

Florida Energy & Climate Commission
Monday, May 11, 2009
9:00a.m. – 1:00 p.m.
Conference Call

The Conference Call was called to order by James F. Murley, Chairman of the Florida Energy and Climate Commission at 9:15 a.m.

Roll Call.

Members Present:

James F. Murley, Chair
Kathy Baughman McLeod
John “JB” Clark
Nils J. Diaz
Howell L. Ferguson
Nicholas C. Gladding
Debra S. Harrison
Timothy Jackson
Christian H. Poindexter

Staff Present:

Jeremy Susac
Steve Adams
Rob Vickers
Alexander Mack
Brenda Buchan
Kelley Smith
Matthew Stamatoff
Ben Stuart
April Groover

Chairman Murley called the meeting to order and then welcomed the Florida Energy and Climate Commission members and members of the public on the phone and public present at the Toni Jennings Room where staff conducted the call.

Chairman Murley recognized the May 11, 2009 FECC Agenda as complete and approved.

Commissioner Gladding requested staff correct an error in the April, 13, 2009 FECC Meeting Minutes.

Commissioner Gladding moved the approval of the April 13, 2009 Meeting Minutes. Commissioner Baughman McLeod seconded the motion.

Jeremy Susac, Executive Director, briefed Commission Members on the 2009 Legislative Session. Topics covered included FECC Senate confirmations, FECC budget authority, reductions in FECC general revenue, HB 167 relating to Energy Star rebates, and SB 1154 relating to a renewable portfolio standard.

Commissioner Poindexter inquired why the FECC Commissioners were not confirmed by the Senate. Jeremy Susac answered some of the Commissioners did not submit their background information in a timely manner. He also noted that approximately 150 gubernatorial appointees were not confirmed.

Commissioner Diaz asked if there were any legal implications with regards to confirmation and if FECC actions could be contested. Jeremy Susac answered the commissioners have authority until 2010, when they must be confirmed by the Senate, and also noted the difference between federal and state appointments.

Commissioner Baughman McLeod inquired what would happen since the renewable portfolio standard bill did not pass. Jeremy Susac indicated that the RPS would have provided a strong incentive for renewable energy growth. In the absence of the RPS, renewable energy production will continue at slower pace. He also pointed out that municipalities and co-op utilities are not subject to the Florida Public Service Commission's jurisdiction and can move forward with their renewable energy projects. Mr. Susac further stated that an investor owned utility could file a petition with the FPSC and the FECC may file comments to support that position.

At 9:30 a.m. agenda item V, Consideration of the American Recovery and Reinvestment Act Spending Plan as it Relates to Energy and Climate, was introduced.

Commissioner Poindexter asked staff to explain how the proposals were developed.

Steve Adams, Deputy Executive Director, presented the commission with the overview, history and the development Energy Efficiency and Conservation Block Grant. He also explained the guides and goals set forth by the federal government for state spending plans. Mr. Adams also explained the proposed EECBG allotments.

Commissioner Poindexter inquired if guidelines had been developed for cities and counties and how it will advertise. He also asked how the cities and counties will be evaluated and the FECC's role will be.

Chairman Murley asked where the proposal will go next.

Steve Adams responded that the FECC cannot distribute funds until the Legislature gives authority and the FECC cannot move forward until the proposals are approved by the federal government. The deadline for the SEP application is May 12th and the deadline for the EECBG application is May 26th (subsequent to the meeting the deadline was delayed until June 25th). The federal government is encouraging states to submit their applications for EECBG before May 26th. The deadline for city and county applications is June 25th. Mr. Adams further noted after federal approval the FECC will develop various instruments to execute the competitive process and the FECC will need to adopt federal guidelines to administer the funds. The FECC will then review and approve grant solicitations.

Commissioner Poindexter asked if funds were duplicated in the SEP and EECBG for the solar rebate program. Steve Adams answered that funds for the program total 14.4 million dollars, \$5 million from the SEP and \$9.4 million from the EECBG.

Commissioner Poindexter asked if staff has plans to advertise the programs. Steve Adams responded that there is \$2.7 million in the EECBG for administration, including marketing.

Commissioner Baughman McLeod asked the total amount in backlog for the rebate program and the workload for staff. Steve Adams answered there is approximately \$5.2 million in backlog and that those applications are already approved and waiting funding.

Commissioner Baughman McLeod asked how Florida's application compared to other states. Steve Adams answered that Florida has a more balanced application compared to other states. He cited in particular Michigan and Maine.

At 10:00 a.m. Steve Adams presented the commission with the overview, history and the development of the State Energy Program. He also explained the guides and goals set forth by the federal government for state spending plans. Mr. Adams also explained the proposed SEP allotments.

Steve Adams noted the error in the meeting materials. \$10 million for the solar thermal loan program was left of the summary, but was included in the description of programs. Staff noted this error and will correct.

Commissioner Poindexter asked how much energy 10 kW will provide for an emergency shelter under the solar for schools and storm shelters programs. Steve Adams answered 10 kW is enough to power lighting for a gym or cafeteria and also noted the shelters also work with Emergency Operations Center to utilize power.

Commissioner Poindexter stated that shelters are used for impending hurricanes and asked where the power is stored. Steve Adams responded that the energy is stored in battery backup.

