



Overview of The Office of Energy



Tampa Bay Regional Planning Council August Meeting

Presentation given by: Patrick Sheehan, Office of Energy Director

August 12, 2013

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

COMMISSIONER ADAM H. PUTNAM



Director Patrick Sheehan

- ▶ Joined Department of Agriculture and Consumer Services in September 2011
- ▶ Previous positions include:
 - Alutiiq International Solutions LLC
 - Legislative affairs program manager for the International Affairs division of the U.S. National Guard Bureau at the Pentagon.
 - International Republican Institute
 - Country Director for Parliamentary Assistance programs in Romania and Bosnia.
 - Congressional Senior Staffer
 - U.S. Congressman Timothy F. Murphy, as chief of staff; U.S. Congressman George W. Gekas, as legislative director; and committee staff positions with the U.S. Senate Judiciary Subcommittee on Antitrust, Business Rights and Competition and U.S. Senate Judiciary Subcommittee on Youth Violence.

- ▶ Education

- Tampa Jesuit and Patch American High School in Stuttgart, Germany. He was further educated at the University of Washington's School of Political Science, in Seattle, and, later the University of Pennsylvania's School of Law, in Philadelphia.

- ▶ Family

- Patrick is married to Jamie Harper Sheehan, a Tallahassee native, and the two are proud parents of a seventh month old little boy, Thomas Stephen Sheehan.



Commissioner's Energy Priorities & Our Office

- ▶ The state of Florida should have a secure, reliable, and diverse supply of energy.
- ▶ In working towards Florida's energy policy, the Department of Agriculture and Consumer Services will:
 - Promote energy efficiency and conservation
 - Support investments in Florida's energy infrastructure
 - Foster the expansion of Florida's clean energy resources and new technologies
- ▶ *"What we need is an "all of the above" strategy. We need a strategy that will foster the development of all the options. We cannot be in the business of picking winners and losers in the race to explore renewable energy options. Our strategy must support research and development to explore all the options. Our strategy must rely on the market to determine what works and what does not." Commissioner Adam Putnam*



Functions & Responsibilities

- ▶ Coordinate Federal & State energy programs & Administer Grants
- ▶ Produce Annual Energy Report
 - Baseline assessment of Florida's energy resources
 - Improvements for Energy Efficiency & Conservation
 - State Agency implementation of State Energy Policy
- ▶ Provide Analysis and Prepare Recommendations
 - Proposed Federal energy programs
 - Long range energy supply and demand scenarios (economic growth, renewable's development, alternative strategies - 5-10-20 years)



Responsibilities (Cont.)

- ▶ Promote and advocate for the development and use of renewable energy resources and energy efficiency technologies
- ▶ Promote energy efficiency and conservation measures in all energy use sectors
- ▶ Serve as State clearing house for all energy information (academia, public and private sectors)
- ▶ Provide assistance to other state agencies, counties, municipalities, and regional planning agencies to further and promote their energy planning activities

