

FECA's Florida Legislative Report

October 27, 2017

This Legislative Committee week continued to concentrate on Hurricane Irma. Several House and Senate committees requested presentations from all of the electric utilities focusing on storm impact, the pre-storm preparation and post-storm recovery actions. This week, Statewide gave presentations to both the Senate Communications, Energy and Public Utilities Committee and the House Select Committee on Hurricane Response and Preparedness. This is in addition to the presentation Statewide delivered to the House Energy & Utilities Subcommittee on Oct. 11. The presentations included a brief overview about electric cooperatives, how we approached and managed the impact of the storm for our members and the utilization of mutual aid. Statewide will continue to educate legislators in the coming weeks to ensure that all questions and concerns regarding the impacts to our system and our members are addressed quickly.

On October 24th the utilities met with Rick Moses and the PSC staff charged with maintaining ESF 12 at the State EOC during hurricanes to discuss any problems we had during the last storms. The main issues were: 1) improvement of the outage report; 2) compilation of priority accounts (i.e. State v. Local EOC lists); 3) inclusion of utility workers and vehicles in the definition of “emergency responders” in executive orders and other directives. Statewide will continue to work closely with PSC and EOC staff to improve communications on these issues. If you have any questions regarding these issues please call or email Michelle Hershel (mhershel@feca.com).

The 2018 Legislative Session begins January 9. As legislation is being filed daily and committees have completed many of their preliminary presentations, it is anticipated that more bills will begin to be heard during the November and December committee weeks. Below are the current bills of interest that have been filed thus far. Each week, the report will prioritize in the following manner: New legislation filed, priority, monitor, and tracking. Future reports will also include relevant proposed Constitutional amendments that come out of the Constitution Revision Commission. The desire is to provide concise and relevant information that would be of interest to co-ops and the electric industry. However, if you would

like more detailed information or an explanation on any legislation or why it is located in a specific area, please do not hesitate to reach out to Allison or Mike.

PRIORITY

Linear Facilities

(SB 494/HB 405)

Sponsors: Sen. Lee / Rep. Williamson

Summary: This bill is identical to SB 1048 from last Session. The bill died in House Messages last year.

The legislation excludes work by electric utilities on rights-of-way from the definition of “development” under the Florida Local Government Development Agreement Act. This is in response to an adverse decision against FP&L in the Third District Court of Appeals which ruled that under the Power Plant Siting Act, the Siting Board must consider local developmental regulations such as undergrounding when the project includes new transmission lines. This decision adds a new regulatory step to the power plant siting process when new linear facilities are included in the project which unnecessarily adds time and money to the process.

Impact / Importance to Co-ops:

This legislation was filed in response to a ruling by an appeals court and would impact how electric utilities proceed in securing undergrounding and/or transmission lines under the Power Plant Siting Act.

Committee Assignments:

SB 494: Communications, Energy & Public Utilities; Community Affairs

HB 405: Not available yet

ACTION RECOMMENDED: SUPPORT

Public Utility Power Restoration

(SB ___/HB 245)

Sponsors: ___ / Rep Harrison

Summary: *There are currently several bills that will address the nursing home power restoration situation in varying manners. It is anticipated that if any action will take place on this issue, one bill would become the vehicle. Thus, we will monitor for amendments that will merge concepts and ideas into one bill.*

The Division of Emergency Management’s (“DEM”) State Comprehensive Emergency Management Plan includes a post-disaster response and recovery component. The legislation would include guidelines for prioritizing restoration of electrical services, which potentially includes co-ops, to critical end-use facilities in post disaster response. The definition of critical end-use facilities includes, but not limited to, critical medical facilities, hospitals, and nursing homes under certain designated statutes.

Impact / Importance to Co-ops:

All electric utilities would be included in this legislation. The legislation would create guidelines within the State Comprehensive Emergency Management Plan that could interfere with the

priorities set by the local governments, County EOC's and electric utilities. This could reduce a utility's flexibility to determine priority accounts during an emergency.

