

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED \_\_\_\_\_ (Y/N)  
ADOPTED AS AMENDED \_\_\_\_\_ (Y/N)  
ADOPTED W/O OBJECTION \_\_\_\_\_ (Y/N)  
FAILED TO ADOPT \_\_\_\_\_ (Y/N)  
WITHDRAWN \_\_\_\_\_ (Y/N)  
OTHER \_\_\_\_\_

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1 Committee/Subcommittee hearing PCB: Energy & Utilities  
2 Subcommittee

3 Representative Diaz, J. offered the following:

4  
5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:

7 Section 1. Section 366.93, Florida Statutes, is amended to  
8 read:

9 366.93 Cost recovery for the siting, design, licensing,  
10 and construction of nuclear and integrated gasification combined  
11 cycle power plants.—

12 (1) As used in this section, the term:

13 (a) "Cost" includes, but is not limited to, all capital  
14 investments, including rate of return, any applicable taxes, and  
15 all expenses, including operation and maintenance expenses,  
16 related to or resulting from the siting, licensing, design,  
17 construction, or operation of a ~~the~~ nuclear power plant,  
18 including new, expanded, or relocated electrical transmission  
19 lines or facilities of any size that are necessary thereto, or

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20 of the integrated gasification combined cycle power plant.

21 (b) "Electric utility" or "utility" has the same meaning  
22 as ~~that~~ provided in s. 366.8255(1) (a).

23 (c) "Integrated gasification combined cycle power plant"  
24 or "plant" means an electrical power plant as defined in s.  
25 403.503(14) that uses synthesis gas produced by integrated  
26 gasification technology.

27 (d) "Nuclear power plant" or "plant" means an electrical  
28 power plant as defined in s. 403.503(14) that uses nuclear  
29 materials for fuel.

30 (e) "Power plant" or "plant" means a nuclear power plant  
31 or an integrated gasification combined cycle power plant.

32 (f) "Preconstruction" is that period of time after a site,  
33 including any related electrical transmission lines or  
34 facilities, has been selected through and including the date the  
35 utility completes site clearing work. Preconstruction costs  
36 shall be afforded deferred accounting treatment and shall accrue  
37 a carrying charge equal to the utility's allowance for funds  
38 during construction (AFUDC) rate until recovered in rates.

39 (2) ~~Within 6 months after the enactment of this act,~~ The  
40 commission shall establish, by rule, alternative cost recovery  
41 mechanisms for the recovery of costs incurred in the siting,  
42 design, licensing, and construction of a nuclear power plant,  
43 including new, expanded, or relocated electrical transmission  
44 lines and facilities that are necessary thereto, or of an  
45 integrated gasification combined cycle power plant. Such  
46 mechanisms shall:

47 (a) Be designed to promote utility investment in nuclear

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48 or integrated gasification combined cycle power plants and allow  
49 for the recovery in rates of all prudently incurred costs and  
50 shall include, but not be limited to:

51 1.(a) Recovery through the capacity cost recovery clause  
52 of any preconstruction costs.

53 2.(b) Recovery through an incremental increase in the  
54 utility's capacity cost recovery clause rates of the carrying  
55 costs on the utility's projected construction cost balance  
56 associated with the nuclear or integrated gasification combined  
57 cycle power plant. ~~To encourage investment and provide~~  
58 ~~certainty, for nuclear or integrated gasification combined cycle~~  
59 ~~power plant need petitions submitted on or before December 31,~~  
60 ~~2010,~~ Associated carrying costs shall be equal to the utility's  
61 pretax AFUDC rate approved by the commission in effect upon this  
62 act becoming law. For nuclear or integrated gasification  
63 combined cycle power plants for which need petitions are  
64 submitted after December 31, 2010, the utility's existing pretax  
65 AFUDC rate is presumed to be appropriate unless determined  
66 otherwise by the commission in the determination of need for the  
67 nuclear or integrated gasification combined cycle power plant.

