



2008 Legislative Session

Summary of Legislation of relevance to the Action Team

Overall Summary

During the 2008 Regular Session, the Florida Legislature passed three bills of principal importance to the scope of work currently before the Action Team. The purpose of this document is to summarize the provisions of these three bills within the context of the Action Team Technical Work Group structure. The three bills examined here include House Bill 7135 (the Energy Bill), Senate Bill 542 (Florida Forever), and House Bill 697 (Building Codes).

The 2008 Florida Energy Bill (HB 7135) is wide-ranging legislation affecting several facets of Florida's energy and climate change policy. Briefly, the legislation:

- creates the Florida Energy and Climate Commission (FECC) within the Executive Office of the Governor to centralize energy and climate change policy development and program implementation
- authorizes the Department of Environmental Protection (DEP) to develop "cap and trade" regulations for GHG emissions for sources in Florida subject to legislative ratification in the 2010 regular session
- expands key economic development programs to attract specific investments in the renewable energy sector to Florida
- requires a "10 by 10" Renewable Fuel Standard requiring that all gasoline sold for motor vehicles in Florida contain 10% ethanol in 2010
- requires the Public Service Commission (PSC) to develop rules for a renewable portfolio standard subject to legislative ratification in the 2009 regular session and provides cost recovery guidance to the PSC for renewable energy projects developed in advance of the final rule
- requires "major emitters" to report greenhouse gas (GHG) emissions via The Climate Registry

- reduces energy consumption and associated greenhouse gas emissions (GHG) from state, regional and local government operations by requiring public buildings constructed to meet recognized green building standards; consideration of energy and climate performance in vehicle, commodity, and meeting space procurement; active energy management among state agencies; and increased energy and water efficiencies from government facilities through streamlining of existing statutes governing guaranteed performance savings contracts
- increases the role of energy efficiency in Florida’s energy policy through revisions to the Florida Energy Efficiency and Conservation Act, providing goals for the Florida Building Commission to increase efficiency standards by 10% in each triennial review to achieve a 50% increase by 2019, and increasing efficiency requirements for certain appliances
- creates the Florida Energy Systems Consortium as a “super center of excellence” within the State University System to better coordinate energy-related research in support of Florida’s energy and climate change policy objectives
- balances the need for expanded electric transmission infrastructure within Florida with the need for conservation land protection and informed public participation in the siting process by providing the terms and conditions for use of state lands, clarifying timelines in the transmission line siting process, and increased public participation through new mail notice requirements and provisions for additional hearings for local residents

Following are major actions taken by the Energy Bill arranged by the Technical Work Group topics: Energy Supply and Demand; Cap and Trade; Transportation and Land Use; Agriculture, Forestry & Waste Management; Government Policy & Planning; and Adaptation.

Energy Supply and Demand

The legislation includes several provisions of critical importance to the scope of work currently being addressed by the Energy Supply and Demand Technical Working Group. In addition to the provisions outlined in the following categories, the legislation also includes several glitch clean-ups to the Power Plant Siting Act and the Transmission Line Siting Act. Substantive changes in the two siting acts are limited to a new mail notice requirement for power plants (all land owners within a 3 mile radius) and transmission line corridors (all land

owners within ¼ mile of the corridor), as well as new authority for a local government to hold an additional public hearing for local residents affected by a proposed transmission line to the existing public hearing requirements under the acts.

Energy Efficiency

- Sections 38 and 39 amend s. 366.81 and s. 366.82, F.S., pages 84 and 85:
Expands the Florida Energy Efficiency and Conservation Act to include “demand-side renewable energy” systems of up to 2 MW of total capacity as well as utility efficiency and conservation investments across generation, transmission and distribution in addition to demand side investments.

Requires the Public Service Commission (PSC) when setting 5 year efficiency goals to consider the costs and benefits to customers participating in the measure (participants test); costs and benefits to the general body of ratepayers as a whole, including both utility incentives and participant contributions (similar to a Total Resource Cost test or TRC test but including the costs of incentives); need for incentives to utilities to promote energy efficiency and renewable energy systems; and costs imposed by state and federal regulations on the emissions of greenhouse gases.

