissioner may not have any financial interest in a regulated public utility (or a business entity that owns or controls the utility or an affiliate or subsidiary of the utility), except for shares in a mutual fund.
- A commissioner may not serve as the representative of, or serve as an executive officer or employee of, a political party; campaign for any candidate for public office; or become a candidate for any public office without first resigning.
- A commissioner, during his or her term of office, may not make any public comment on the merits of a formal proceeding in which a person's substantial interests are determined.
- A commissioner may not conduct himself or herself in an unprofessional manner during the performance of official duties.
- A commissioner must avoid impropriety in all activities and must act at all times in a manner that promotes public confidence in the integrity and impartiality of the commission.

<sup>11</sup> *Id*.

<sup>&</sup>lt;sup>10</sup> *Id*.

<sup>&</sup>lt;sup>12</sup> s. 350.001, F.S.

<sup>&</sup>lt;sup>13</sup> s. 350.041(1), F.S.

There are no statutory requirements for training related to commissioners' duties and responsibilities under these standards. However, the PSC's Office of General Counsel provides training for all new commissioners on the duties, responsibilities, and prohibitions contained in Chapters 112 and 350, F.S., as well as the public records and meeting laws, and informs commissioners of new developments in these areas.<sup>14</sup>

### Ex Parte Communications

Commissioners are prohibited from initiating or considering ex parte communications concerning the merits, threat, or offer of reward in any proceeding other than a rulemaking proceeding, a declaratory statement proceeding, workshops, or internal affairs meetings.<sup>15</sup> The law also prohibits an individual from discussing ex parte with a commissioner the merits of any issue that he or she knows will be filed with the commission within 90 days.<sup>16</sup>

If a commissioner receives a prohibited ex parte communication, he or she must: place on the record of the proceeding a copy of any written correspondence or a memo stating the substance of any oral communication; provide written notice to all parties to the proceeding; and provide all parties the opportunity to respond to the ex parte communication. The commissioner may choose to withdraw from the proceeding if he or she believes it is necessary to do so to eliminate the effect of having received the communication. Any individual other than a commissioner that makes a prohibited ex parte communication must submit to the commission: a written statement describing the nature of the communication; copies of all written communications made and written responses received; and a memorandum stating the substance of all oral communications made and oral responses received. The commission must place this information on the record of the relevant proceeding. 18

The prohibition on ex parte communications does not apply to oral communications or discussions in scheduled and noticed open public meetings of educational programs or of a conference or other meeting of an association of regulatory agencies.<sup>19</sup>

The Commission on Ethics is empowered to investigate sworn complaints of violations of this section. If the Commission on Ethics finds that there has been a violation by a PSC commissioner, it must provide a report of its findings and recommendations to the Governor and the Florida Public Service Commission Nominating Council. The Governor is authorized to enforce the findings and recommendations. A commissioner who fails to place the communication on the record within 15 days is subject to removal and a civil penalty of up to \$5,000. Any other person who participated in the communication faces a 2-year ban on practice before the PSC. <sup>20</sup>

### Regulation of Electric Utility Customer Billing Practices

#### Rate Information Provided to Customers

The rates and terms of service for each rate-regulated electric utility (electric utility) are reflected in rate schedules applicable to various classes of customers, as established by order of the PSC. In some cases, a customer may be eligible to receive service under more than one rate schedule. PSC rules

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<sup>&</sup>lt;sup>14</sup> Public Service Commission Analysis of HB 219, *supra* note 4.

<sup>&</sup>lt;sup>15</sup> s. 350.042(1), F.S. The law does not define "ex parte communications" for purposes of this section, though it is generally understood to mean a communication between a commissioner and a party or other interested person, including an attorney or representative of that party or person, that was neither on the record nor on reasonable prior notice to all parties.

<sup>&</sup>lt;sup>16</sup> *Id.*<sup>17</sup> s. 350.042(4), F.S.

<sup>&</sup>lt;sup>18</sup> s. 350.042(5), F.S.

<sup>&</sup>lt;sup>19</sup> s. 350.042(3), F.S.

<sup>&</sup>lt;sup>20</sup> s. 350.042(6) and (7), F.S.

require an electric utility to notify each customer of any new rate schedule that they may be eligible for within 60 days of approval of the rate schedule and to notify each customer at least once a year of all rate schedules that the customer may elect. Upon request of a customer, an electric utility is required to provide the customer information about applicable rate schedules and assist the customer in obtaining the rate schedule which is most advantageous to the customer's requirements.<sup>21</sup> Absent a customer request, there is no affirmative duty for an electric utility to assist a customer in identifying the most advantageous rate.

