

1                                   A bill to be entitled  
 2           An act relating to cost recovery for nuclear and  
 3           integrated gasification combined cycle power plants;  
 4           amending s. 366.93, F.S.; deleting the definition of  
 5           the term "integrated gasification combined cycle power  
 6           plant"; revising provisions for the calculation of  
 7           carrying costs; providing a timeframe for the recovery  
 8           of specified costs; authorizing the Public Service  
 9           Commission to approve recovery of costs after final  
 10          licensure under certain conditions; conforming  
 11          provisions to changes made by the act; providing for  
 12          applicability; providing an effective date.

14 Be It Enacted by the Legislature of the State of Florida:

16           Section 1. Section 366.93, Florida Statutes, is amended to  
 17          read:

18           366.93 Cost recovery for the siting, design, licensing,  
 19          and construction of nuclear ~~and integrated gasification combined~~  
 20          ~~cycle~~ power plants.—

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

22           (a) "Cost" includes, but is not limited to, all capital  
 23          investments, including rate of return, any applicable taxes, and  
 24          all expenses, including operation and maintenance expenses,  
 25          related to or resulting from the siting, licensing, design,  
 26          construction, or operation of a ~~the~~ nuclear power plant,  
 27          including new, expanded, or relocated electrical transmission  
 28          lines or facilities of any size that are necessary thereto, ~~or~~

29 | ~~of the integrated gasification combined cycle power plant.~~

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

32 | ~~(c) "Integrated gasification combined cycle power plant"~~  
33 | ~~or "plant" means an electrical power plant as defined in s.~~  
34 | ~~403.503(14) that uses synthesis gas produced by integrated~~  
35 | ~~gasification technology.~~

36 | (c)~~(d)~~ "Nuclear power plant" or "plant" means an  
37 | electrical power plant as defined in s. 403.503(14) that uses  
38 | nuclear materials for fuel.

39 | (d)~~(e)~~ "Power plant" or "plant" means a nuclear power  
40 | plant ~~or an integrated gasification combined cycle power plant.~~

41 | (e)~~(f)~~ "Preconstruction" is that period of time after a  
42 | site, including any related electrical transmission lines or  
43 | facilities, has been selected through and including the date the  
44 | utility completes site clearing work. Preconstruction costs  
45 | shall be afforded deferred accounting treatment and shall accrue  
46 | a carrying charge equal to the utility's allowance for funds  
47 | during construction (AFUDC) rate until recovered in rates.

48 | ~~(2) Within 6 months after the enactment of this act,~~ The  
49 | commission shall establish, by rule, alternative cost recovery  
50 | mechanisms for the recovery of costs incurred in the siting,  
51 | design, licensing, and construction of a nuclear power plant,  
52 | including new, expanded, or relocated electrical transmission  
53 | lines and facilities that are necessary thereto, ~~or of an~~  
54 | ~~integrated gasification combined cycle power plant.~~ Such  
55 | mechanisms shall:

56 | (a) Be designed to promote utility investment in nuclear

57 | ~~or integrated gasification combined cycle~~ power plants and allow  
 58 | for the recovery in rates of all prudently incurred costs and  
 59 | shall include, but not be limited to:

60 |     ~~1.(a)~~ Recovery through the capacity cost recovery clause  
 61 | of any preconstruction costs.

62 |     ~~2.(b)~~ Recovery through an incremental increase in the  
 63 | utility's capacity cost recovery clause rates of the carrying  
 64 | costs on the utility's projected construction cost balance  
 65 | associated with the nuclear ~~or integrated gasification combined~~  
 66 | ~~cycle power plant. To encourage investment and provide~~  
 67 | ~~certainty, for nuclear or integrated gasification combined cycle~~  
 68 | ~~power plant need petitions submitted on or before December 31,~~  
 69 | ~~2010,~~ Associated carrying costs shall be equal to the utility's  
 70 | pretax AFUDC rate approved by the commission ~~in effect upon this~~  
 71 | ~~act becoming law. For nuclear or integrated gasification~~  
 72 | ~~combined cycle power plants for which need petitions are~~  
 73 | ~~submitted after December 31, 2010, the utility's existing pretax~~  
 74 | ~~AFUDC rate is presumed to be appropriate unless determined~~  
 75 | ~~otherwise by the commission in the determination of need for the~~  
 76 | ~~nuclear or integrated gasification combined cycle power plant.~~

77 |     (b) Provide for recovery of the costs specified under  
 78 | paragraph (a) until the nuclear power plant is placed in  
 79 | commercial service or until December 31, 2025, whichever occurs  
 80 | first.

81 |     (3) After a petition for determination of need is granted,  
 82 | a utility may petition the commission for cost recovery as  
 83 | permitted by this section and commission rules. The commission  
 84 | may approve recovery of costs incurred after final licensure of

85 a nuclear power plant by the Nuclear Regulatory Commission only  
 86 upon finding, based on updated cost estimates, construction  
 87 schedules, and feasibility analyses, that construction of the  
 88 plant will continue to provide the most cost-effective source of  
 89 power for the utility, taking into account whether the plant  
 90 provides needed base-load capacity for the utility, improves the  
 91 balance of fuel diversity, and enhances the long-term stability  
 92 and reliability of the electric grid.

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

109 (5) The utility shall report to the commission annually  
 110 the budgeted and actual costs as compared to the estimated  
 111 inservice cost of the nuclear ~~or integrated gasification~~  
 112 ~~combined cycle~~ power plant provided by the utility pursuant to

113 s. 403.519(4), until the commercial operation of the nuclear ~~or~~  
 114 ~~integrated gasification combined cycle~~ power plant. The utility  
 115 shall provide such information on an annual basis following the  
 116 final order by the commission approving the determination of  
 117 need for the nuclear ~~or integrated gasification combined cycle~~  
 118 power plant, with the understanding that some costs may be  
 119 higher than estimated and other costs may be lower.

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

137 (7) This section applies only to power plants for which  
 138 the commission granted a determination of need before January 1,  
 139 2013.

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