The PSC is authorized to expend up to \$250,000 to obtain technical consulting assistance; PSC authorized to require modifications or additions to plans and programs when there is a public interest consistent with conservation, energy efficiency and demand side renewable energy system measures. In approving plans and programs for cost recovery, the PSC is granted the flexibility to modify or deny plans and programs that would have an undue impact on the cost to ratepayers.

In addition the PSC may authorize financial rewards for those utilities, over which it has rate-setting authority, which exceed their goals, and assess financial penalties to those that fail to meet goals.

The bill authorizes the PSC to allow an additional return on equity of up to 50 basis points for those investor-owned utilities that exceed 20% of annual load growth through energy efficiency and conservation measures.

- Section 60 amends s. 377.804, F.S., page 131: Expands the eligible types of projects under the Renewable Energy Technologies Grants Program to include energy efficiency technologies.
- Section 61 of the bill amends s. 377.806, F.S., page 135: Directs that a photovoltaic system and a solar thermal system are no longer required to comply with building codes of local jurisdictional authorities in order to be eligible for state incentive, but are now required to comply with the Florida Building Code.
- Section 108 of the bill amends s. 553.73, F.S., page 226: Requires the Florida Building Commission to select the most current version of the International Energy Conservation Code (IECC) as a foundation code and modify it to maintain the efficiencies of the Florida Energy Efficiency Code. (Note that HB 697 contains identical provisions)
- Section 109 creates s. 553.9061, F.S., page 227: Directs the Florida Building Commission to make periodic updates to the Florida Energy Efficiency Code increasing the energy efficiency requirements by at least 50% by 2019 as compared to the energy efficiency provisions of the 2007 Florida Building Code. The section requires the commission to develop a cost-effectiveness test for proposed increases in energy efficiency. (Note that HB 697 contains identical provisions)
- Section 110 amends s. 553.909, F.S., page 229: Defines energy efficiency requirements related to swimming pool pumps, swimming pool water heaters and potable water heaters.
- Section 114: The PSC is required to analyze utility revenue decoupling in an effort to promote conservation of energy and provide a report and recommendations to the Governor, the Senate and the House by January 1, 2009.

Renewable Energy

- Section 3 amends ss. 163.04(2), F.S., page 19: Allows condominium property owners to install renewable energy devices, particularly solar collectors or clothes lines by stipulating that such devices may not be restricted by deed, covenant, declaration or other binding agreements.

- Section 6 amends s. 196.012, F.S., page 24: Narrows the existing property tax exemption by striking certain outdated language that would have included equipment no longer regarded as energy efficient.
- Section 7 amends s. 196.175, F.S., page 7: The Renewable Energy Source Exemptions removes the expiration date of the property tax exemption for property on which a renewable energy source device is installed. The amount of the exemption includes the original cost of the device plus installation cost, but excludes the cost of replacing previously existing property removed or improved during installation. No exemption will be granted if the renewable energy source device was installed before January 1, 2009. The period of each exemption remains at 10 years.
- Section 11 amends s. 220.192, F.S., page 34: Under the renewable energy technologies investment tax, it changes the responsibility for eligibility determinations and rule authority to the Florida Energy and Climate Change Commission (FECC). It also allows the transfer of the credits without requiring transfer of ownership of the qualifying property and provides requirements for notifying the Department of Revenue in advance of such transfers.
- Section 12 and 13 amend s. 220.193, F.S., page 38 and 39: Credits earned by the sale of electricity from a new or expanded renewable energy facility will pass through in the same manner as income and expense items for federal income tax purposes. The net effect is to expand the definitions so that credits may be earned for electricity *sold* and electricity *used* by the producer and make the change retroactive to the inception date of the program.
- Section 41 amends s. 366.91, F.S., page 93: Requires that a utility purchasing power generated from biogas must make net metering available at a single metering point or be available as a part of conjunctive billing of multiple points for a customer at a single location, subject to review by the PSC on a case-by-case basis. The bill requires investor-owned utilities to develop a standardized interconnection agreement and net metering program for customer-owned renewable generation on or before January 1, 2009. It also authorizes the PSC to establish requirements and adopt rules to administer the provision. Directs municipal electric utilities and rural electric cooperatives that sell electricity at retail to develop a standardized interconnection agreement and net metering program for customer-owned renewable generation and file an annual

report with the PSC detailing customer participation in the program.
(Also under Agriculture, Forestry & Waste Management)