68 (b) Provide for recovery of the costs specified under  
69 paragraph (a) until the nuclear or integrated gasification  
70 combined cycle power plant is placed in commercial service or  
71 until December 31, 2025, whichever occurs first.

72 (3) After a petition for determination of need is granted,  
73 a utility may petition the commission for cost recovery as  
74 permitted by this section and commission rules. The commission  
75 may approve recovery of costs incurred after final licensure of

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76 a nuclear power plant by the Nuclear Regulatory Commission only  
77 upon finding, based on updated cost estimates, construction  
78 schedules, and feasibility analyses, that construction of the  
79 plant will continue to provide the most cost-effective source of  
80 power for the utility, taking into account whether the plant  
81 provides needed base-load capacity for the utility, improves the  
82 balance of fuel diversity, and enhances the long-term stability  
83 and reliability of the electric grid.

84 (4) When the nuclear or integrated gasification combined  
85 cycle power plant is placed in commercial service, the utility  
86 shall be allowed to increase its base rate charges by the  
87 projected annual revenue requirements of the nuclear or  
88 integrated gasification combined cycle power plant based on the  
89 jurisdictional annual revenue requirements of the plant for the  
90 first 12 months of operation. The rate of return on capital  
91 investments shall be calculated using the utility's rate of  
92 return last approved by the commission before ~~prior to~~ the  
93 commercial inservice date of the nuclear or integrated  
94 gasification combined cycle power plant. If any existing  
95 generating plant is retired as a result of operation of the  
96 nuclear or integrated gasification combined cycle power plant,  
97 the commission shall allow for the recovery, through an increase  
98 in base rate charges, of the net book value of the retired plant  
99 over a period not to exceed 5 years.

100 (5) The utility shall report to the commission annually  
101 the budgeted and actual costs as compared to the estimated  
102 inservice cost of the nuclear or integrated gasification  
103 combined cycle power plant provided by the utility pursuant to

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104 s. 403.519(4), until the commercial operation of the nuclear or  
105 integrated gasification combined cycle power plant. The utility  
106 shall provide such information on an annual basis following the  
107 final order by the commission approving the determination of  
108 need for the nuclear or integrated gasification combined cycle  
109 power plant, with the understanding that some costs may be  
110 higher than estimated and other costs may be lower.

111 (6) If the utility elects not to complete or is precluded  
112 from completing construction of the nuclear power plant,  
113 including new, expanded, or relocated electrical transmission  
114 lines or facilities necessary thereto, or of the integrated  
115 gasification combined cycle power plant, the utility shall be  
116 allowed to recover all prudent preconstruction and construction  
117 costs incurred following the commission's issuance of a final  
118 order granting a determination of need for the nuclear power  
119 plant and electrical transmission lines and facilities necessary  
120 thereto or for the integrated gasification combined cycle power  
121 plant. The utility shall recover such costs through the capacity  
122 cost recovery clause over a period equal to the period during  
123 which the costs were incurred or 5 years, whichever is greater.  
124 The unrecovered balance during the recovery period will accrue  
125 interest at the utility's weighted average cost of capital as  
126 reported in the commission's earnings surveillance reporting  
127 requirement for the prior year.

128 (7) This section applies only to power plants for which  
129 the commission granted a determination of need before January 1,  
130 2013.

131 Section 2. This act shall take effect July 1, 2013

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**T I T L E   A M E N D M E N T**

Remove everything before the enacting clause and insert:  
An act relating to cost recovery for nuclear and  
integrated gasification combined cycle power plants;  
amending s. 366.93, F.S.; revising provisions for the  
calculation of carrying costs; providing a timeframe  
for the recovery of specified costs; authorizing the  
Public Service Commission to approve recovery of costs  
after final licensure under certain conditions;  
conforming provisions to changes made by the act;  
providing for applicability; providing an effective  
date.