



Florida Energy & Climate Commission

2009-2010 Work Plan

June 2009



OVERVIEW

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Governor

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- ❖ Renewable/Energy Efficiency Financial Incentives
- ❖ Energy and Climate Policy Development
- ❖ Planning, Coordination, and Emergency Management

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- ❖ Coordination of State and Local Energy and Climate Initiatives
- ❖ Oversight of the Florida Energy Systems Consortium

Dedicated to ensuring Floridians have a sustainable, diverse and clean energy portfolio that reduces greenhouse gases and benefits both Florida's economy and its unmatched environment.

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**STATEMENT OF LEGISLATIVE INTENT
ENERGY POLICY - SECTION
377.601, FLORIDA STATUTES**

(1) The Legislature finds that the state's energy security can be increased by lessening dependence on foreign oil; that the impacts of global climate change can be reduced through the reduction of greenhouse gas emissions; and that the implementation of alternative energy technologies can be a source of new jobs and employment opportunities for many Floridians. The Legislature further finds that the state is positioned at the front line against potential impacts of global climate change. Human and economic costs of those impacts can be averted by global actions and, where necessary, adapted to by a concerted effort to make Florida's communities more resilient and less vulnerable to these impacts. In focusing the government's policy and efforts to benefit and protect our state, its citizens, and its resources, the Legislature believes that a single government entity with a specific focus on energy and climate change is both desirable and advantageous. Further, the Legislature finds that energy infrastructure provides the foundation for secure and reliable access to the energy supplies and services on which Florida depends. Therefore, there is significant value to Florida consumers that comes from investment in Florida's energy infrastructure that increases system reliability, enhances energy independence and diversification, stabilizes energy costs, and reduces greenhouse gas emissions.

(2) It is the policy of the State of Florida to:

(a) Develop and promote the effective use of energy in the state, discourage all forms of energy waste, and recognize and address the potential of global climate change wherever possible.

(b) Play a leading role in developing and instituting energy management programs aimed at promoting energy conservation, energy security, and the reduction of greenhouse gas emissions.

(c) Include energy considerations in all state, regional, and local planning.

(d) Utilize and manage effectively energy resources used within state agencies.

(e) Encourage local governments to include energy considerations in all planning and to support their work in promoting energy management programs.

(f) Include the full participation of citizens in the development and implementation of energy programs.

(g) Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses, and reduce those needs whenever possible.

(h) Promote energy education and the public dissemination of information on energy and its environmental, economic, and social impact.

(i) Encourage the research, development, demonstration, and application of alternative energy resources, particularly renewable energy resources.

(j) Consider, in its decision making, the social, economic, and environmental impacts of energy-related activities, including the whole-life-cycle impacts of any potential energy use choices, so that detrimental effects of these activities are understood and minimized.

(k) Develop and maintain energy emergency preparedness plans to minimize the effects of an energy shortage within Florida.

(See Appendix A for additional statutory provisions relating to statewide energy policy/planning)

COMMISSION RESPONSIBILITIES BY PROGRAM AREA

Renewable/Energy Efficiency Financial Incentives

Program: *Renewable Energy and Energy-Efficient Technologies Grants*

Statutory Authorization: Section 377.804, F.S.

Administrative Rule: FECC (in development)

Responsibilities: The Commission is directed to establish application requirements, rank applicants, and administer the awarding of grants. The Commission is to solicit the expertise of Enterprise Florida, state universities, and other public and private entities.

Required Action: Develop administrative rule and award grants

Program: *Florida Green Government Grants Act*

Statutory Authorization: Section 377.808, F.S.

Administrative Rule: FECC (in development)

Responsibilities: The Commission is directed to adopt rules to administer this matching grant program. Authorizing legislation provides specific considerations in the drafting of rules. Additionally, the Commission is directed to develop the grant application and requirements for supporting documentation.

Required Action: Develop administrative rule and award grants

Program: *Solar Energy System Incentives*

Statutory Authorization: Section 377.806, F.S.

Administrative Rule: FECC (in development)

Responsibilities: The Commission is responsible for the development of the application form, review of applications, and the issuance of rebates.

Required Action: Develop administrative rule; rebate issuance to be delegated to staff

Program: *Renewable Energy Technologies Investment Tax Credit*

Statutory Authorization: Section 220.192, F.S.