- Section 42 amends s. 366.92, F.S., page 93: Directs the PSC to adopt a rule for a Renewable Portfolio Standard (RPS) requiring each provider, including investor-owned utilities but not municipal electric utilities or rural electric cooperatives, to supply renewable energy to customers directly, or indirectly, through the purchase of Renewable Energy Credits (RECs). In developing the rule, the PSC must evaluate the current and forecasted levelized cost in cents per kilowatt hour and current and forecasted installed capacity in kilowatts for each renewable energy generation method through 2020. The rule may provide added weight to energy provided by wind and solar photovoltaic over other forms of renewable energy whether directly supplied, procured or indirectly obtained through the purchase of RECs. The PSC is to present the draft rule for legislative consideration by February 1, 2009, and the rule may not be implemented until ratified by the Legislature.

The PSC is given the authority to provide to utilities annual cost recovery and incentive-based adjustments to their authorized rates of return on common equity in order to provide an incentive to those utilities to invest in renewable energy. Further, beginning April 1 of the year following the adoption of the RPS rule, each provider must submit a report to the PSC describing the steps that were taken during the previous year and the steps that will be taken in the future to add renewable energy to the provider's energy supply portfolio.

In order to demonstrate the feasibility and viability of clean energy systems, the PSC will provide for full cost recovery under appropriate cost recovery clauses of all reasonable and prudent costs incurred by a provider for a project to place up to a total of 110 MW in new renewable energy capacity for each provider, and for which the provider has used reasonable and customary industry practices in the design, procurement and construction of the project. The provider must file for cost recovery no later than July 1, 2009.

The bill directs municipal electric utilities and rural electric cooperatives to develop standards for the promotion, encouragement, and expansion of the use of renewable energy resources and energy conservation and efficiency measures. It requires by April 1, 2009 and annually thereafter,

each municipal electric utility and electric cooperative submit a report to the PSC identifying those standards.

- Section 69 amends s. 403.506, F.S., page 155: Increases the exemptions from the act for expansions of generation capacity for an existing exothermic reaction cogeneration electrical generating facility from 35 MW to 75 MW in the aggregate. This will afford flexibility to industry in determining the most expeditious means of securing the appropriate authorizations from state government for developing waste heat resources for energy as a by-product of production.

Energy Diversity & Security

- Section 4 amends s. 187.201, F.S., page 20: Adds a provision to the land use goal of the State Comprehensive Plan that calls for siting low carbon-emitting power plants, including nuclear power plants, to meet the state's determined need for electric power generation.
- Section 5 amends s. 187.201, F.S., page 20: Includes the addition of an air quality policy of encouraging the development of low-carbon-emitting electric power plants in the state comprehensive plan. Includes an energy goal of "reducing atmospheric carbon dioxide" and an energy policy of "siting low-carbon-emitting electric power plants." Also adds to the land use goal a provision for siting low carbon-emitting power plants, including nuclear power plants, to meet the state's determined need for electric power generation. (Also under Transportation & Government Policy)
- Section 14 amends s. 253.02(2), F.S., page 40: Provides terms and conditions for use in siting transmission lines on state lands.
- Section 40 amends s. 366.8255(1)(d), F.S., page 92: Revises the definition of "environmental compliance costs" to include costs or expenses prudently incurred for scientific research and geological assessments of carbon capture and storage when such are incurred in joint research projects with state agencies and universities.
- Section 43 amends s. 366.93, F.S., page 100: Provides for advanced cost recovery for transmission directly associated with nuclear generation

- Section 94 creates s. 403.7055, F.S., page 203: Requires the Department of Environmental Protection (DEP) to provide planning guidelines and technical assistance to counties for developing regional approaches to capture, reuse or sell methane gas from landfills and wastewater treatment plants. (Also in Agriculture, Forestry & Waste Management)