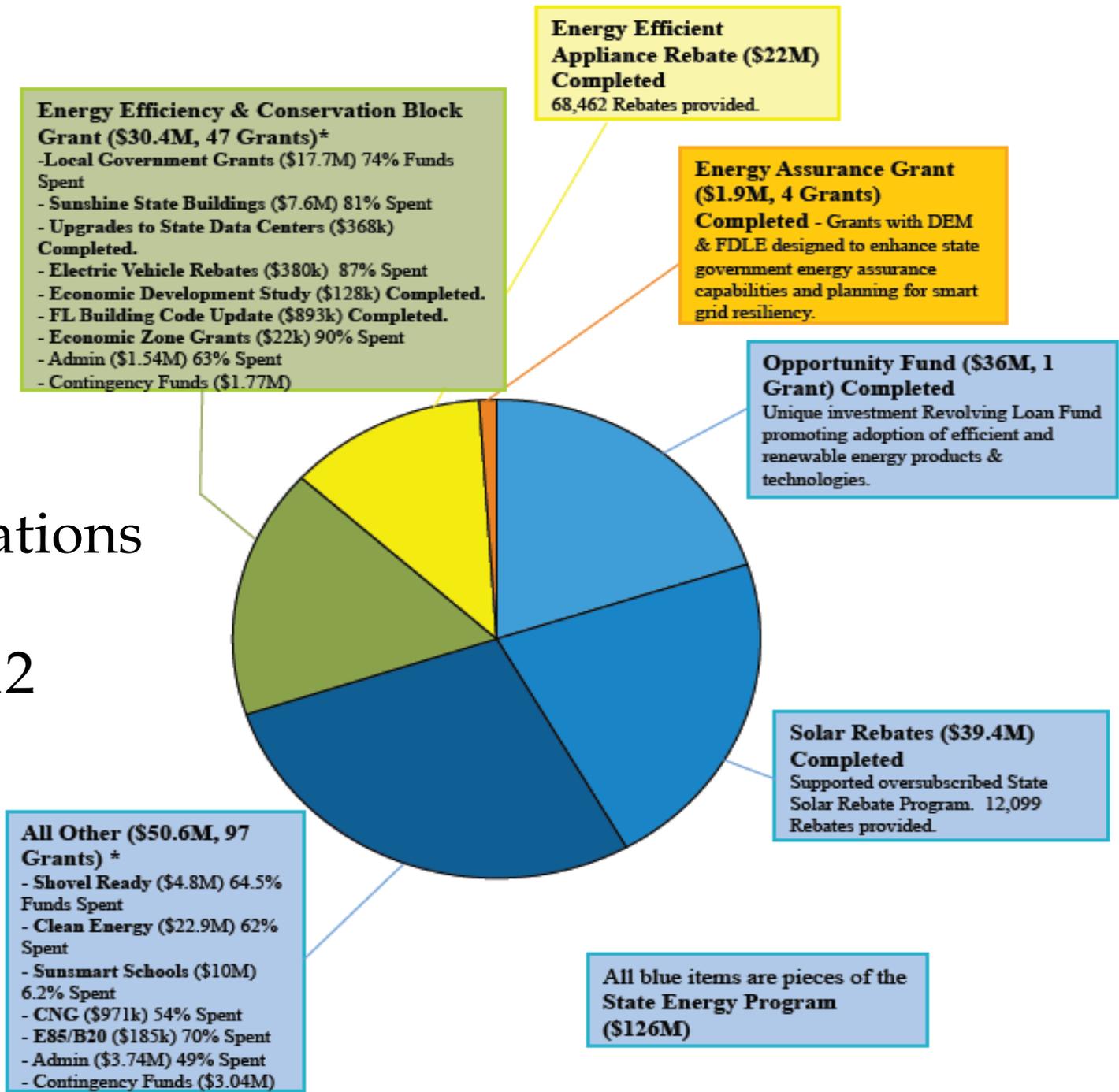


Accomplishments

1. Legislation
2. Annual Report
3. Grants/ Solar Rebates
4. Energy Summit 2013
5. Reorganization



ARRA Appropriations as of July 1, 2012



What We Want to Do

1. Grants/ Loans
2. Policy Development
3. Technical Assistance
4. Annual Reports
5. Energy Summits- Connecting/ Informing Stakeholders
6. Web Resources/ Databases



Energy Assurance Study: List of Strategies

- ▶ Increase energy efficiency education for appraisers, builders, buyers, sellers, and renters and require energy efficiency ratings (such as HERS ratings) to be posted on all new buildings, and on all existing buildings at time of sale or rental.
- ▶ Promote the accelerated development of renewable energy technologies.
- ▶ Develop regional strategies promoting coordination of energy issues, policies and programs that take advantage of the energy policy, production and distribution assets of Florida's regions.
- ▶ Encourage innovative energy project development through collaboration of universities, entrepreneurs, and a network of regional expertise.
- ▶ Facilitate and enhance third-party distributed energy generation and power feed-in.
- ▶ Allow and encourage third-party energy sales and power purchase agreements.
- ▶ Research, legislate, and implement an aspirational and achievable Renewable Portfolio Standard (RPS).
- ▶ Increase fleet adoption of alternative and blended fuels (such as full electric or electric hybrid, pure ethanol or biodiesel, E-85, B-20, etc.), especially in government and publicly-funded fleets (like school buses or public transit).
- ▶ Increase fueling infrastructure and accessibility for alternative and blended fuels (such as full electric or electric hybrid, pure ethanol or biodiesel, E-85, B-20, etc.), especially in government and publicly funded fleets (like school buses and public transit).

Source: Energy Assurance Study: Interim Report



Energy Assurance Study: List of Strategies Continued

- ▶ Research the viability of a distributed power generation and storage network, composed of semiautonomous power blocks, possibly centered on disaster shelters or other community venues.
- ▶ Facilitate modular, off-grid operation of tied-in electricity generation units and interconnection protocols for third-party generation to allow localized power generation and coverage during power outage events.
- ▶ Create and maintain a database of building stock data relating to energy efficiency and building condition to assist with future retrofit opportunities.
- ▶ Encourage and/or develop natural gas infrastructure for direct residential usage.
- ▶ Support the use of alternative energy sources for transportation, including fleets, and the development of alternative fueling infrastructure.
- ▶ Conduct a State Energy Infrastructure Assessment.
- ▶ Support a Rapid Action Utility Workgroup as part of Emergency Management Plans and add Energy Response to CEMP ESF12.
- ▶ Encourage incentives and/or rebates for energy conservation, innovation and/or renewable energy at the state level.
- ▶ Create and support policies that allow utilities to take greater advantage of renewable energy generation technologies and include them in utility supply plans, even if they do not represent the least-cost alternative.
- ▶ Create and facilitate a publicly-accessible home energy auditing program designed to increase energy efficiency and conservation.
- ▶ Facilitate and encourage distributed energy storage capacity.

