

FLORIDA
2016
State Legislative/Regulatory Profile

Capitol City: Tallahassee
Governor: Rick Scott (R)
General Elections: Every 2 years for House of Representatives; every 4 years for members of the Senate (excluding reapportionment time period). Also, the Governor and Cabinet members are elected for a 4 year term.
Legislature Convenes: 60 day Regular Session, beginning in March of every year.
2016-2017 Budget
Signed by the Governor: Approximately \$82B

SENATE

40 Members:
Republican (26)
Democrat (14)
Term: 4 years
Presiding Officer(s): Andy Gardiner (R), President
(Term Expires, Nov. 2016)
Majority Leader: Bill Galvano (R)
Minority Leader: Arthenia Joyner (D)
Major Utility Committee: Communications, Energy & Public Utilities

HOUSE

120 Members:
Republican (81)
Democrat (39)
Term: 2 years
Presiding Officer: Steve Crisafulli (R), Speaker of the House
(Term Expires, Nov. 2016)
Majority Leader: Dana Young (R)
Minority Leader: Mark Pafford (D)
Major Utility Committee: Energy & Utilities Subcommittee

REGULATORY BODY:
FLORIDA PUBLIC SERVICE COMMISSION

Members: 5
Appointment or Election Appointment

2016 Legislative End of Session Summary

2016 BUDGET INITIATIVES:

Bay County Wastewater Reuse Project – \$1,000,000 APPROVED in Appropriations

The Bay County Wastewater Reuse Project is a reclaimed water project in Bay County. Gulf worked on behalf of Bay County for this \$1.25M appropriations request. The funding will allow Bay County to facilitate the construction of a 7 mile pipeline connecting the North Bay Waste Water Treatment Plant to Gulf's Plant Smith Units 3 & 4. The project will provide Bay County a place to send their surplus wastewater, and Gulf Power will have a stable source of cooling water that is not dependent on the bay. The St. Andrews Bay watershed water quality will benefit from the reduction of nutrients entering the system from wastewater discharges.

Below is a breakdown of the funding request and those entities providing matching funds:

Funding Request = \$1,250,000 (Total Project Cost = \$3,250,000)	
Bay County	
Bay County	\$1,500,000 (contingent upon Triumph funding)
NWFWMD	\$500,000
Gulf Power	Over \$10,000,000 already invested in deep injection wells and added plant infrastructure

We completed applications for both the Senate and House Appropriations Committees and although we didn't get the entire \$1.25M request, both the House and Senate offered \$500,000 in their budgets, totaling \$1,000,000. The appropriation will be subject to Governor's approval or veto. Of the 161 water projects funded in the state budget, only 12 received \$1M or more.

Triumph Gulf Coast -- Draw

Triumph Gulf Coast was organized in 2013 by the Florida Legislature (288.8014, F.S.) to administer the portion of BP recovery funds (\$1.5B) that resulted from the 2010 Deepwater Horizon oil spill. These economic development funds would be distributed to the eight Northwest Florida counties most heavily affected by the spill. Bills in both the House and Senate (**SB 92 / HB 351**) were filed and then amended with the Triumph language directing funds to go straight to the Triumph account. However, both stalled in their respective chambers. With the funding language unable to move to the Floor for a vote, the pending initial installment will be deposited in General Revenue. Any settlement funds from BP that arrive this year will sit until the 2017 legislature acts upon its direction of allocation. Speaker Designate Corcoran, who controls the budget, released an encouraging statement that held hope for a 2017 positive outcome for the panhandle. *"Florida has not yet received the settlement money," he said. "When that money is eventually received, it will be deposited in the state treasury and appropriated in the manner required by the Florida Legislature. The House strongly believes that the money should absolutely be spent*

to the benefit of the small businesses and citizens of the Panhandle who were hardest hit by the BP oil spill.” (NWF Daily News, 3/2/16)

Enterprise Florida, Inc. -- Failed

Prior to the 2016 session commencing, the Governor requested \$250M in appropriations for EFI funding in the state. We worked with our consultants to leverage support and stress the importance of this initiative. Senator Latvala offered an economic development bill (**SB 1646**) in mid-February to include the EFI funding. Representative Boyd also offered an economic development bill (**HB 1325**), however, it did not include the EFI funding. The Senate bill did not make it through all the necessary Committee stops and died. The House bill passed the House Floor and was sent to the Senate for consideration, however, no Senate action took place ultimately causing the effort to die. We were hopeful the funding would be allocated in the budget process, but at the close of budget conference, the Quick Action Closing Fund appropriations requested by EFI remained at \$0.