Cap and Trade

- Section 40 amends s. 366.8255(1)(d), F.S., page 92: Allows investor-owned utilities to recover the costs or expenses prudently incurred for the quantification, reporting and third party verification as required for participation in greenhouse gas emission registries (such as The Climate Registry).
- Section 65 creates s. 403.44, F.S., page 142: Creates the Florida Climate Protection Act, to pursue a market-based emissions program and to document and address greenhouse gas emission reductions. The Department of Environmental Protection (DEP) is required to develop rules to address a cap and trade program, in consultation with the Public Service Commission (PSC), and the Florida Energy and Climate Commission (FECC). The DEP may consult with the Governor's Action Team on Energy and Climate Change. The DEP cannot adopt the rules until after 1/1/2010 and they will not become effective until ratified by the legislature. The rules must address:
 - A statewide cap on emissions from major emitters
 - How to allocate the cap among major emitters
 - Emission allowance and the process for issuance
 - The relationship between greenhouse gases (GHG) and the allowances
 - Length of allowance periods and the period of response from major emitters
 - A timeline for the allowance process through 2050
 - A process for trade of allowances among major emitters
 - Cost containment mechanisms to reduce price and cost of electric generation
 - Discouragement of leakage
 - Provisions for a trial trading period of allowances before full implementation

In considering the cost containment mechanisms mentioned above, the DEP must evaluate both the GHG reduction potential of a mechanism, cost of that mechanism to utility customers, and the overall benefits to the state.

In recommending and evaluating features of a proposed cap and trade system, the following factors are to be considered:

- Overall cost-effectiveness in combination with other policies and measures
- Minimizing the administrative burden to the state
- Minimizing the administrative burden on emitters covered under the cap
- Impacts on utility prices to customers
- Benefits to the state economy in light of pending federal legislation
- Benefits to the state economy from allowance trading and emission offset trading
- Potential effects of leakage if economic activity relocates out of state
- Effectiveness of combining measures for meeting identified targets
- Implication for near-term periods given the long term targets already specified
- Overall costs and benefits of a cap and trade system to Florida's economy
- How to moderate impact to low-income consumers
- Consistency with other state programs and potential federal program
- Feasibility/cost effectiveness of expanding program to other major emitters and carbon sinks
- Evaluation of conditions where Florida might consider linking to efforts in other states or countries.

The DEP shall submit its proposed cap and trade rules to the FECC before taking them to the legislature. The FECC shall review them and issue a report to the legislature and the Governor as to the factors mentioned above, plus other relevant factors.

Transportation and Land Use

Biofuels

- Section 8 amends s. 206.43, F.S., page 26: Requires each terminal supplier, blender and wholesaler to submit a report monthly to the Department of

Revenue (DOR) that includes the number of gallons of blended and unblended gasoline sold.

- Sections 101-107 creates new sections 526.201 through 526.207, F.S., page 221: Creates the Florida Renewable Fuel Standard Act, that requires on and after December 31, 2010, all gasoline sold or offered for sale in Florida by a terminal supplier, importer, blender, or wholesaler is to contain, at a minimum, 10 percent of agriculturally derived, denatured ethanol fuel by volume. The Florida Energy and Climate Commission (FECC) is required to study and recommend a requirement that all renewable fuels reduce life-cycle greenhouse gas emissions by an average percentage. (Also under Agriculture, Forestry & Waste Management)

Transportation

- Section 28 amends s. 316.0741, F.S., page 66: Allows hybrid vehicles and other qualifying low-emission and energy efficient vehicles to use high occupancy vehicle (HOV) lanes. All vehicles authorized to use the HOV lanes are not required to pay tolls otherwise levied on vehicle traffic on certain state roads.
- Section 30 of the bill amends s. 339.175, F.S., page 71: Encourages Metropolitan Planning Organizations (MPO) to consider greenhouse gas emissions in their planning processes.
- Section 115: Requires the Department of Environmental Protection (DEP), if adopting the California Vehicle Emissions Standards, to submit such standards to the legislature for ratification. If the DEP plans to modify those standards then the modification must also be ratified by the legislature.

Land Use

- Section 5 amends s. 187.201, F.S., page 20: Includes the addition of an air quality policy of encouraging the development of low-carbon-emitting electric power plants in the state comprehensive plan. Includes an energy goal of “reducing atmospheric carbon dioxide” and an energy policy of “siting low-carbon-emitting electric power plants.” Also adds to the land use goal a provision for siting low carbon-emitting power plants, including nuclear power plants, to meet the state’s determined need for electric power generation.