Commissioner Poindexter noted that it will cost \$6.45 for a kW hour compared to \$0.10 or \$0.12 as provided for by his utility provider. Steve Adams answered that the intent of the program is to provide renewable energy. Commissioner Poindexter pointed out that \$6.45 was high for a kW. Chairman Murley stated that the public school systems have supplied shelters and have reviewed their options.

Commissioner Poindexter suggested there is a better way to utilize \$20 million.

Commissioner Harrison pointed out that both the federal government and state use of solar will jumpstart the solar industry therefore lowering the installation price for citizens.

Commissioner Poindexter noted there are other energy options to support numerous people in storm shelters.

Commissioner Harrison asked Chairman Murley in his former role of Secretary of Department of Community Affairs, if schools are only asked to use solar. Chairman Murley answered that schools are not required to use only solar.

Chairman Murley asked if each system must be 10 kW. Steve Adams answered that staff could look into different options. Mr. Adams also noted that the intent of the program is to provide renewable energy and serve as a visual learning tool for students.

Commissioner Diaz suggested the program provide fewer installations with more power.

Commissioner Poindexter asked if education is the purpose, would it be possible to do just demonstrations.

Commissioner Clark asked Commissioner Poindexter if 10 kW would be enough energy to power a storm shelter. Commissioner Poindexter answered 10 kW would provide limited lighting depending on the size of the shelter.

Commissioner Clark asked who would hire the authorized contractors. Matthew Stamatoff, Grant Manager, answered the Florida Solar Energy Center would hire the contractors through competitive solicitation.

Commissioner Gladding asked if there would be a RFP and if there would be more than one anticipated institution. Steve Adams indicated that Florida law allows agencies to contract with universities without issuance of an RFP.

Commissioner Poindexter asked what the total expenditure would be for the E85 and B20 program. Steve Adams answered the cost to add a pump is between \$30k and \$40k. This would provide for a 90/10 arrangement. Companies would have to put down 10%. If a company has an available tank to upgrade to B20, the amount would be in the range of the loan.

Commissioner asked if the terms of the loan could be increased. Mr. Adams answered the terms of the loan are flexible and if money is not spent it could be reallocated into another program.

Commissioner Poindexter asked if Mr. Adams could go over the economics of the Compressed Natural Gas program. Steve Adams briefly summarized the prevailing costs associated with CNG, noting that these elements are subject to change.

Commissioner Poindexter asked if there was a dollar amount or rate of return associated with the program.

Commissioner Diaz asked if there were limitations on income for the Residential Retrofit program. Steve Adams answered there was not an income test. Mr. Adams also noted that the Weatherization Office under DCA could provide financial incentives for citizens that fall under 200% of the federal poverty level.

Commissioner Poindexter asked if staff would work with utilities for their input. Mr. Adams that staff would work with investor owned utilities, municipalities and co-ops.

Commissioner Baughman McLeod asked what would happen to the shovel ready projects that did not want to participate due to federal recording guidelines. Commissioner Poindexter then asked if money would be kept in the same program if shovel ready projects did not want to participate. Steve Adams answered that state money can flow back to general revenue, but federal money must be used for energy projects. Mr. Adams assured Commissioners they would have an opportunity to review the projects before they are brought back before the Commission.

Commissioner Poindexter asked why some projects would not be eligible for shovel ready. Steve Adams answered no projects have been ruled out, but each project must meet federal guidelines.

Commissioner Baughman McLeod asked what the greenhouse gas reduction potential is for the projects. Steve Adams answered that analysis can quantify some of the reduction levels, but more information and work is still needed.

Commissioner Poindexter asked what the energy savings would be as citizens participate in the programs. Steve Adams answered that staff will report on every dollar and Btu saved.

Commissioner Clark asked if money in the CNG matching grant had to be split between for profit companies and not for profit entities. Steve Adams answered that funds did not have to be split, but noted that private companies may have more funds available to participate in the program.

Public comments were taken at 11:30 a.m. until 12:00 p.m., below is a list of speakers.*

Susan Glickman
Paul Farrin, Energy Store
Jeff Green, Wise Gas
Maria Hubert
Peggy Matthews
Robert Farmer
Steven Webster
Bob Krasowski
Dave Bruderly
Steve Urse
Yvonne Gstiger, CFO's Office
Dave Mica
Jeff Green
Mr. Punyko
Leon Jacobs

*Some callers in the public comment section failed to identify themselves. Please refer to the audio recording to listen to all public comments.

Commissioner Baughman McLeod moved to approve the proposed SEP and EECBG stimulus spending plans. Commissioner Gladding seconded the motion.

Commissioner Poindexter asked if members would be able to review the revisions to the spending plans. Steve Adams responded that revisions would be brought before the commission.

Commissioner Baughman McLeod asked the Commissioner Members to commit to staff that they would provide the work needed.

Commissioner Clark noted that the FECC did a very thorough review before approving the spending plan.

Commissioner Harrison pointed out for the record that she did vote in the affirmative for approval of the spending plan.

Commissioner Ferguson indicated a desire to have additional information relative to the DEP cap and trade workshops.

Chairman Murley clarified that he delegated signature authority to Jeremy Susac, Executive Director, for the purpose of submitting the spending plan to the federal government.

Chairman Murley thanked all the Commission Members, staff and public and then adjourned the meeting at 12:15 p.m.