

FECA's Florida Legislative Report

January 26, 2018

The 2018 Legislative Appreciation Cookout was very successful. Thank you to the many who helped plan, cook, serve and support this event. This year Governor Scott and CFO Patronis were able to join us. In addition, the following legislators attended: Senators Baxley, Grimsley, Simpson, and Stargel; Representatives Caldwell, Drake, Goodson, Ingoglia, Mariano, McClain, Payne, Porter, Roth, Stevenson, and Stone. We were also joined by 16 state legislative staff and Congressman Al Lawson's staff. If your team met with any legislators or staff during your visit to Tallahassee and you have any feedback on the visits or need any follow-up, please contact Allison. Again, the success of this event is entirely because of the work done behind the scenes and the hospitality shown when members and staff arrive. It is always a nice compliment to hear them say that they look forward to this event and the great food every year.

The House Energy and Utilities Subcommittee will meet Monday at 3PM. We have been asked to participate in a workshop to discuss two of the Select Committee on Hurricane Response and Preparedness recommendations: 1) coordination and communication between utilities and local emergency management offices before, during and after disaster events; and 2) interaction and difficulties associated with local government ordinances that restrict or limit utility companies from trimming trees in their ROWs. We will be reaching out to you for additional information on these issues in preparation for the workshop.

The Energy Grid Bill (SB 1586) was heard in Senate Communications, Energy & Public Utilities. There was an amendment offered that removed co-ops from any requirements before the PSC. The bill passed unanimously and will proceed to Regulated Industries. Linear Facilities (HB 405) successfully passed the House Chamber and will be sent to the Senate for final passage. This legislation has received minor opposition and little discussion through the process.

State Assumption of Federal Section 404 Dredge and Fill Permitting Authority (HB 7043/SB 1402) is legislation that allows the Florida Department of Environmental Protection to assume administering duties of the Clean Water Act

s.404 Program currently handled by the Corps of Engineers. This legislation has been pursued for years but appears to have received further discussion and support due to its priority status by the EPA and Regional Administrators.

Below are the current bills of interest that have been filed thus far. Each week, the report will prioritize in the following manner: priority, monitor, and tracking. New bill information (i.e. new committee assignments, companion bills, etc.) can easily be seen in **RED** text.

If you would like more detailed information or an explanation on any legislation or Constitutional Amendments by the Constitution Revision Commission, please do not hesitate to reach out to Allison or Mike.

NEW

State Assumption of Federal Section 404 Dredge and Fill Permitting Authority

(SB 1402 /HB 7043)

Sponsors: Sen. Simmons/Rep. Raschein

Summary:

The legislation defines “state assumed waters” and provides that DEP will adopt rules to assume and implement the section 404 dredge and fill permitting program pursuant to the federal Clean Water Act.

Committee Assignments:

SB 1402: Appropriations Subcommittee on the Environment and Natural Resources; Appropriations

HB 7043: Government Accountability Committee

ACTION RECOMMENDED: NEUTRAL

PRIORITY

Medically Essential Electric Utility Service

(SB 1630 /HB 1081)

Sponsors: Sen. Hutson/Rep. Perez

Summary:

Under current law only IOUs are required to follow notification and certification requirements relating to medically essential electric utility service & service disconnection. Under this bill, the requirements for medically essential electric service would apply to co-ops and munis as well.

Impact / Importance to Co-ops:

This legislation would expand the jurisdictional authority of the PSC over co-ops and munis to include requirements and certifications for medically essential electric services.

Committee Assignments:

SB 1630: Health Policy Committee, Appropriations Committee, Rules Committee

HB 1081: Commerce Committee

ACTION RECOMMENDED: OPPOSE

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: Ready for the Floor

HB 405: Senate Messages

ACTION RECOMMENDED: SUPPORT

ACTION ITEM: PASSED- House Chamber

Exempting Renewable Energy Sources from Definition of Public Utility

(SB 292/HB ____)

Sponsors: Sen. Rodriguez / ____

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:

SB 292: Communications, Energy & Public Utilities; Community Affairs; Rules

ACTION RECOMMENDED: OPPOSE

Energy 2040 Task Force

(SB 1038/HB 1411)

Sponsors: Sen. Brandes / Rep. Diamond

Summary:

Creation of an Energy 2040 Taskforce within the PSC to project Florida's Electric energy needs over the next 20 years and determine how best to meet those needs in an efficient, affordable and reliable manner while increasing competition and consumer choice and ensuring adequate electric reserves. The taskforce shall recommend appropriate electric policies for the state, including any necessary statutory changes. The task force will have eight appointed members: Public Counsel, PSC Executive Director, Florida Energy Systems Consortium Chair, FRCC Executive Director, two Florida Senators, and two Florida House of Representatives. The meetings will begin in July 2018 and a report must be submitted by January 1, 2020.

