

July 24, 2008
Revised - August 4, 2008
Revised - August 7, 2008
Revised - August 11, 2008
Revised - August 25, 2008
Revised - September 7, 2008
Revised - September 16, 2008
Revised - October 7, 2008

BOMA ENERGY

Outline by Debra Mink

(Subcommittee Jeff Gross, John Scott, Debra Mink)

BOMA ENERGY-

There are three (3) Governors' executive orders 07-126; 07-127; and 07-128 and (3) House/Senate Bills, House Bill 7135 (the Energy Bill), Senate Bill 542 (Florida Forever), and House Bill 697 (Building Codes) which the State is currently working on developing guidelines and standards for energy consumption or building products that BOMA Florida members may become aware of or involved with.

I. The Executive Orders are outlined as follows:

EXECUTIVE ORDER # 07-126 - outlined aggressive energy efficiency and conservation measures for state government operations including requirements for LEED-NC for new state office buildings, LEED-EB requirements for the existing stock of buildings, biofuels for state vehicle fleets, and several green procurement requirements for state agencies. Greenhouse gas emission reduction targets: State Office Buildings and Agencies are required to meet energy standards as a general rule. We would like to add the target percentage reductions and dates to be achieved by the 1st one at 10% reduction by 2012, 2nd one by 25% reduction by 2017 and the 3rd by 40% reduction by 2025 - established by the current emission levels.

EXECUTIVE ORDER # 07-127 -

1. Set emission reduction targets for Florida and set into motion rulemaking to cap emissions from the utility sector, idling standards for diesel engines. By 2025 meet the 1990 levels and by 2050 reduce the green house gas emissions by 80% of the 1990 levels.
2. *There is a requirement to increase the energy efficiency of new construction by 15% over the proposed 2007 energy code. The proposed 2007 energy code for building construction is targeted to be implemented by March 2009.*

I. The Executive Orders are outlined as follows CONTINUED:
EXECUTIVE ORDER # 07-127 CONTINUED –

3. *A 15% increase in the efficiency of regulated appliances sold in Florida by July 1, 2009.*
4. *Public Service Commission to adopt a 20% renewable portfolio standards statewide beginning September 1, 2007 to include interconnection standards for distributed renewable at net metering standard at full retail rates up to 1 MW of distributed capacity. Greenhouse gas emission reduction target by 2017 we need to meet the 2000 level. **(Allows rule making by PSC, DEP,DCA.)***
5. *All regulated utilities in Florida will be required to produce 20% of their power from renewable sources by 2020. The PSC has until Feb. 1, 2009 to present a draft rule for legislative consideration. The rule may not be implemented until ratified by the legislature.*

EXECUTIVE ORDER # 07-128 - created the Governor's Action Team on Energy and Climate Change and provided for two deadlines for recommendations. The [first report](#) from the Action Team met the November 1, 2007 deadline. The Action Team is currently working in the second phase of its process in advance of a final deadline of October 1, 2008. The Governor's Action Team on Energy and Climate change ultimate goal is to create strategies to meet or exceed EO 126-127.

II. The House/Senate Bills are outlined as follows:

HOUSE BILL 7135 (ENERGY BILL) - is wide-ranging legislation affecting several facets of Florida's energy and climate change policy.

SENATE BILL 542 (FLORIDA FOREVER) - adds carbon sequestration, carbon mitigation, or carbon offsets as approved uses for state lands. The bill requires the DEP Division of State Lands to inventory all state lands acquired through Preservation 2000 and Florida Forever titled to the Board of Trustees of the Internal Improvement Trust Fund to determine the value of the carbon capture and carbon sequestration opportunities to include potential carbon offset values of changes in land management practices, such as planting trees, prescribed burns, and land use conversion. The inventory must be completed and presented to the Board of Trustees by July 1, 2009. Further, SB 542 charges the Board of Trustees of Internal Improvement Trust Fund to adopt rules for the use of state lands for carbon sequestration, carbon mitigation, or carbon offsets and that provide for climate-change-related benefits. Within the annual Florida Forever work plan, staff must now include a climate-change category of lands where acquisition will address the challenges of global climate change through protection, restoration, mitigation, and strengthening of Florida's land, water, and coastal resources. This category includes lands that provide

II. The House/Senate Bills are outlined as follows CONTINUED:

SENATE BILL 542 (FLORIDA FOREVER) CONTINUED -

opportunities to sequester carbon, provide habitat, protect coastal lands or barrier islands, and otherwise mitigate and help adapt to the effects of sea-level rise.

HOUSE BILL 697 (BUILDING CODES) - modifies requirements for local government land use plans to include efforts to encourage energy conservation, to discourage the expansion of urban sprawl, to encourage energy-efficient land use patterns accounting for existing and future electric power generation and transmission systems, and to plan for greenhouse gas

reduction strategies. Within the land use plans, the bill requires that the traffic circulation element incorporate transportation strategies to reduce greenhouse gas emissions from the transportation sector.