Administrative Rule: FECC (in development)

Responsibilities: The Commission is directed to review and certify applications for tax credits to the Department of Revenue. Additionally, the Commission is to track corporate income credits granted in each fiscal year.

Required Action: Develop administrative rule; certification of tax credits to be delegated to staff

Program: *Sales Tax Exemption for Renewable Energy Technologies*

Statutory Authorization: Section 212.08, F.S.

Administrative Rule: Chapter 12A-1.0142, F.A.C.

Responsibilities: The Commission is directed to develop an application form (with the Department of Revenue), review applications, and track the amount of sales tax funds remaining in each fiscal year.

Required Action: Approve application form; administration to be delegated to staff

Program: *Innovation Incentive Program*

Statutory Authorization: Section 288.1089, F.S.

Administrative Rule: NA

Responsibilities: Enterprise Florida is required to solicit comments and recommendations from the Commission for alternative and renewable energy project proposals.

Required Action: Provide recommendations to Enterprise Florida; responsibilities may be delegated to staff

Energy and Climate Policy Development

Program: *Florida Energy and Climate Commission*

Statutory Authorization: Section 377.6015, F.S. and other relevant sections

Administrative Rule: NA

Responsibilities: In addition to the duties identified elsewhere in this draft

work plan, major Commission responsibilities include the following:

- Represent Florida in national and regional energy forums;
- Develop policy for requiring grantees to provide royalty-sharing or licensing agreements with state government for commercialized products developed under a state grant;
- Complete 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;
- Submit an annual report to the Governor and Legislature detailing its activities and recommendations for policies that improve the state's response to energy supply and demand and its effect on the health, safety and welfare of the people of Florida; and
- Adopt rules pursuant to Ch. 120, F.A.C., to implement duties and responsibilities.

Required Action: See discussion of Priority Action Items for 2009/2010

Program: *Florida Energy Efficiency and Conservation Act (FEECA)*

Statutory Authorization: Section 366.82, F.S.

Administrative Rule: Chapter 25-17, FAC

Responsibilities: The Commission must be included in the proceedings to adopt goals and must file with the Public Service Commission comments on the proposed goals.

Required Action: FECC to provide testimony and docket filings with PSC (July - September 2009)

Program: Renewable Portfolio Standard (RPS)**Statutory Authorization:** Section 366.92, F.S.**Administrative Rule:** PSC has completed draft rule and forwarded to the Legislature for ratification.**Responsibilities:** The Public Service Commission is required to consult with the Commission in the development of the RPS rule.**Required Action:** None**Program: Florida Climate Protection Act****Statutory Authorization:** Section 403.44, F.S.**Administrative Rule:** DEP has initiated rule-making**Responsibilities:** In drafting the cap and trade rule, the DEP is to consult with the Commission. Once the Department has developed proposed rules, the Commission is directed to review the proposed rule and submit a report to the Governor, Legislature, and the Department that addresses specified issues.**Required Action:** FECC report to the Governor, Legislature, and DEP due December 2009**Program: Life-Cycle GHG Emissions/Renewable Fuels****Statutory Authorization:** Section 526.207, F.S.**Administrative Rule:** NA**Responsibilities:** The Commission is directed to conduct a study to evaluate the life-cycle greenhouse gas emissions associated with all renewable fuels, and recommend a requirement that all renewable fuels introduced into the state as a result of the renewable fuel standard shall reduce the life-cycle greenhouse gas emissions by an average percentage.**Required Action:** Study due December 2010**Program: Florida Energy Systems Consortium (FESC)****Statutory Authorization:** Section 1004.648, F.S.**Administrative Rule:** NA**Responsibilities:** Florida Statutes contemplates extensive interaction between the Commission and FESC. For example, the Director of the FESC is to report to the Commission. Similarly, the FESC's oversight board is to consult with the Commission in ensuring the FESC meets financial and technical performance expectations.**Required Action:** Continuing Commission oversight and FECC report to the Governor and Legislature due December 31, 2010.**Planning, Coordination, and Emergency Management****Program: Energy-Related Data Collection and Reporting****Statutory Authorization:** Sections 377.603 – 377.608, and 377.701, F.S.**Administrative Rule:** NA**Responsibilities:** The Commission is responsible for specified data collection and reporting requirements.