ENERGY RELATED BILLS:

Renewable Energy Source Devices -- Passed

SJR 170 Constitutional Amendment and **SB 172**, both sponsored by Senator Brandes exempts the assessed value of renewable devices on commercial property from tangible personal property taxes. Residential properties already have this exemption/subsidy. Its House companions, **HJR 193** Constitutional Amendment and **HB 195**, were sponsored by Representative Rodrigues and companions to the Senate bills. The major concern was the impact that another solar amendment would have on the November 2016 ballot along with the amendment by Consumers for Smart Solar. As a result, the bill sponsors agreed to amend their enacting bill, allowing their solar amendment to be placed on the August 30th Primary ballot, thus giving some distance between the two initiatives. Constitutional Amendment Joint Resolutions do not go to the Governor for veto or approval. (Senate Vote Count: 37 Yeas/0 Nays) (House Vote Count: 117 Yeas/0 Nays)

Location of Utilities / Rights-of-Way -- Passed

SB 416, sponsored by Senator Flores, and its companion bill (**HB 461**), sponsored by Representative Ingram, are bills relating to facilities in rights-of-way (ROWS) that would require a state or local government to bear the responsibility for the cost of relocating utility facilities in a public easement (formerly required the utility to incur those expenses). Both bills passed through their respective chambers and both were approved on the House and Senate Floors. (Senate Vote Count: 34 Yeas/4 Nays) (House Vote Count: 109 Yeas/4 Nays) The engrossed bill was presented to the Governor on March 3rd and the Governor signed it into law on March 10th.

Flow Control Ordinances -- Passed

Two bills were filed that related to Environmental Controls. **SB 1052**, sponsored by Senator Hays, and **HB 589**, sponsored by Representative Pigman, were comprehensive

water bills with language containing impediments on local governments implementing flow control ordinances directing solid waste to a landfill gas-to-energy system facility. Escambia County brought their concerns over this language to our attention and explained the potential harm it could do to their gas supply fueling our Perdido facility. Gulf played defense on this bill and was successful in getting the harmful 'flow control' language removed from both bills. If the language hadn't been removed it could have impeded the amount of methane flowing from the Escambia County landfill to our Perdido facility. These bills moved through the process, received their respective chamber Floor approvals, and will be presented to the Governor. (Senate Vote Count: 39 Yeas/0 Nays) (House Vote Count: 118 Yeas/0 Nays)

Building Codes -- Passed

SB 704, sponsored by Senator Hutson, and **HB 535**, sponsored by Representative Eagle, are comprehensive bills addressing multiple categories within the current Florida Building Codes and Florida Building Commission. One small proposed change within the bill allows a specific energy rating index as an option for compliance with the energy code. There was discussion within our industry that this change could possibly lead to rooftop solar helping meet the energy rating index. During the course of the bills moving through Committees, the IOU's worked to successfully lower the proposed energy rating index from 65 to 58. Although not eliminating the threat entirely, the rating of 58 reduces the qualifying factor that rooftop solar has on meeting the energy rating index. These bills moved through the process, received their respective chamber Floor approvals, and will be presented to the Governor. (Senate Vote Count: 38 Yeas/0 Nays) (House Vote Count: 116 Yeas/0 Nays)

Carbon Dioxide Emissions from Existing Stationary Resources -- Failed

SB 838, sponsored by Senator Evers, and **HB 639**, sponsored by Rep. Manny Diaz, are comprehensive bills that relate to the EPA Clean Power Plan and would allow the Legislature to establish and direct the state's energy policy to ensure that Florida helps to mold the state policy versus being federally mandated. Gulf Power expressed our concerns to both bill sponsors. The bills were amended with language that puts more teeth in state oversight of a State Implementation Plan (SIP). Neither of these bills made it through their respective committee stops and died in the process.