Committee Assignments:

HB 245: Energy & Utilities Subcommittee; Health & Human Services Committee; Commerce Committee

ACTION RECOMMENDED: NEUTRAL

Exempting Renewable Energy Sources from Definition of Public Utility

(SB 292/HB ____)

Sponsors: Sen Rodriguez / Rep

Summary:

Exempt certain renewable energy sources from the definition of "public utility" which would make them unregulated by the PSC. The eligibility would meet the following criteria: Property owner must own and operate on their property; max capacity of 2.5MWs; produces and sells energy to users located on the property.

Impact / Importance to Co-ops:

Entities generating renewable energy would be selling electricity at retail without oversight. The bill is silent on many aspects such as wheeling power, safety requirements, and interconnection agreements with incumbent utilities.

Committee Assignments:

SB292: Communications, Energy & Public Utilities; Community Affairs; Rules

ACTION RECOMMENDED: OPPOSE

MONITOR

Campaign Financing

(SB 122/HB 43)

Sponsors: Sen. Steube / Rep. Gruters

Summary:

Lessens reporting requirements that were added in the 2013 legislation by reducing the number of reporting periods during the election cycle from 20 to 11. The new legislation would eliminate the current daily reports required leading up to the final days of the elections. It also allows for quarterly, not monthly reports during the non-election years. Also, changes the requirements of reporting transfers of money to and from political action committees to and from electioneering communications organizations.

Committee Assignments:

SB 122: Ethics and Elections; Judiciary; Rules

HB 43: Oversight Trans and Admin Sub; Public Integrity and Ethics Committee

ACTION RECOMMENDED: NEUTRAL

Exemption of Certain Manufacturing Equipment

(SJR 136 / HJR ____)

Sponsors: Sen Steube/ Rep

Summary:

Exempt certain manufacturing equipment from Tangible Personal Property tax or allowing such equipment to be assessed at less than just value through an accelerated depreciation method. Upon passage, the legislature would define which manufacturing equipment would qualify by statute. **A Joint Resolution is a bill, if passed, would be placed on the next general election ballot to be considered as a Constitutional Amendment. The measure would require 60% support for passage.**

Committee Assignments:

SJR 136: Judiciary, Finance and Tax, Appropriations, Rules

ACTION RECOMMENDED: NEUTRAL

Employment Discrimination

(SB ____/HB 225)

Sponsors: ____ / Rep. Davis

Summary:

The legislation would prohibit employers from taking any retaliatory personnel action on an employee that evacuated under any emergency evacuation order. The Legislation states that the residence or place of employment must be included in the evacuation order; the employee must return to work within 14-days after the state of emergency is lifted. Prohibited personnel action would include termination, suspension, demotion or any other adverse employment action. The legislation exempts any employees that are considered emergency personnel, including those that provide safety and well-being to the public. This appears to apply to electric utilities' personnel, but it is unclear which personnel would be included.

Committee Assignments:

HB 225: Careers & Competition Subcommittee; Civil Justice & Claims Subcommittee; Commerce Committee

SB ____:

ACTION RECOMMENDED: NEUTRAL

Public Electric Utility Rates

(SB 626/HB ____)

Sponsors: Sen. J. Rodriguez / Rep.

Summary: This bill is identical to SB 976 from last session. Last year, it did not have a companion and was never heard in committee.

The legislation would require an IOU to lower its residential customer rate by 25% for the first 500 kwhs if they charge a flat residential schedule (RS) rate, like Gulf Power. For IOUs that have tiered RS rates (FPL, Duke, TECO) the second tier (over 1000 kwhs) must be reduced by 25%. This would be instituted following the IOUs' first rate case after July 1, 2018 or on July 1, 2022, whichever occurs first.

Committee Assignments:

SB 626:

ACTION RECOMMENDED: NEUTRAL

Public Utility Environmental Remediation Costs

(SB 656/HB ____)

Sponsors: Sen. J. Rodriguez / Rep.