Additionally, the Commission is to serve as the state clearinghouse for all information related to energy programs in state universities, in private universities, in federal, state, and local governments, and in private industry.

Required Action: To be delegated to staff with continuing Commission oversight

Program: Administration of Federal Energy Programs**Statutory Authorization:** Sections 377.701, and 377.703, F.S.**Administrative Rule:** NA**Responsibilities:** The Commission is designated as the entity responsible for the coordination of any federal energy programs delegated to the state. The Commission is responsible for analysis of proposed federal energy programs and development of recommendations regarding those programs to the Governor and Legislature.**Required Action:** Commission oversight of its staff relating to spending of federal dollars (see Priority Action Items for 2009/2010 for additional discussion)**Program: Energy-Related Emergency Management****Statutory Authorization:** Sections 377.701 – 377.703, F.S.**Administrative Rules:** NA**Responsibilities:** The Commission is responsible for the development of an energy emergency contingency plan. The Commission is responsible for staffing ESF-12 (Fuels) at the Emergency Operations Center.**Required Action:** To be delegated to staff with continuing Commission oversight**Administration of American Recovery and Reinvestment Act (ARRA) Programs**

Pursuant to ss. 377.701 – 377.703, F.S., the Commission is designated as the entity responsible for the coordination of any federal energy programs delegated to the state. In this capacity the Commission is responsible for the administration of the energy-related provisions of the ARRA. Chief among the Commission's responsibilities are the administration of the State Energy Program and the Energy Efficiency and Conservation Block Grant Program. Additionally, the Commission will be responsible for implementation of separate federally-funded ENERGY STAR Appliance Rebate Program.

On May 11th the Commission approved the initial applications to the Department of Energy (DOE) for the State Energy Program and the Energy Efficiency and Conservation Block Grant Program (formal application is due June 25th). The FECC submitted its spending plan for State Energy Program (SEP) funds on May 12, 2009. The DOE now has 60 days to respond. These plans include an outline of the programs and projects the FECC expects to allocate funding to, and the mechanisms for distributing those funds. No specific external projects or vendors have been incorporated into this plan, and no open solicitations have taken place to identify projects, vendors or partners for development of this plan. The FECC is expecting to receive SEP plan approval from the DOE by early July. All solicitations for funding will require FECC review and approval.

PRIORITY ACTION ITEMS FOR 2009 – 2010

The following discussion identifies responsibilities the FECC has identified as priority concerns for the period 2009 – 2010. In each instance, the discussion contains a summary of the item as well as a brief statement regarding recent FECC actions relevant to the item.

Administration of State Financial Incentive Programs

The Commission currently administers a number of state incentive programs to encourage development in alternative and renewable energy technologies as well as energy conservation and efficiency, including grants, rebates, and tax incentives. The Renewable Energy Technologies Grants Program was established in 2006 to provide renewable energy matching grants for demonstration, commercialization, research and development projects relating to renewable energy technologies. The 2008 Florida Legislature expanded the program to include energy efficient technologies. Pursuant to the authorizing legislation, the current financial incentives are scheduled to sunset in 2010.

On February 23rd the Commission approved the most recent grant allocation recommendations and authorized staff to enter into contracts with the responsible parties. The Commission will continue to receive periodic updates on the status of the grants, rebates, and tax incentives. In light of the scheduled 2010 sunset of the current financial incentives, the Commission will initiate a thorough review of potential strategies to stimulate investment in renewable energy and energy efficiency and provide recommendations to the Legislature for consideration during the 2010 Regular Session.

Development of Commission Operating Procedures

The Commission is the entity charged with responsibility for state energy and

climate change programs and policies. Comprised of nine members appointed by the Governor, Commissioner of Agriculture and Consumer Services, and Chief Financial Officer, the Commission holds a variety of statutory responsibilities, including administering financial incentive programs; completing annual assessments of Florida's Energy and Climate Change Action Plan; and providing recommendations to the Governor and the Legislature. The Commission is directed to work cooperatively with other state entities to develop state energy and climate change policies and programs.

