

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Precourt offered the following:

2
3 **Amendment (with title amendment)**

4 Remove lines 348-450 and insert:

5 resource that it intends to use. However, if a provider
6 petitions for cost recovery of more than 50 megawatts of solar
7 energy nameplate capacity, at least 20 percent of the total
8 nameplate capacity for which a provider is permitted to recover
9 costs in any calendar year under this subsection must be
10 produced or purchased from renewable energy sources other than
11 solar energy. No later than when a provider files a petition for
12 cost recovery under this subsection, the provider must file with
13 the commission a schedule of planned production and purchases
14 for the calendar year in which cost recovery is requested. If
15 any portion of the capacity required from nonsolar renewable
16 energy resources is committed but, for reasons found by the

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17 commission to be beyond the control of the provider, is not
18 available during the calendar year for which cost recovery is
19 requested, the provider may continue to recover costs to produce
20 or purchase renewable energy from solar energy resources if the
21 provider continues in good faith to pursue the production or
22 purchase of renewable energy from nonsolar resources. The
23 provider has sole discretion to determine whether to construct
24 new renewable energy generating facilities, convert existing
25 fossil fuel generating facilities to renewable energy generating
26 facilities, or contract for the purchase of renewable energy
27 from third-party generating facilities in the state.

28 (b) In addition to the full cost recovery for such
29 renewable energy projects, a return on equity of at least 50
30 basis points above the top of the range of the provider's last
31 authorized rate of return on equity approved by the commission
32 for energy projects shall be approved and provided for such
33 renewable energy projects if a majority value of the energy-
34 producing components incorporated into such projects are
35 manufactured or assembled in the state.

36 (c) For the production or purchase of renewable energy
37 under this subsection, a provider may recover costs up to and in
38 excess of its full avoided cost, as defined in s. 366.051 and
39 approved by the commission, if the recovery of costs in excess
40 of the provider's full avoided cost does not exceed, as a
41 percentage of the provider's total revenues from the retail sale
42 of electricity for calendar year 2009, the total cumulative
43 amount of 2 percent in calendar years 2010 and 2011, the total
44 cumulative amount of 3 percent in calendar year 2012, and the

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45 total cumulative amount of 4 percent in calendar year 2013 and
46 thereafter. For purposes of cost recovery under this subsection,
47 costs shall be computed using a methodology that, for a
48 renewable energy generating facility, averages the revenue
49 requirements of the facility over its economic life and, for a
50 renewable energy purchase, averages the revenue requirements of
51 the purchase over the life of the contract.

52 (d) Cost recovery under this subsection is limited to new
53 construction or conversion projects for which construction is
54 commenced on or after July 1, 2010, and to purchases made on or
55 after that date. All renewable energy projects for which costs
56 are approved by the commission for recovery through the
57 environmental cost recovery clause before July 1, 2010, are not
58 subject to or included in the calculation of the cost cap.

59 (e) The costs incurred by a provider to produce or
60 purchase renewable energy under this subsection are deemed to be
61 prudent for purposes of cost recovery if the provider uses
62 reasonable and customary industry practices in the design,
63 procurement, and construction of the project in a cost-effective
64 manner for the type of renewable energy resource and appropriate
65 to the location of the facility.

66 (f) Subject to the cost cap in paragraph (c), the
67 commission shall allow a provider to recover the costs
68 associated with the production or purchase of renewable energy
69 under this subsection as follows:

70 1. For new renewable energy generating facilities, the
71 commission shall allow recovery of reasonable and prudent costs,
72 including, but not limited to, the siting, licensing,

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73 engineering, design, permitting, construction, operation, and
74 maintenance of such facilities, including any applicable taxes
75 and a return based on the provider's last authorized rate of
76 return.

77 2. For conversion of existing fossil fuel generating
78 facilities to renewable energy generating facilities, the
79 commission shall allow recovery of reasonable and prudent
80 conversion costs, including the costs of retirement of the
81 fossil fuel plant that exceed any amounts accrued by the
82 provider for such purposes through rates previously set by the
83 commission.

84 3. For purchase of renewable energy from third-party
85 generating facilities in the state, the commission shall allow
86 recovery of reasonable and prudent costs associated with the
87 purchase. Any petition for approval of a purchased power
88 agreement for renewable energy that is filed with the commission
89 before April 2, 2010, and remains pending on the effective date
90 of this act shall be considered by the commission to have been
91 filed in accordance with, and shall be subject to the provisions
92 of, this subsection.

93 (g) In a proceeding to recover costs incurred under this
94 subsection, a provider must provide the commission all cost
95 information, hourly energy production information, and other
96 information deemed relevant by the commission with respect to
97 each project.

98 (h) When a provider purchases renewable energy under this
99 subsection at a cost in excess of its full avoided cost, the

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100 seller must surrender to the provider all renewable attributes
101 of the renewable energy purchased.

102 (i) Revenues derived from any renewable energy credit,
103 carbon credit, or other mechanism that attributes value to the
104 production of renewable energy, either existing or hereafter
105 devised, received by a provider by virtue of the production or
106 purchase of renewable energy for which cost recovery is approved
107 under this subsection shall be shared with the provider's
108 ratepayers such that the ratepayers are credited at least 75
109 percent of such revenues. However, the provider is not required
110 to share with its ratepayers any value derived from credits
111 received by the provider by virtue of the purchase of renewable
112 energy from a third-party generating facility in the state that
113 does not exceed 2 megawatts in capacity and that is not a
114 regulated utility or its unregulated affiliate.

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117 **T I T L E A M E N D M E N T**

118 Remove lines 10-27 and insert:

119 the definition of the term "biomass"; amending s. 366.92,
120 F.S.; deleting the legislative intent provisions; deleting
121 and revising definitions; deleting provisions for the
122 renewable portfolio standard and renewable energy credits;
123 providing a mechanism for providers to recover costs to
124 produce or purchase specified amounts of renewable energy
125 through the environmental cost-recovery clause under
126 certain conditions; requiring providers to include
127 specified information related to renewable energy

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128 development in a certain report; authorizing a developer
129 of solar energy generation to locate a solar energy
130 generation facility on the premises of a host consumer
131 under certain circumstances; requiring the commission to
132 adopt rules and submit reports to the Legislature;
133 establishing the Agriculture and Clean Energy Economic
134 Development Pilot Project; providing that certain electric
135 energy be considered renewable energy under the pilot
136 project; amending s. 403.44,

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