Contaminated Sites (RBCA provision) -- Passed

Bills were filed to address the clean-up of contaminated sites. Gulf had a strong interest in amending some language associated with risk-based corrective action (RBCA) to such sites. Language was initially included in SB 92 (Evers) and HB 351 (Drake), however, was stripped from the bills and placed in **SB 100** (Simpson) and **HB 697** (Grant). We were successful in getting an expansion of risk based corrective action provisions to non-petroleum contaminated sites which will allow land owners to rely on natural attenuation, comply with less stringent surface or ground water standards, and be relieved from cleaning up contamination resulting from the actions of others. Bottom line, in the future Gulf Power benefits from the reduction of costs associated with clean-up and reduces the

amount of time related to cleaning up the sites. These bills moved through the process, received their respective chamber Floor approvals, and will be presented to the Governor. (Senate Vote Count: 39 Yeas/0 Nays) (House Vote Count: 115 Yeas/0 Nays)

The Last Days of Session

Below is an article from the News Service of Florida (dated 3/10/16) that gives a good sense of the atmosphere at the Florida Capitol during the last few days of session:

It's not exactly a wasteland, but the fourth floor of the Capitol is noticeably barren as the clock --- slowly --- ticks down on the legislative session.

In typical years, the terrazzo floors between the House and Senate chambers are a beehive of activity during the final days of the session, with lobbyists scurrying to slip Hail Mary amendments into the bills remaining in action. The cacophony is deafening as lobbyists monitor television screens showing the action inside the chambers and jostle to powwow with lawmakers and staffers.

Not this year. The rotunda is draped in an almost eerie malaise, and some lobbyists have even packed up and gone home instead of waiting for the traditional "hanky drop" that marks the session's denouement.

House Speaker Steve Crisafulli has sent his members home early every day this week and delayed floor activity until after noon on Wednesday and Thursday. Meanwhile, the Senate has spent hours each day bidding adieu to term-limited members.

The atmospheric ennui is even more marked after the explosive end to last year's session, when the House gaveled down early and left the Senate like a jilted lover at the altar.

"It is as empty on a Wednesday as I have seen in my career. It is as calm in both chambers as I've seen in a decade," longtime lobbyist Billy Rubin said mid-week.

Veterans like Rubin credit House and Senate leaders --- who've balked at legislative bill "trains" and ninth-hour amendments --- for some of the quietude.

That creates a double-edged sword for some lobbyists, who want to use the bills to get in --- or kill --- something they've failed to achieve during the previous eight weeks.

For those who've accomplished what they wanted, "it helps their bills from being weighed down and destroyed," said Nick Larossi, a lobbyist with a long list of clients.

On the other hand, he added, "If you have something you need to do at the last minute, the process is not going to let you sneak things on."

The advent of technology --- which allows anyone to watch the proceedings online and gives lobbyists and lawmakers the ability to communicate via text or email, even during floor sessions --- is also a factor, said lobbyist Alison Dudley.

"The old days when you would pull people outside of the ropes by the front door,

you just don't see it as much," she said.

But insiders can expect a crescendo of activity before lawmakers pass the budget and the gavels come down Friday afternoon or evening, predicted veteran lobbyist Brian Ballard. As of Thursday, legislative packages dealing with transportation, health care and education had yet to be finalized.

"Friday will be a lot of major panic for a lot of people. Most things will either get done under the wire or not get done at all," Ballard said.

TWEET OF THE WEEK: "If I am ever told I have two weeks to live, I want it to be during Session because they are the longest weeks, ever." --- Kathy Mears, House Speaker Steve Crisafulli's Chief of Staff.