- House Bill 697 (Building Codes): modifies requirements for local government land use plans to include efforts to encourage energy conservation, to discourage the expansion of urban sprawl, to encourage energy-efficient land use patterns accounting for existing and future electric power generation and transmission systems, and to plan for greenhouse gas reduction strategies. Within the land use plans, the bill requires that the traffic circulation element incorporate transportation strategies to reduce greenhouse gas emissions from the transportation sector. The bill modifies the housing element with new requirements that energy efficiency and the use of renewable energy resources must be built into the design and construction of new housing.

Agriculture, Forestry and Waste Management

Bioenergy Production

- Section 41 amends s. 366.91, F.S., page 93: Expands the term “biomass” to include waste from agricultural and orchard crops, livestock and poultry operations and food processing. Requires that a utility purchasing power generated from biogas must make net metering available at a single metering point or be available as a part of conjunctive billing of multiple points for a customer at a single location. (Also under Energy Supply & Demand)
- Sections 101-107 creates new sections 526.201 through 526.207, F.S., page 221: Creates the Florida Renewable Fuel Standard Act, that requires on and after December 31, 2010, all gasoline sold or offered for sale in Florida by a terminal supplier, importer, blender, or wholesaler is to contain, at a minimum, 10 percent of agriculturally derived, denatured ethanol fuel by volume. The Florida Energy and Climate Commission (FECC) is required to study and recommend a requirement that all renewable fuels reduce life-cycle greenhouse gas emissions by an average percentage. (Also under Transportation)
- Section 113: The Department of Agriculture and Consumer Services (DACS), in conjunction with the Department of Environmental Protection (DEP), will conduct an economic study on the effects of granting financial incentives to energy producers using wood biomass as fuel. DACS shall submit a report to the Governor, the Senate and the House no later than March 1, 2010.

State Lands – Offsets

- Senate Bill 542 (Florida Forever Reauthorization): adds carbon sequestration, carbon mitigation, or carbon offsets as approved uses for state lands. The bill requires the DEP Division of State Lands to inventory all state lands acquired through Preservation 2000 and Florida Forever titled to the Board of Trustees of the Internal Improvement Trust Fund to determine the value of the carbon capture and carbon sequestration opportunities to include potential carbon offset values of changes in land management practices, such as planting trees, prescribed burns, and land use conversion. The inventory must be completed and presented to the Board of Trustees by July 1, 2009. Further, SB 542 charges the Board of Trustees of Internal Improvement Trust Fund to adopt rules for the use of state lands for carbon sequestration, carbon mitigation, or carbon offsets and that provide for climate-change-related benefits.

Within the annual Florida Forever work plan, staff must now include a climate-change category of lands where acquisition will address the challenges of global climate change through protection, restoration, mitigation, and strengthening of Florida’s land, water, and coastal resources. This category includes lands that provide opportunities to sequester carbon, provide habitat, protect coastal lands or barrier islands, and otherwise mitigate and help adapt to the effects of sea-level rise.

Waste Management

- Section 94 creates s. 403.7055, F.S., page 203: Requires DEP to provide planning guidelines and technical assistance to counties for developing regional approaches to capture, reuse or sell methane gas from landfills and wastewater treatment plants. (Also in Energy Supply & Demand)
- Section 95 creates s. 403.7032, F.S., page 203: Increases the state recycling goal from the current 30% (on a county-by-county basis) to 75% (statewide), but responsibility for reaching that goal is not placed on counties or any other specific entities at this time. Rather, DEP is directed to develop a comprehensive recycling program designed to reach the goal and present it to the legislature for its approval.
- Section 96 creates s. 403.7033, F.S., page 205: Preempts restriction at the state or local level on the use of retail shopping bags until DEP submits a

report to the legislature with conclusions and recommendations concerning the need for regulation of those shopping bags. The legislature must adopt those recommendations.