Source: Energy Assurance Study: Interim Report



Energy Bill Legislation (HB 7117)

1. Requires utilities to report the amount of renewable energy it plans to produce or purchase in their 10-year site plan.
2. Repealed the Renewable Portfolio Standard.
3. Reinstated several tax credits for infrastructure investments and production of biofuels and renewable energy that expired in 2010. Requires DACS to report annually the amount of tax credits used.
4. Allows for local governments to provide loans, grants or rebates for energy efficiency improvements to residential or commercial properties if the ordinance is approved by referendum
5. Expands the renewable fuels standard to include “alternative fuels” that are produced from biomass. Also makes clear the standard does not prohibit retail dealers of fuel from selling unblended gasoline. Requires DACS to post information on the website of those stations selling unblended fuel across the state.



HB 579: “Natural Gas Fuel”

- ▶ Timeline of HB 579:
 - On April 17, 2013, the House passed HB 579
 - The bill was later amended by the Senate on April 30, 2013
 - Subsequently passed the House on May 2, 2013
 - HB 579 was approved by Governor Scott on June 14, 2013 and will become effective January 1, 2014
- ▶ Why pass HB 579?
 - The bill repeals the decal fee program for motor vehicles powered by alternative fuels (i.e. natural gas)
 - Repeals the sales tax on alternative fuels
 - Establishes a new fuel tax structure for motor vehicles powered by natural gas
 - Creates a natural gas fuel fleet rebate program



HB 579 Specifics

- ▶ HB 579 Specifically:
 - Creates part V of Ch. 206, Florida Statutes, entitled “Natural Gas Fuel.”
 - Repeals the current decal fee program for motor vehicles powered by an alternative fuel source effective January 1, 2014.
 - Establishes a fuel tax structure for natural gas used as a motor fuel, beginning January 1, 2019
 - Relocates statutory provisions relating to licenses for retailers of alternative fuel and related reporting requirements, and provides penalties for acting as a retailer without a license.
 - Provides exemptions from the tax and refunds of the tax on natural gas fuel when used for specified purposes.
 - Revises the distribution of the proceeds of the taxes imposed on natural gas.
 - Expands the definition of “energy efficiency improvement” to include “installation of systems for natural gas fuel” under uses authorized by the Local Government Infrastructure Surtax.
 - Exempts natural gas and natural gas fuel placed into the fuel supply system of a motor vehicle from sales tax.
 - Directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to complete a report reviewing the taxation of natural gas fuel used to power motor vehicles by December 1, 2017.



HB 579 and FDACS Office of Energy

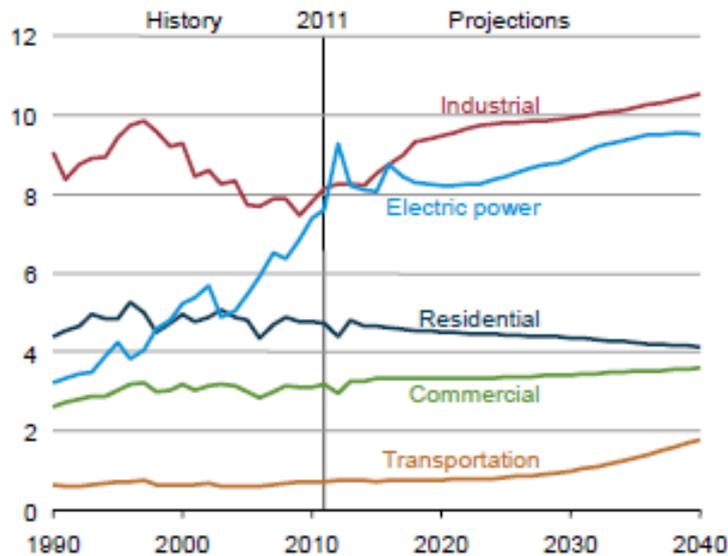
- ▶ Additionally HB 579:
 - Creates a natural gas fuel fleet rebate program within the Department of Agriculture and Consumer Services (FDACS) and appropriates an annual \$6 million from General Revenue for Fiscal Year 2013-2014-Fiscal Year 2017-2018 to fund the program.
 - Also requires FDACS to provide an annual assessment of the rebate program which is currently in the rule making process.