The Commission recognizes the need to develop both internal and external operating procedures and identify the principles underlying those procedures. Therefore, the Commission will develop operating procedures based on Florida law, Commission rules, and adopted policies. At a minimum, these procedures will address the following elements:

- mission statement
- general goals and objectives
- meeting processes
- role of staff
- interaction with state and local governmental entities
- public involvement

Assessment of the Florida Energy and Climate Change Action Plan

Governor Crist established the Action Team on Energy and Climate Change by signing Executive Order 07-128. In October of 2008 the Florida Action Team submitted its Phase 2 report to the

Governor and the Legislature. The report contains 50 separate policy recommendations to reduce harmful greenhouse gas emissions and provide a framework for climate change adaptation strategies to guide Florida over the coming years and decades. Additionally, the report contains a separate suite of recommendations as guidance in the development of a regulatory, market-based cap-and-trade emissions limiting program. Several members of the Commission previously served on the Action Team.

There are several compelling reasons for the Commission to focus its time and effort on the Florida Energy and Climate Change Action Plan. First, the Commission is statutorily charged with annually assessing the Action Plan (s. 377.6015, F.S.) Second, the Action Plan represents the most comprehensive and rigorous examination of energy/climate issues undertaken in Florida. The final report represents the combined efforts of more than 100 state-appointed volunteers representing a wide range of interests and expertise. Finally, a recent analysis of the macroeconomic effects of the recommendations contained in the report indicates that significant economic benefits to the state through implementation of the policies.

Coordination of State and Local Energy and Climate Initiatives

Chapter 377, F.S., acknowledges the importance of a single state government entity to coordinate energy and climate change policies at the state level. Meanwhile, dozens of local governments across the state have launched their own energy and climate change initiatives. In

many instances individual cities and counties have elected to establish energy/climate/sustainability offices within their organizational structure. Alternatively, some local governments have sought to create multi-jurisdictional approaches. Regardless of the structure, these communities are undertaking a wide range of activities – from drafting greenhouse gas emissions inventories and developing climate and sustainability plans; to implementing energy efficiency, renewable energy and other climate protection projects and policies; to studying the anticipated climate change impacts that will need to be addressed in the coming years.

The Commission is uniquely positioned to coordinate the energy/climate-related activities of Florida's state and local governments. Moreover, the availability and requirements of ARRA funding underscores the importance of coordinating federal, state, and local programs. In the coming months the Commission will focus its attention on opportunities to strengthen its relationship with Florida's local governments.

Oversight of the Florida Energy Systems Consortium

The same legislation that established the Commission also created the Florida Energy Systems Consortium (FESC). Pursuant to s. 1004.648, F.S., FESC is to promote collaboration among experts in the State University System for the purposes of sharing energy-related expertise and assisting in the development and implementation of a comprehensive, long-term, environmentally compatible, sustainable,

and efficient energy strategic plan for the state. More specifically, FESC is to focus on the research and development of innovative energy systems that will lead to alternative energy strategies, improved energy efficiencies, and expanded economic development for the state.

Commission oversight of the FESC is reflected in the Consortium's governance structure. The Director of FSEC reports directly to the Commission. Additionally, a member of the Commission serves on the FSEC Steering Committee. Given the recent infusion of state and federal funding for energy-related research and development the Commission recognizes the need to invest additional time and effort in furtherance of this important oversight role.

REQUIRED 2009 FECC FILINGS, REPORTS, AND DELIVERABLES

(1) Award 2008-2009 Renewable Energy and Energy Efficient Technologies Grants [Timeline: February]

(2) Submission of application for State Energy Program Formula Grants under the American Recovery and Reinvestment Act [Timeline: May - June]

(3) Submission of application for Energy Efficiency and Conservation Block Grants under the American Recovery and Reinvestment Act [Timeline: June]

(4) Submission of application for the ENERGY STAR Appliance Rebate Program under the American Recovery and Reinvestment Act [Timeline: July]

(5) Adoption of administrative rules in support of state financial incentive programs [Timeline: In advance of 2009-2010 grant cycle]

(6) Evaluate grant requests and issue grant awards for 2009-2010 financial incentive programs [Timeline: October - December]

(7) File comments in Florida Energy Efficiency and Conservation Act (FEECA) proceedings before the Public Service Commission [Timeline: July - September]

(8) Submit report on the Department of Environmental Protection's proposed Cap and Trade rule adopted pursuant to the Florida Climate Protection Act [Timeline: November - December]