- Section 97 amends s. 403.706, F.S., page 206: Each county is required to develop and implement a plan to achieve a composting goal of 5 to 10 percent of the organic material generated within the county. The DEP can assist counties by changing the goal if it is deemed impractical based on certain criteria. In addition, counties are encouraged to consider plans for producing mulch from organic material.

Government Policy

HB 7135 includes several provisions with relevance to the Government Policy Technical Working Group; those provisions, grouped by issue are presented below:

State Government Organization:

- Section 46 of the bill creates s. 377.6015, F.S., page 107: Creates the Florida Energy and Climate Commission (FECC) within the Executive Office of the Governor. The commission is tasked with administering the Florida Renewable Energy and Energy Efficient Technologies Grants Program and developing policy for royalty-sharing or licensing agreements with grantees for commercialized products developed under those grants, administering the Florida Green Government Grants Act, administering information gathering and reporting functions of sections 377.601 through 377.608, F.S., administering petroleum planning and emergency contingency planning pursuant to sections 377.701, 377.703 and 377.704, F.S., representation of Florida on the Southern States Energy Compact, completion of the annual assessment of the Florida Energy and Climate Change Action Plan following completion of the Governor's Action Team on Energy and Climate Change recommendations to the Governor in October 2008, administering the provisions of the Florida Energy and Climate Protection Act, advocate for energy and climate change issues and provide educational outreach and technical assistance in cooperation with state universities, be a party in the proceedings to adopt goals and submit comments to the PSC pursuant to s. 366.82, F.S., and adopt rules to implement all powers and duties of the commission.

- Section 62 of the bill creates s. 377.808, F.S., page 138: Creates the Florida Green Governments Grants Act to be administered by the FECC. The act is intended to assist local governments, including municipalities, counties and school districts in the development and implementation of programs that achieve green standards (as determined by the FECC) and that provide for cost-efficient solutions, reduction of greenhouse gas emissions, improving quality of life and strengthening the state's economy. It requires that local governments match state funds with direct project cost-sharing or in-kind services, and it provides for scaled matching requirements for local governments with populations of varying sizes. The amendment would limit any single local government from more than two approved projects during any application period and no more than three projects overall during any fiscal year.

State Government Operations:

- Section 2 amends s. 110.171, F.S., page 17: The State Employee Telecommuting Program encourages telecommuting and enables government leadership by example to the private sector. It requires an updated review by agencies of their existing telecommuting programs by September 30, 2008.
- Section 17 amends s. 255.252, F.S., page 43: Removes outdated references and adds legislative encouragement to build state-owned buildings with energy efficiency measures and standards, providing for the use of sustainable materials and a nationally recognized high-performance green building rating system both in new buildings and in renovations of existing buildings.
- Section 19 of the bill amends s. 255.254, F.S., page 47: Clarifies that a state facility's sustainable building rating goal is the primary criteria for an evaluation of a building's life cycle costs, as opposed to the present criteria of an architectural or engineering evaluation. It also requires monthly energy statements, as a part of the lease agreement, from a private-sector owner, be submitted to the Department of Management Services (DMS).
- Section 20 amends s. 255.255, F.S., page 48: Authorizes the adoption of rules by DMS to address energy conservation performance guidelines based on sustainable building ratings.

- Section 21 amends s. 255.257, F.S., page 48: Requires data collected on state-owned buildings be reported annually on forms prescribed by DMS and requires that agency Energy Management Coordinators assist DMS in the development of the State Energy Management Plan. It also requires the adoption by state agencies of a nationally recognized, high-performance green building rating system approved by DMS for all new buildings and all renovations to existing buildings. The amendments require Energy Star building standards for all new leasing agreements, except under certain circumstances; and that all agencies develop energy conservation measures and guidelines for new and existing space and focus on methods to reduce energy consumption and occupancy costs.
- Section 22: Requires state, regional and local government entities to comply with a nationally recognized high-performance green building rating system for new construction; authorizes St. Petersburg College to work with the community college system and consult with the University of Florida to provide training and educational opportunities to ensure green building rating system certifying agents are available in the state.
- Section 23 creates s. 286.292, F.S. page 52: Requires DMS to develop a Florida Climate-Friendly Preferred Products List, in consultation with the DEP, and to continually assess products available under state term contracts for energy efficiency. Agencies must consult the list when procuring products and procure those products from the list if the price is comparable; requires state agencies to contract for meeting and conference space only with facilities that have received the Green Lodging designation from DEP, unless the agency head determines no viable alternative exist; Requires state agencies to ensure all fleet vehicles meet minimum maintenance schedules and measure and report compliance to DMS through the Equipment Management Information System database. Procurement or leasing of the most fuel efficient vehicle in that class must be made by the purchaser, with certain identified exceptions. The new section of law would also require state agencies to use ethanol and biodiesel blended fuels when available and to procure biofuels for fleet needs to the greatest extent possible.
- Section 25 amends s. 287.064, F.S., page 56: Allow a state agency to enter into a master equipment financing agreement to finance the cost of energy, water or wastewater efficiencies and conservation measures for a term of between 5 and 20 years. The guaranteed energy, water and wastewater