### **Establishment of Deposits**

Under its authority to prescribe fair and reasonable rates and charges, the PSC has adopted a rule on customer deposits.<sup>22</sup> Under this rule, each electric utility's tariff must contain the utility's specific criteria for determining the amount of initial deposit. After a customer has had continuous service for a period of 23 months and has established a satisfactory payment record, the utility must:

- Refund a residential customer's deposit.
- At its option, either refund or pay a higher rate of interest<sup>23</sup> for nonresidential deposits.

An electric utility may also increase a customer's required deposit to secure payment of current bills. For new or additional deposits, the amount of the required deposit may not exceed "an amount equal to twice the average charges for actual usage of electric service for the twelve month period immediately prior to the date of notice." If a customer has had service for less than twelve months, the utility must calculate the new or additional deposit based upon the "average actual monthly usage available." <sup>24</sup>

Though the first part of the rule is ambiguous as to the period of usage for which charges should be averaged, the rule has consistently been interpreted and implemented to mean that the total amount of the deposit required by the utility may not exceed twice the average monthly bill for the immediately preceding twelve months.<sup>25</sup>

# **Customer Billing Cycles**

PSC rules specify that "each [electric utility] service meter shall be read at monthly intervals on the approximate corresponding day of each meter-reading period." Further, utilities may adjust a billing cycle, provided that "[t]he regular meter reading date may be advanced or postponed not more than five days without a pro-ration of the billing for the period." <sup>27</sup>

Upon approval of the PSC, electric utilities may use tiered rates in particular rate schedules. Tiered rates are typically used to encourage conservation by applying a higher rate for usage above a threshold specified in the rate schedule.

The PSC's rules do not address the application of tiered rates to extended billing periods. Recently, an electric utility adjusted its billing period for one billing cycle "as part of an ongoing process started in May 2013 to streamline the company's routes for meter-reading throughout central and northern Florida." As a result of the extended billing period, some customers' total usage for the extended billing period increased such that a tiered rate was applicable, even though their average daily use did

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<sup>&</sup>lt;sup>21</sup> Rule 25-6.093, F.A.C.

<sup>&</sup>lt;sup>22</sup> Rule 25-6.097, F.A.C.

<sup>&</sup>lt;sup>23</sup> *Id.* This higher interest rate is three percent instead of the usual two percent. In all cases the interest is simple interest, not compounded.

<sup>&</sup>lt;sup>24</sup> *Id*.

<sup>&</sup>lt;sup>25</sup> See, e.g., PSC Order No. PSC-13-0124-PAA-EI, issued March 13, 2013, in Docket No. 120176-EI (In re: Complaint of Frederick Smallakoff against Progress Energy Florida, Inc. concerning alleged improper bills, Case No. 1059336E).

<sup>&</sup>lt;sup>26</sup> Rule 25-6.099, F.A.C.

<sup>&</sup>lt;sup>27</sup> Rule 25-6.100, F.A.C.

<sup>&</sup>lt;sup>28</sup> Jim Turner, *Duke Energy called to explain billing change*, Tallahassee Democrat, August 25, 2014, <a href="http://www.tallahassee.com/story/news/politics/2014/08/25/duke-energy-called-explain-billing-change/14594563/">http://www.tallahassee.com/story/news/politics/2014/08/25/duke-energy-called-explain-billing-change/14594563/</a> (last accessed March 13, 2015).

not increase during that period. After many complaints, the utility agreed to refund all increased charges and absorb the remaining unbilled charges that would have resulted.<sup>29</sup>

# Approval of Electric Utility Tariffs

The PSC-approved rate schedules for each electric utility are set forth in tariffs. In certain circumstances, the PSC authorizes its staff to administratively approve utility tariffs without a vote of the commission. These circumstances include approval of tariffs filed to correct typographical errors, approval of tariff amendments that clarify or reorganize text, approval of tariffs filed in response to PSC rules or orders, and removal of obsolete tariffs once all customers have discontinued service under the tariff.<sup>30</sup>

# Recovery of Costs for Energy Efficiency and Conservation Programs

Pursuant to the Florida Energy Efficiency and Conservation Act (FEECA), the PSC must establish energy efficiency and conservation goals for certain electric utilities and must establish plans and programs designed to meet those goals.<sup>31</sup> In 2008, the Legislature added a requirement for the PSC to adopt appropriate goals for increasing the development of demand-side renewable energy systems.<sup>32</sup> To implement this requirement, the PSC created a five-year solar pilot project, and each year the utilities collected money for these purposes. In the most recent FEECA goal-setting hearings in 2014, electric utilities proposed ending the project early, and parties to the proceeding expressed concern about the potential disposition of the remaining funds.