(9) Submit annual report to the Governor and Legislature detailing activities and recommendations for policies to improve energy supply and demand [Timeline: December]

(10) Complete annual assessment of Florida Energy and Climate Change Action Plan (may be done in conjunction with (6)) [Timeline: December]

APPENDIX A: ADDITIONAL STATUTORY PROVISIONS RELATING TO STATEWIDE ENERGY POLICY/PLANNING

Subsection (3) of s. 186.007, F.S. - State comprehensive plan; preparation; revision -

(3) In the state comprehensive plan, the Executive Office of the Governor may include goals, objectives, and policies related to the following program areas: economic opportunities; agriculture; employment; public safety; education; health concerns; social welfare concerns; housing and community development; natural resources and environmental management; **energy; global climate change**; recreational and cultural opportunities; historic preservation; transportation; and governmental direction and support services.

Subsections (10), (11), and (15) of s. 187.201, F.S. - State comprehensive plan adopted -

(10) AIR QUALITY.--

(a) Goal.--Florida shall comply with all national air quality standards by 1987, and by 1992 meet standards which are more stringent than 1985 state standards.

(b) Policies.--

1. Improve air quality and maintain the improved level to safeguard human health and prevent damage to the natural environment.
2. Ensure that developments and transportation systems are consistent with the maintenance of optimum air quality.
3. Reduce sulfur dioxide and nitrogen oxide emissions and mitigate their effects on the natural and human environment.
4. Encourage the use of alternative energy resources that do not degrade air quality.
5. Ensure, at a minimum, that power plant fuel conversion does not result in higher levels of air pollution.
6. **Encourage the development of low-carbon-emitting electric power plants.**

(11) ENERGY.--

(a) Goal.--Florida shall reduce its energy requirements through enhanced conservation and efficiency measures in all end-use sectors and shall reduce atmospheric carbon dioxide by promoting an increased use of renewable energy resources and low-carbon-emitting electric power plants.

(b) Policies.--

1. Continue to reduce per capita energy consumption.
2. Encourage and provide incentives for consumer and producer energy conservation and establish acceptable energy performance standards for buildings and energy consuming items.
3. Improve the efficiency of traffic flow on existing roads.

4. Ensure energy efficiency in transportation design and planning and increase the availability of more efficient modes of transportation.
5. Reduce the need for new power plants by encouraging end-use efficiency, reducing peak demand, and using cost-effective alternatives.
6. Increase the efficient use of energy in design and operation of buildings, public utility systems, and other infrastructure and related equipment.
7. Promote the development and application of solar energy technologies and passive solar design techniques.
8. Provide information on energy conservation through active media campaigns.
- 9. Promote the use and development of renewable energy resources and low-carbon-emitting electric power plants.**
10. Develop and maintain energy preparedness plans that will be both practical and effective under circumstances of disrupted energy supplies or unexpected price surges.

(15) LAND USE.--

(a) Goal.--In recognition of the importance of preserving the natural resources and enhancing the quality of life of the state, development shall be directed to those areas which have in place, or have agreements to provide, the land and water resources, fiscal abilities, and service capacity to accommodate growth in an environmentally acceptable manner.

(b) Policies.--

1. Promote state programs, investments, and development and redevelopment activities which encourage efficient development and occur in areas which will have the capacity to service new population and commerce.
2. Develop a system of incentives and disincentives which encourages a separation of urban and rural land uses while protecting water supplies, resource development, and fish and wildlife habitats.
3. Enhance the livability and character of urban areas through the encouragement of an attractive and functional mix of living, working, shopping, and recreational activities.
4. Develop a system of intergovernmental negotiation for siting locally unpopular public and private land uses which considers the area of population served, the impact on land development patterns or important natural resources, and the cost-effectiveness of service delivery.
5. Encourage and assist local governments in establishing comprehensive impact-review procedures to evaluate the effects of significant development activities in their jurisdictions.
6. Consider, in land use planning and regulation, the impact of land use on water quality and quantity; the availability of land, water, and other natural resources to meet demands; and the potential for flooding.
7. Provide educational programs and research to meet state, regional, and local planning and growth-management needs.
- 8. Provide for the siting of low-carbon-emitting electric power plants, including nuclear power plants, to meet the state's determined need for electric power generation.**