savings contractor must provide for replacement or useful life extension of equipment in the contract.

- Section 99 amends s. 489.145, F.S., page 209: Allows state agencies to engage in guaranteed energy performance savings contracts. The change allows for performance savings contracting for water, and wastewater in addition to energy projects. It allows the use of “cost avoidance” in the terms of conditions of such contracts, provided that the Chief Financial Officer approves.
- Section 111: Requires the Agency for Enterprise Information Technology (AEIT) to define objective standards for measuring data center energy consumption and efficiency, and calculating ownership costs for energy efficient information technology products. State resource data centers will report this information to the AEIT who will, in turn, collate and report this information to the legislature. By December 31, 2010, and every two years thereafter, AEIT will submit recommendations to the legislature for reducing emissions and power usage in data centers. The AEIT shall also make recommendations on consolidating state data centers by December 31, 2009.

State Comprehensive Plan Requirements:

- Section 4 of the bill amends s. 186.007, F.S., page 20: Includes “energy and “global climate change” in the listed goals objectives and policies that the Executive Office of the Governor may include in the state comprehensive plan.
- Section 5 amends s. 187.201, F.S., page 20: Includes an air quality policy encouraging the development of low-carbon-emitting electric power plants in the state comprehensive plan. Includes an energy goal of “reducing atmospheric carbon dioxide” and an energy policy of “siting low-carbon-emitting electric power plants.” Also adds to the land use goal a provision for siting low carbon-emitting power plants, including nuclear power plants, to meet the state’s determined need for electric power generation. (Also under Transportation and Land Use)

Economic Development

- Section 10 amends ss. 220.191(2), F.S., page 32: Any qualifying project that locates a new solar panel manufacturer in Florida, generating at least 400 jobs within 6 months of operations commencement and averages at least

\$50,000 in salary to its employees, may assign or transfer the annual investment tax credit or any portion to another business, as long as the amount transferred each year equals or is less than the lesser of the transferring business' corporate tax liability, for that transfer year, as calculated according to the statutory formula, or the credit amount granted for that year. The receiving business may use the credits only in the year received and may not carry the credits forward or backward.

- Section 27 amends s. 288.1089, F.S., page 58: Adds alternative and renewable energy projects to the list available for an award from the Innovation Incentive Program within the Office of Tourism, Trade and Economic Development (OTTED).
- Section 58 of the bill amends s. 377.802, F.S., page 129: Revises the stated purpose of the Florida Energy and Climate Protection Act to provide incentives for Florida's citizens, businesses, school districts and local governments to diversify energy supplies, reduce dependence on foreign oil and mitigate the effects of climate change by funding activities to achieve those goals.
- Sections 59-60 amends s. 377.803 and 377.804, F.S., page 131: Expands the eligible types of projects under the Renewable Energy Technologies and Energy Efficiency Act & Renewable Energy Technologies Grants Program to include energy efficiency technologies and requires an affidavit attesting accuracy of statements contained within the application.
- Section 112 creates s. 1004.648, F.S., page 232: Creates the Florida Energy Systems Consortium, to promote collaboration among experts in the State University System (SUS) to share energy-related expertise and contribute to an energy strategic plan for the state. The consortium consists of the following state schools: the University of Florida, the Florida State University, the Florida Agricultural and Mechanical University, the University of South Florida, the Florida Atlantic University, the University of West Florida, the University of Central Florida, the University of North Florida, the Florida International University, the Florida Gulf Coast University and New College of Florida.