In annual hearings, the PSC reviews each utility's costs for FEECA programs. Cost recovery through rates in a given calendar year is based on the net of projected expenses for that year and the positive or negative "true-up" balance from the preceding period. Under this mechanism, utilities are able to recover only the actual costs of providing the FEECA programs, including costs to administer the programs.

# **Effect of Proposed Changes**

Proceedings of the Florida Public Service Commission

The bill establishes requirements for the PSC to provide live streaming on the Internet of specified proceedings. Specifically, the bill requires live streaming of each PSC meeting that is attended by two or more commissioners, including each internal affairs meeting, workshop, hearing, or other proceeding. The bill also requires live streaming of each PSC meeting, workshop, hearing, or other proceeding at which a decision is made which concerns the rights or obligations of any person. The bill requires that a recorded copy of each meeting, workshop, hearing, or proceeding be made available on the PSC's website.

The PSC currently provides live streaming, and makes recordings available on its website, for most of the types of meetings addressed in the bill, but it does not do so for all workshops or for many events held outside of Tallahassee. Thus, the bill will expand public access to view these events.

Appointment of Public Service Commissioners

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<sup>&</sup>lt;sup>29</sup> Ivan Penn, *Duke charges were set to reach more than \$2.6 million in overbilling*, Tampa Bay Times, September 10, 2014, <a href="http://www.tampabay.com/news/business/energy/duke-energy-refunds-17-million-to-customers-because-of-meter-issue/2197029">http://www.tampabay.com/news/business/energy/duke-energy-refunds-17-million-to-customers-because-of-meter-issue/2197029</a> (last accessed March 13, 2015).

<sup>&</sup>lt;sup>30</sup> Public Service Commission Analysis of HB 219, *supra* note 4 (referring to FPSC Agency Procedure Manual, Chapter 2.07).

<sup>&</sup>lt;sup>31</sup> ss. 366.80-366.83 and 403.519, F.S

<sup>&</sup>lt;sup>32</sup> Chapter 2008-227, Laws of Fla. The term "demand-side renewable energy" means a system located on a customer's premises generating thermal or electric energy using Florida renewable energy resources and primarily intended to offset all or part of the customer's electricity requirements provided such system does not exceed 2 megawatts.

Noting that the purpose of the PSC Nominating Council is to select nominees for an arm of the legislative branch of government, the bill establishes a requirement that any person who lobbies the PSC Nominating Council must register as a lobbyist pursuant to s. 11.045, F.S., which governs registration and reporting requirements for legislative branch lobbying. The bill specifies the type of activity that qualifies as lobbying for purposes of registration, using essentially the same language used in s. 11.045 to define such activity. Specifically, the requirement applies to:

a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of influencing or attempting to influence action of the council through oral or written communication or through an attempt to obtain the goodwill of a legislator or nonlegislator member of the council, or a person who is principally employed for governmental affairs by another person or governmental entity to act on behalf of that other person or entity for this purpose ....

Each person subject to registration under the bill must also comply with the other provisions of s. 11.045, F.S., which address the filing of compensation reports, prohibited expenditures to the benefit of a member, and penalties for noncompliance.

The bill also establishes term limits for PSC commissioners. Commissioners appointed after July 1, 2015, may not serve more than three consecutive terms.

#### Public Service Commissioners – Standards of Conduct

The bill requires that PSC commissioners must annually complete four hours of ethics training that addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of the state. The bill provides that this requirement can be met by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation, if the required subjects are covered.

### Ex Parte Communications

The bill expands the prohibition on ex parte communications to include any communication between a commissioner and a person legally interested in a proceeding (e.g., a party, interested person, or legal counsel for either) concerning the merits, threat, or offer of reward in a proceeding which a commissioner knows or reasonably expects will be filed within 180 days after the date of the communication. This reduces the period of time during which communications could potentially occur between interested persons and commissioners concerning the merits of matters that may come before the PSC. The bill specifies that the prohibition applies in proceedings under sections 120.569 and 120.57, F.S., i.e., proceedings in which a party's substantial interests may be affected.

The bill eliminates the exception for ex parte communications in scheduled and noticed open public meetings of educational programs and conferences of associations of regulatory agencies. The bill provides a finding that recognizes the value of having commissioners attend educational programs, conferences, and meetings of associations of regulatory agencies, but establishes requirements for attendance and participation in such meetings that are intended to avoid violations of the ex parte prohibition. While participating in these meetings, a commissioner must refrain from commenting on or discussing the subject matter of any proceeding covered by the prohibition and must use reasonable care to ensure that the content of a meeting in which the commissioner participates is not designed to address or create a forum to influence the commissioner on the subject matter of any such proceeding.