Impact / Importance to Co-ops:

This legislation requires a taskforce to examine the energy needs over the next 20 years and may consider the effects of various electric choice options for retail customers in the renewable energy market. This report could provide new and updated information from a previous similar report completed by the 2020 Taskforce. With the continued discussion of retail electric choice, this could provide needed unbiased research on the impacts of those options put in place by other states and the ability for those measures to be used and implemented in Florida's market. Several advocates for the solar industry and Rich Blaser with Infinite Energy (the author of CRC Proposal 51) spoke in support of the bill at the Committee meeting.

Committee Assignments:

SB 1038: Governmental Oversight and Accountability; Rules

HB 1411: Energy & Utilities Subcommittee, Appropriations Committee, Commerce Committee

ACTION RECOMMENDED: NEUTRAL

Energy Grid

(SB 1586 /HB _____)

Sponsors: Sen. Simmons /Rep.

Summary:

Requires the PSC to hold hearings to determine disaster hardening standards for all electric utilities with the goal to have most electricity restored within 24-hours after the storm. The PSC would determine an energy grid improvement plan at a reasonable cost and the maximum period of time for implementation. Beginning in February 1, 2019 and every 5 years thereafter, the PSC would submit a report as to the standards, grid improvements, implementation period and projected costs to the President of the Senate and Speaker of the House.

Impact / Importance to Co-ops:

This legislation would expand the jurisdiction of the PSC to include the co-ops and munis in regards to certain storm hardening requirements such as costs associated with hardening, cost recovery and customer complaints. The current PSC docket investigating hurricane issues related to the recent storms will discuss many of the issues in this bill.

Committee Assignments:

SB 1586: Communications, Energy, and Public Utilities, Regulated Industries, Government Oversight and Accountability, Rules

ACTION RECOMMENDED: NEUTRAL

ACTION ITEM: Senate Communications, Energy and Public Utilities- PASSED as Amended

**Amendment: Removes “Electric Utility” and replaces with “Public Utility.”
This does remove most of our concerns of jurisdictional overreach of the PSC.**

MONITOR

Campaign Financing

(SB 122/HB 43)

RELATED BILLS: 1276

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

Employment Discrimination

(SB 1828/HB 225)

Sponsors: Sen. J. Rodriguez /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:

SB 1828: Commerce and Tourism; Judiciary; Rules

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

ACTION RECOMMENDED: OPPOSE

Public Electric Utility Rates

(SB 626/HB ____)

Sponsors: Sen. J. Rodriguez / ____

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: Communications, Energy, and Public Utilities; Community Affairs; Appropriations; Rules

ACTION RECOMMENDED: NEUTRAL

Public Utility Environmental Remediation Costs

(SB 656/HB ____)

Sponsors: Sen. J. Rodriguez / ____

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: Communications, Energy, and Public Utilities; Community Affairs; Environmental Preservation and Conservation; Rules

ACTION RECOMMENDED: NEUTRAL

Theft

(SB 928/HB 713)

Sponsors: Sen. Bracy / Rep. Donalds

Summary:

The theft of utility services is punishable as provided in Section 812.014, F.S. Currently under this Section, a person could be convicted of grand theft and a felony of the third degree if the property stolen is valued at several amounts but the lowest amount is \$300 or more, but less than \$5,000. This legislation would raise the lowest amount for this conviction from \$300 to \$1500 which could reduce the number of eligible convictions for theft of utility services.

Committee Assignments:

SB 928: Rules

HB 713: Justice Appropriations Subcommittee; Judiciary Committee

ACTION RECOMMENDED: OPPOSE

ACTION ITEM: SENATE Judiciary Committee - PASSED

TRACKING

Exemption of Certain Manufacturing Equipment

(SJR 136 /HJR ____)

Sponsors: Sen. Steube/____

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: Finance and Tax, Appropriations, Rules

ACTION RECOMMENDED: NEUTRAL

Nursing Home and Assisted Living Facilities

(SB 284/HB ____)

RELATED BILLS: 327, 372, 437, 479, 558, 655, 896, 933, 1260, 1321, 1408, 1444, 1874

Sponsors: Sen. Book /____

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.*

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

ACTION RECOMMENDED: NEUTRAL

Electric Vehicles

(SB 384/HB 981)

Sponsors: Sen. Brandes /Rep. Olszewski

Summary:

This bill would require the Florida Transportation Commission (FTC) to review all sources of revenue for transportation infrastructure and maintenance projects and when the FTC determines that electric and hybrid vehicles make up over 2% of the total number of vehicles registered in the state, they would submit a report to the Governor and Legislature. The report will assess transportation infrastructure with respect to emergency evacuations to determine the availability of electric vehicle charging stations and other needs throughout the state. The report would make recommendations to the legislature for continued adequate funding for existing infrastructure and for continued growth and improvements in infrastructure and capacity projects for electric vehicle including evacuations.