Natural Gas Consumption and Production Projections to 2040

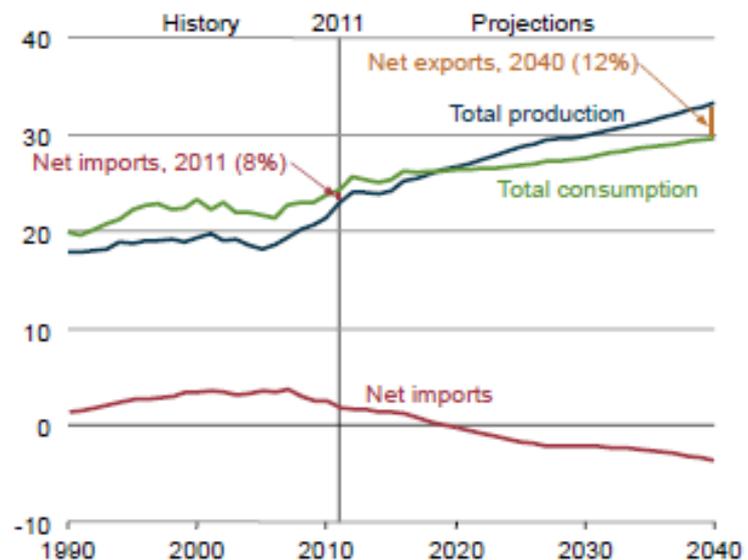
Industrial and electric power sectors lead U.S. growth in natural gas consumption

Figure 85. Natural gas consumption by sector, 1990-2040 (trillion cubic feet)



With production outpacing consumption, U.S. exports of natural gas exceed imports

Figure 89. Total U.S. natural gas production, consumption, and net imports, 1990-2040 (trillion cubic feet)

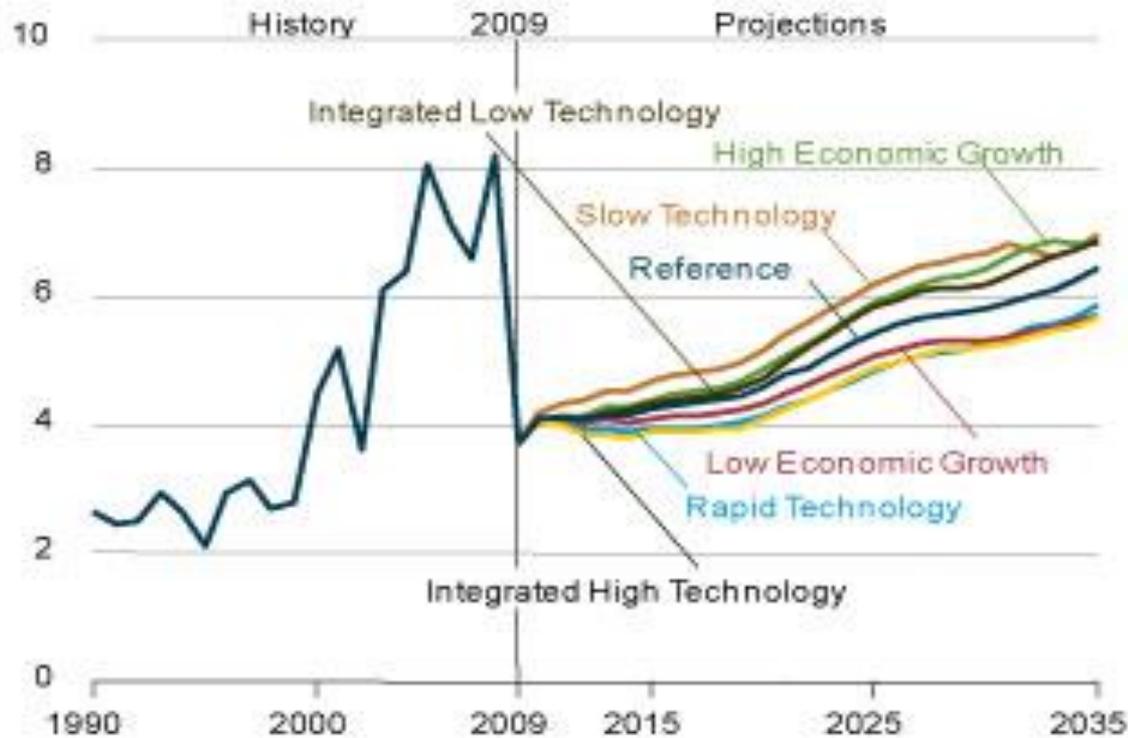


Source: EIA Annual Energy Outlook 2013



Annual Average Natural Gas Price Projections to 2035

Figure 88. Annual average lower 48 wellhead prices for natural gas in seven cases, 1990-2035
(2009 dollars per thousand cubic feet)



Source: EIA Annual Energy Outlook 2013





3rd Annual Florida Energy Summit

October 14-15, 2013

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Office of Energy

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