The bill authorizes the Governor to remove from office any commissioner found by the Commission on Ethics to have willfully and knowingly violated s. 350.042, F.S., related to ex parte communications, even if the Commission on Ethics does not recommend removal. The bill requires the Governor to remove a commissioner from office upon a finding by the

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Commission on Ethics that the commissioner willfully and knowingly violated s. 350.042, F.S., in a second, subsequent matter.

Regulation of Electric Utility Customer Billing Practices

#### Rate Information Provided to Customers

In each instance where an electric utility offers more than one rates for any customer class, the bill requires the utility to notify each customer in that class of the available rates and explain how each rate is charged. The bill requires each electric utility, when contacted by a customer seeking assistance in selecting the most advantageous rate, to provide good faith assistance to the customer.

# **Establishment of Deposits**

The bill establishes clear provisions for the calculation of deposits that an electric utility may require as a condition of service. The bill provides that a utility may not charge or receive a deposit in excess of the following amounts:

- For an existing account, the total deposit may not exceed the total charges for 2 months of average actual usage, calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit amount is sought, dividing this total by 12, and multiplying the result by 2. If the account has less than 12 months of actual usage, the deposit must be calculated by adding the available monthly charges. dividing this total by the number of months available, and multiplying the result by 2.
- For a <u>new customer</u>, the amount may not exceed 2 months of projected charges. calculated by adding the projected 12 months of charges, dividing this total by 12, and multiplying the result by 2. Once a new customer has had continuous service for a 12month period, the amount of the deposit must be recalculated, using actual usage data. Any difference between the projected and actual amounts must be resolved by the customer paying any additional amount that may be billed by the utility or the utility returning any overcharge.

#### Customer Billing Cycles

In situations where the PSC has approved tiered rates for an electric utility and has authorized the utility to adjust its regular billing period, the bill prohibits a utility from charging the customer higher rates because of an increase in usage attributable to the extended billing period. The bill maintains the current practice of allowing meter reading dates to be advanced or postponed up to five days, for routine operating reasons, without a requirement that billing be pro-rated for that period.

#### Approval of Electric Utility Tariffs

The bill provides that the new and amended electric utility tariffs must be approved by vote of the PSC. The bill provides an exception for administrative changes that do not substantially change the meaning or operation of a tariff.

Recovery of Costs for Energy Efficiency and Conservation Programs

The bill provides that moneys received by a rate-regulated electric utility to implement measures to encourage development of demand-side renewable energy systems may only be used for that purposes, including related administrative costs. This provision is consistent with current PSC practice.

### **B. SECTION DIRECTORY:**

**Section 1.** Amends s. 350.01, F.S., relating to terms of Public Service Commissioners and Public Service Commission proceedings.

**Section 2.** Amends s. 350.031, F.S., relating to the Florida Public Service Commission Nominating Council.

**Section 3.** Amends s. 350.041, F.S., relating to standards of conduct for Public Service Commissioners.

**Section 4.** Amends s. 350.042, F.S., relating to ex parte communications.

**Section 5.** Amends s. 366.05, F.S., relating to powers of the Public Service Commission.

**Section 6.** Amends s. 366.82, F.S., relating to energy efficiency and conservation goals, plans, programs, annual reports, and energy audits.

**Section 7.** Providing an effective date of July 1, 2015.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Notes.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Customers of rate-regulated electric utilities will be protected from the imposition of higher, tiered rates in certain situations resulting from the extension of a utility's billing cycle. Customers will be protected from the imposition of excessive deposits and will receive rate schedule information that will allow cost comparisons.

Persons who lobby the PSC Nominating Council may incur costs to register as a lobbyist, if not otherwise registered.

# D. FISCAL COMMENTS:

According to the PSC's analysis of similar provisions in HB 219, the bill may increase operating costs for the Public Service Commission to live-stream meetings in locations that lack adequate in-house technology and, if the agency's current in-house ethics training will not satisfy the training requirements in the bill, the bill may increase costs to obtain outside ethics training for commissioners. The PSC's analysis did not quantify these potential costs.

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# **III. COMMENTS**

# A. CONSTITUTIONAL ISSUES:

- 1. Applicability of Municipality/County Mandates Provision: Not applicable. This bill does not appear to affect county or municipal government.
- 2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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