

ENERGY NEWS

of the Southeast Florida Chapter of the Association of Energy Engineers

May 2000 • Volume 13 • Number 5

Governor Bush creates *Energy 2020 Study Commission*

by Robert Farmer, © 2000

Significant energy news came out of Tallahassee early this month of interest to chapter members and everyone concerned about Florida's energy future. With the legislative session about to end and the House without time to debate Senate Bill *SB 2020* which would have created a study commission, Gov. Jeb Bush seized the initiative and issued Executive Order No. 2000-127, which creates the *Energy 2020 Study Commission*. Its purpose—to propose an energy plan and strategy for Florida.

"Florida needs an energy strategy," Governor Bush said. "Over the next 20 years, the quality of life, the quality of our business climate and the quality of our environment will be closely linked with how we address Florida's energy needs."

The Commission will be composed of 17 members: 13 appointed by the Governor, 2 appointed by the President of the Senate, and 2 appointed by the Speaker of the House of Representatives. In addition, the Chairman of the Florida Public Service Commission and the Public Counsel will serve as non-voting members. The appointments must be made by July 17, with the first meeting to be held in September 2000.

Specifically, the Commission is to determine what Florida's electric energy needs will be over the next 20 years and

how best to supply those needs in an efficient, affordable, and reliable manner that will ensure adequate electric reserves. Based on its findings, the Commission will recommend appropriate electric energy policies for the state, including statutory changes, if necessary. In making its determinations, the Commission is to consider all relevant topics, including, but not limited to:

(a) Forecasts through the year 2020 of Florida's population growth, electricity needs and supply, and the expected diversity of fuels and their sources for use in the state;

(b) Current and future reliability of electric supply within and into the state;

(c) Current and future reliability of the natural gas supply into and within the state;

(d) Emerging and projected electric technologies and electric supplies, including solar energy, renewable energy, and distributed generation technologies, their potential contribution to reliable electric supplies, and their impact upon the state, its environment, and its electric policies;

(e) The experience and impacts upon electricity consumers, generators, and transmitters of all kinds from recent changes in governmental regulation of the electric utility industry in other states;

(f) Analysis of the impacts of state and local government taxes on government revenues and the electricity supply;

(g) Universal access to electricity and

the responsibility to provide it;

(h) Stranded investment costs;

(i) Functional unbundling; or the separation of electricity production, transmission, and distribution services;

(j) Impact of restructuring on service to low-income, elderly, and rural consumers;

(k) Renewable energy, energy conservation, and energy efficiency technologies and programs, and the impact of restructuring on the same;

(l) Impact of restructuring on economic development and growth in the state, including potential impact on tourism, agriculture, small businesses, and industry in the state;

(m) Impact of restructuring on investor-owned electric utilities, municipal electric utilities, rural electric cooperatives, and independent power producers;

(n) Prevention of anticompetitive or unlawful discriminatory conduct or the unlawful exercise of market power by electricity providers;

(o) Environmental impact of electricity supply production, generation, and transmission in the state; and

(p) Impact of restructuring on the current and future electric utility workforce.

The Commission will, by December 1, 2001, provide the President of the Senate, the Speaker of the House of Representatives, and the Governor with a written report containing specific recommendations for electric energy policies for the

continued ...

state, including legislative recommendations.

“Historically, Florida has not done a good job in planning for its future needs,” Governor Bush stated. “As a state that continues to grow, we have a responsibility to provide a reasonable and reliable source of energy—one that respects consumers as well as our natural treasures. The *Energy 2020 Study Commission* provides the framework for an appropriate energy planning process and policy, and I expect its membership when appointed to ensure sensitivity to the interests of both consumers and stakeholders.”

The need for fully integrated energy planning

Until the 1980s the electricity and transportation energy markets were clearly separate entities. But recently there have been strong signs of divergence, and the dividing lines between these energy industry sectors are becoming increasingly fuzzy.

Primary fuel companies, electric and gas utilities, power plant operators, power equipment manufacturers and even automobile manufacturers are merging with each other to deliver the next generation of both electric and transportation energy service products.

For example, we are seeing the emergence of powerful technologies that integrate combined heat and power production with transportation fuel production. Distributed power systems, based on fuel cells and microturbines, not only produce electricity and waste heat (for cooling), but can also deliver natural gas or hydrogen for transportation fuels.

Increasingly, experts are predicting that a hydrogen transportation future might well evolve out of advanced building applications where electricity is but one of the services being produced from the primary or renewable fuel stream.

And as renewables such as photovoltaics become more attractive they will eventually replace, in part, natural gas

infrastructure to provide electricity and hydrogen directly from the sun.

This integration of transportation with electricity planning is a very important consideration in energy planning because, as we’ve all seen recently, an oil crisis can be every bit as disruptive as electricity capacity shortfalls. From my perspective it’s worse than that. Oil crises can be, and in the future will be, very long-term problems. They are economy-killers waiting to happen. No matter how sound our electricity planning might be, our economy and our livelihoods cannot be sustained without a correspondingly sound transportation energy planning element. It’s imperative that the two be integrated.

To that end, Governor Bush already has a key piece of the integration puzzle in place.

Natural gas, electricity, renewables—cornerstones of the Governor’s *Energy 2020 Study Commission*—are important alternative fuels. And, last year the legislature created the Clean Fuel Florida Advisory Board, under the Department of Community Affairs, to study the implementation of alternative fuel vehicles and to formulate and provide to the Secretary of Community Affairs recommendations on expanding the use of alternative fuel vehicles in Florida.

Expanding the use of alternative fuel vehicles cannot be accomplished without a commitment to build alternative fuel infrastructure but, as noted earlier, in a future energy scenario electricity and transportation fuels might well be bundled together.

This is a golden opportunity for integrated energy planning in Florida. By working with the Clean Fuel Florida Advisory Board the Governor’s Commission has an opportunity to make recommendations that can ensure adequate energy supplies will be available to meet all of Florida’s energy needs for the next 20 years and beyond. •



Robert Farmer is an energy planning engineer and energy policy specialist. A comprehensive resource on technologies, issues, and policies, he offers clients strategies, briefings, and presentations on planning a sustainable energy future.

His technical expertise includes large scale to small scale power generation, combined heat and power (CHP), marine and surface transportation, and alternative fuel applications.

A Florida resident since 1984, Robert was a member of the Energy Advisory Committee of Governor Chiles’ Commission for a Sustainable South Florida.

He is a Regional member and Market Development Chair of the Gold Coast Clean Cities Coalition (a U.S. Department of Energy program), and a member of the Southeast Air Coalition for Outreach (SEACO, an initiative of the Florida Department of Environmental Protection).

He is a member of the international Association of Energy Engineers (AEE) and since 1992 has served on the Board of the Southeast Florida Society of Energy Professionals, the local AEE chapter. He is a member of the Sound Science Initiative of the Union of Concerned Scientists, and a member of the United States Association for Energy Economics (USAEE).

He is also a member of the Board of Directors of the Tallahassee-based law firm, Legal Environmental Assistance Foundation, Inc. (LEAF), and of Third Planet, a Fort Lauderdale-based public charity.

He graduated as a Planning Engineer with Bristol-Siddeley Engines/Rolls Royce Gas Turbines Ltd. in the United Kingdom and has over 30 years engineering, sales and service management experience in the engine power industry in North America.

robertfarmer@conceptcommuniques.com
CONCEPT COMMUNIQUE’S INC.
5200 N Federal Hwy Ste 2
Fort Lauderdale FL 33308
(954) 493-8127

www.conceptcommuniques.com