

# **HOUSE BILL 7135**

**Florida Renewable Energy Policy**  
**Section 366.92, Florida Statutes**

# Legislative Intent

- Promote development of renewable energy
- Protect economic viability of existing renewable energy facilities
- Diversify fuel use
- Lessen dependence on natural gas and fuel oil
- Minimize volatility of fuel costs
- Encourage investment within the state
- Improve environmental conditions
- At the same time, minimize the costs of power supply to electric utilities and their customers

# Applicability

- The PSC shall adopt rules for a renewable portfolio standard for each “provider”
- “Provider” means each Investor-Owned Utility
- Each municipal and rural electric cooperative shall develop its own renewable energy standards and energy conservation and efficiency measures and report them to the PSC

# Definitions

- “Florida Renewable Energy Resources” means:
  - Electrical, mechanical, or thermal energy produced from a method that uses one or more of the following fuels or energy sources: hydrogen, biomass, solar energy, geothermal energy, wind energy, ocean energy, waste heat, or hydroelectric power
- “Renewable Energy” means:
  - Hydrogen from sources other than fossil fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, and hydroelectric power
  - Also includes the alternative energy resource, waste heat, from sulfuric acid manufacturing operations

# Definitions

“Renewable portfolio standard” or “RPS” means the minimum percentage of total annual retail electricity sales by a provider to consumers in Florida that shall be supplied by renewable energy produced in Florida

# Requirements for Rulemaking

- PSC shall adopt rules requiring an RPS for each IOU
- PSC must consult with the FDEP and the Florida Energy and Climate Commission
- Draft rule must be presented to the Legislature by February 1, 2009
- Rules must be ratified by the Legislature before being implemented

# RPS Content

- Percentage of supply from renewable energy – directly, by procurement, or through renewable energy credits (RECs)
- Rulemaking authority to provide for cost recovery and ROE incentives
- May provide added weight for wind and solar
- Compliance measures – conditions under which noncompliance may be excused because of insufficient supply or prohibitive cost
- Compliance Monitoring
- No “double counting” with any other goals program
- Methods of managing costs
  - PSC must evaluate current and forecasted levelized cost in cents per kilowatt hour through 2020 and current installed capacity in KW for each renewable generation method
  - Notwithstanding s. 366.91(3) and (4) [re: utility’s avoided cost], PSC may approve projects and power sales agreements needed to meet RPS

# REC Trading

- “REC” means a product that represents the unbundled, separate, renewable attribute of renewable energy produced in Florida and is equivalent to 1 MWH of electricity generated by a source of renewable energy located in Florida
- Procedures to track and account for RECs
- Ownership of RECs - relative to whether renewable energy supplier acts independently of a utility sponsored program
- Appropriate period of time for which RECs may be used



# Reporting

- IOU annual reports due April 1 (following final rule adoption)
  - Prior year actual and future steps to add renewable energy
  - Statement regarding compliance for prior year and plans for compliance in future years
- Municipalities and Cooperatives must develop their own renewable energy standards and energy conservation and efficiency measures and report to the PSC on or before April 1, 2009