Summary:

If the Department of Environmental Protection makes a determination that a public utility has caused environmental damage within the state; a municipality or county in which the damage occurred must file a request for a hearing before the Public Service Commission. The PSC will determine if the public utility acted prudently in the events leading up to or causing the environmental damage. If it is determined that the public utility failed to act prudently they may not recover any expenditures to remedy the environmental damages from ratepayers. They must develop a plan that specifies how they will remedy the situation and how the costs will be incurred through internal methods within the public utility. The plan must be approved by the PSC.

Committee Assignments:

SB 656: not yet available

ACTION RECOMMENDED: NEUTRAL

TRACKING**Operation of Vehicles**

(SB 116/HB 117)

Sponsors: Sen. Baxley /Rep. Stone

Summary:

Current law dictates the required driving behavior used when encountering any emergency, sanitation, utility service or wrecker vehicle on any drivable roadway. The legislation amends current statute to clarify that this includes any worker for those mentioned service providers. It also states that you must allow four feet of distance between any vehicle and a worker that is performing duties associated with their service position.

Committee Assignments:

SB 116: Transportation, Appropriations Subcommittee on Transportation, Tourism & Econ. Dev, Appropriations

HB 117: Transportation & Infrastructure Subcommittee; Government Accountability Committee

ACTION RECOMMENDED: NEUTRAL

Emergency Power for Health Care Facilities

(SB ____/HB 327)

Sponsors: Sen /Rep Richardson

Summary:

This legislation would require AHCA to develop outlined standards for emergency power that includes enough power to maintain the temperature of 82 degrees or below. The power must also function to a level to keep items refrigerated. Requires AHCA to have announced inspections each May to ensure that the standards are met. The same requirements must be developed by DEA for all assisted living facilities.

Committee Assignments:

HB 327: Health Innovation Subcommittee; Health Care Appropriations Subcommittee; Health and Human Services Committee

ACTION RECOMMENDED: NEUTRAL

Post-hurricane Relief for Residents of Health Care Facilities

(SB 372/HB ____)

Sponsors: Sen Garcia /Rep

Summary:

This bill would require the PSC to ensure that IOUs include critical medical facilities with 50 or more residents as priority accounts in the event of an emergency. The critical medical facilities must be inspected annually by DOH. The inspections will ensure each facility has an emergency power source and sufficient fuel for at least 4 days in the event of an emergency. That power must provide enough energy to maintain a temperature of 81 degrees and meet refrigeration standards for food and beverages for their residents. The facility must also be able to store and maintain ice.

Committee Assignments:

SB 372: Health Policy; Appropriations Subcommittee on Health and Human Services; Appropriations; Rules

ACTION RECOMMENDED: NEUTRAL

Nursing Home and Assisted Living Facilities

(SB 284/HB ____)

Sponsors: Sen Book / Rep

Summary:

This bill would require AHCA to determine compliance standards for electricity and emergency power sources including electrical equipment, emergency power source and supply of fuel for nursing homes during any power outage. The same requirements must be developed by DEA for all assisted living facilities. The nursing homes must be inspected every 15-months to ensure that they meet the set criteria for safety. The Assisted Living Facilities must be inspected every 24 months for compliance.

Committee Assignments:

SB 284: Health Policy; Appropriations Subcommittee on Health and Human Services;
Appropriations; Rules
HB ____

ACTION RECOMMENDED: MONITOR

Building Standards for Health Care Facilities

(SB ____/HB 437)

Sponsors: Sen / Rep Lee, Jr

Summary:

This bill would change the Florida Building Code requiring all public and private health care facilities to have an operational emergency power source. It defines operational emergency power source as a system that provides an independent source of electric power during a loss of a power supply. The legislation would require a fuel supply for up to 7-days of emergency power. The emergency power may include generator, batteries, and other essential accessories needed to sustain an emergency power system.

Committee Assignments:

SB ____:

HB 437: not yet available

ACTION RECOMMENDED: NEUTRAL