Committee Assignments:

SB 384: Appropriations Subcommittee on Transportation, Tourism and Economic Development;
Appropriations

HB 981: Transportation & Tourism Appropriations Subcommittee; Government Accountability Committee

ACTION RECOMMENDED: NEUTRAL

Disaster Preparedness Tax Exemption

(SB 620/HB____)

Sponsors: Sen. Passidomo / _____

Summary:

This bill establishes a 10-day sales tax exemption in June 2018 on certain items relating to disaster preparedness and protection. During the exemption period, the following items, will be exempt from state sales and use tax and county discretionary sales surtaxes: certain light sources, radios, tarps, "tie-down" kits, fuel tanks, batteries, first aid kits, cellular telephone chargers, food storage coolers, portable generators, storm shutter devices, carbon monoxide detectors, reusable ice, personal locator beacons, and emergency position-indicating radio beacons

Committee Assignments:

CS/SB 620: Appropriations

ACTION RECOMMENDED: NEUTRAL

Nuclear Cost Recovery

(SB 716/HB 6071)

Sponsors: Sen. J Rodriguez/Rep. Diamond

Summary:

This bill would repeal provisions relating to cost recovery mechanisms for the siting, design, licensing, and construction of nuclear and integrated gasification combined cycle power plants. This would take away the IOUs' ability to recover costs incurred prior to commercial operation of a power plant.

Committee Assignments:

SB 716: Communications, Energy & Public Utilities; Community Affairs; Rules

HB 6071: Energy & Utilities Subcommittee; Government Operations & Technology
Appropriations Subcommittee; Commerce Committee

ACTION RECOMMENDED: NEUTRAL

Regional Rural Development Grants

(SB 1646/HB 1103)

Sponsors: Sen. Montford /Rep. Albritton

Summary:

Regional Rural Development Grants may be used to hire regional economic development organization staff; outlines the maximum amount of grant funding for the year; revises required matching funds must be nonstate and equal to 25 percent of the state contribution; expands project eligibility for improving availability for broadband internet service.

Committee Assignments:

SB 1646: Commerce and Tourism; Appropriations Subcommittee on Transportation, Tourism and Economic Development; Appropriations

HB 1103: Transportation & Tourism Appropriations Subcommittee; Commerce Committee

ACTION RECOMMENDED: NEUTRAL

ACTION ITEM: HOUSE Regional Rural Development Grants – PASSED

Energy Security and Disaster Resilience Pilot Project

(SB 1888 /HB 1133)

Sponsors: Sen. Garcia /Rep. Raschein

Summary:

Creates a pilot program within DACS to encourage and demonstrate the effectiveness of distributed energy generation and energy storage technologies to provide for the energy needs in areas of critical state concern during a natural disaster or state of emergency. Further, the bill would study and assess the benefits of grants for such measures that could improve the security of the state's energy resources and enhance preparedness and resilience for natural disasters in our state.

Committee Assignments:

SB 1888: Communications, Energy and Public Utilities; Appropriations Subcommittee on the Environment and Natural Resources; Appropriations

HB 1133: Energy & Utilities Subcommittee; Agriculture & Natural Resources Appropriations Subcommittee; Commerce Committee

ACTION RECOMMENDED: NEUTRAL

OGSR/Local Government Electric Utility

(SPB 7008/HB __)

Sponsors: Committee Bill Communications, Energy & Public Utilities /Rep

Summary:

This bill is a proposed committee bill and an Open Government Sunset Review issue which evaluates a public records exemption to verify that the exemption is still needed and worthy of the protection under the state. This OGSR allows for proprietary confidential business information held by electric utilities to be exempt from public record requests. Trade Secrets; internal auditing controls and reports; security measures; information concerning bids or contractual data; and information relating to competitive interests are all considered to be proprietary and confidential business information that will be exempt from public record.

NOTE: Upon passage in committee, this bill will receive a new Senate Bill number and a member sponsorship should be assigned.

Committee Assignments:

SB 7008: Rules

ACTION RECOMMENDED: NEUTRAL