The consortium will be administered at the University of Florida by a director appointed by the President of the University of Florida. The consortium director will report to the Florida Energy and Climate

Commission. The goal of the consortium is to become a world leader in energy research, education, technology and energy systems. The consortium shall coordinate and initiate increased collaborative interdisciplinary energy research among the universities and the energy industry, assist in creating and developing a Florida-based energy technology industry to expedite commercialization of innovative technologies, achieved by coordination between the state's high-technology incubators, industrial parks and industry-driven research centers.

The consortium will also serve as a state resource for objective energy systems analysis. The consortium will also develop education and outreach programs. The consortium will solicit and leverage state, federal and private funding to conduct education, research and development of sustainable energy. By November 1 of each year, the consortium shall submit an annual report to the Governor, the Senate, the House of Representatives and the FECC regarding its activities.

Public Outreach & Education

- Section 116: Requires the Department of Environmental Protection (DEP) and the Department of Education (DOE), in coordination with the business community, the environmental community and the energy community, to develop an awards program to recognize efforts or achievements concerning conservation, energy and water reduction, green cleaning solutions, green pest management, recycling efforts and curriculum development that enhances the quality of education while preserving the environment. The legislature encourages DOE and DEP to form partnerships with the private sector to help fund the program. The provision would implement an environmental and educational award recognition program that encourages district school boards, teachers, classes and students to actively participate in strategies leading to environmental preservation.

Adaptation

- Section 46 of the bill creates s. 377.6015, F.S., page 107: Creates the Florida Energy and Climate Commission (FECC) within the Executive Office of the Governor. The commission is tasked with administering the Florida Renewable Energy and Energy Efficient Technologies Grants Program and developing policy for royalty-sharing or licensing agreements with grantees

for commercialized products developed under those grants, administering the Florida Green Government Grants Act, administering information gathering and reporting functions of sections 377.601 through 377.608, F.S., administering petroleum planning and emergency contingency planning pursuant to sections 377.701, 377.703 and 377.704, F.S., representation of Florida on the Southern States Energy Compact, completion of the annual assessment of the Florida Energy and Climate Change Action Plan following completion of the Governor's Action Team on Energy and Climate Change recommendations to the Governor in October 2008, administering the provisions of the Florida Energy and Climate Protection Act, advocate for energy and climate change issues and provide educational outreach and technical assistance in cooperation with state universities, be a party in the proceedings to adopt goals and submit comments to the PSC pursuant to s. 366.82, F.S., and adopt rules to implement all powers and duties of the commission.

- Section 46 of the bill creates s. 377.6015, F.S., page 107: Creates the Florida Energy and Climate Commission (FECC) within the Executive Office of the Governor. Among other administrative functions, the FECC will be responsible for an annual assessment of the Florida Energy and Climate Change Action Plan following completion of the Governor's Action Team on Energy and Climate Change recommendations to the Governor in October 2008 which will include continuation of the adaptation planning process.
- Senate Bill 542 (Florida Forever Reauthorization): adds carbon sequestration, carbon mitigation, or carbon offsets as approved uses for state lands. The bill requires the DEP Division of State Lands to inventory all state lands acquired through Preservation 2000 and Florida Forever titled to the Board of Trustees of the Internal Improvement Trust Fund to determine the value of the carbon capture and carbon sequestration opportunities to include potential carbon offset values of changes in land management practices, such as planting trees, prescribed burns, and land use conversion. The inventory must be completed and presented to the Board of Trustees by July 1, 2009. Further, SB 542 charges the Board of Trustees of Internal Improvement Trust Fund to adopt rules for the use of state lands for carbon sequestration, carbon mitigation, or carbon offsets and that provide for climate-change-related benefits.

Within the annual Florida Forever work plan, staff must now include a climate-change category of lands where acquisition will address the challenges of global climate change through protection, restoration, mitigation, and strengthening of Florida's land, water, and coastal resources. This category includes lands that provide opportunities to sequester carbon, provide habitat, protect coastal lands or barrier islands, and otherwise mitigate and help adapt to the effects of sea-level rise.