III. Areas/departments that may affect BOMA members:

A. Department of Management Services (DMS)

- For all new leases of any state agency, there appears to be a directive to lease "Energy Star" standard properties unless there is a strong financial consideration otherwise. (E.O. 07-126)
- If DMS or a third party is building a new building for DMS, it is directed to strive for the platinum level of the LEED certification. Green "globes" or Florida Green Building Coalition is also being discussed as suggestion. (E.O. 07-126)
- Government owned properties and *state* operated properties will be seeking existing building Leed EB certifications throughout the buildings currently owned and operated by the State Department on behalf of the client agencies. If you have an existing lease with the State when the Government leases come up for renewal or a new lease, then they will be looking at the Landlord for the "Energy Star" building standard unless one is not available. (E.O. 07-126)
 - New and existing properties where Government Agencies occupy 20,000 square feet or more shall focus on programs that may reduce energy consumption and when established, provide a net reduction in occupancy costs. The Department shall develop and implement a solar project for state-owned office buildings for future expansion. (E.O. 07-126)

III. Areas/departments that may affect BOMA members CONTINUED:

A. Department of Management Services (DMS) CONTINUED:

- For BOMA Members that have hotel components *are required to achieve a* green lodging certification for best practices, water energy and waste efficiency standards are required to be certified by the Governor's responsible agency so that they can spend the night or stay over per E.O. 07-126. This was effective as of January 1, 2008.

- *The Florida Green Lodging program is presently a voluntary, non-regulatory program under DEP's Office of Sustainable Initiatives. It is expected that the program will be moved from DEP to the academic sector in the near future. FAU is presently in Phase 4 of the Green Lodging Implementation and Monitoring research program that began in 2004 under a DEP grant. For further information, contact Daniel E. Meeroff, Ph.D at the Dept of Civil Engineering at FAU, (561) 297-3099.*
- BOMA CONTACT: John Scott 305-533-2876
john.scott@cushwake.com
- GOV CONTACT: DMS, Andrews Collins Facility Divisions
Strategic Planning 850-488-6684.

B. Public Service Commission (PSC)

- The Commission is developing energy guidelines and also modifying "Energy Supply Companies" (ESCO), like FPL, requests. (E.O. 07-127)
- The request to the public service commission was to enact a 20% renewable portfolio standard. What this means is that 20% of the energy or the electricity generated by a utility would have to come from renewable sources. For example, solar, wind or alternate source of renewable energy. The Governor also requested an interconnection standard for renewable energy sources. The PSC has developed a single state-wide, stand-alone interconnection standard. (E.O. 07-127)
- There will be suggestions for energy reduction and renewable energy derived affecting commercial properties. (E.O. 07-127)
- BOMA's GA may consider developing a letter to the Public Service Commission issuing their concerns and developing a Task Force for working for the PSC. (E.O. 07-127)

III. Areas/departments that may affect BOMA members CONTINUED:

B. Public Service Commission (PSC) CONTINUED:

- A September 2008, "rule making" by Public Service Commission allows customers under 10 KW not to have any charge imposed by the utility companies for renewable power and customer will be able to obtain the full retail value.
- Government set greenhouse gas emissions targets for State of FL
 -
 - i. By year 2017 – (There may be different guidelines since the meeting of July 2008, which we must obtain) FL reduces green house emissions back to 2000 standards. (E.O. 07-127)
 - ii. By year 2025 – FL emission targets back to 1990's standards (E.O. 07-127)
 - iii. By year 2050 – FL reduces emissions targets back to 80% of 1990's standards (E.O. 07-127)

- Requires the Public Service Commission (PSC) to develop rules for a renewable portfolio standard subject to legislative ratification in the 2009 regular session and provides cost recovery guidance to the PSC
- for renewable energy projects developed in advance of the final rule (HB 7135)
- Section 114: The PSC is required to analyze utility revenue decoupling in an effort to promote conservation of energy and provide a report and recommendations to the Governor, the Senate and the House by January 1, 2009. (HB 7135)
- Section 3 amends ss. 163.04(2), F.S., page 19: Allows condominium property owners to install renewable energy devices, particularly solar collectors or clothes lines by stipulating that such devices may not be restricted by deed, covenant, declaration or other binding agreements. (HB 7135)
- BOMA CONTACT: TBA
- GOV CONTACT: TBA

C. Department of Environmental Protection (DEP)

- Authorizes the Department of Environmental Protection (DEP) to develop "cap and trade" regulations for GHG emissions for sources in Florida subject to legislative ratification in the 2010 regular session (HB 7135) (See also Twig "E #5" for an example)

III. Areas/departments that may affect BOMA members CONTINUED:

C. Department of Environmental Protection (DEP) CONTINUED:

- Section 40 amends s. 366.8255(1)(d), F.S., page 92: Allows investor-owned utilities to recover the costs or expenses prudently incurred for the quantification, reporting and third party verification as required for participation in greenhouse gas emission registries (such as The Climate Registry). (HB 7135)
- Section 95 creates s. 403.7032, F.S., page 203: Increases the state recycling goal from the current 30% (on a county-by-county basis) to 75% (statewide), but responsibility for reaching that goal is not placed on counties or any other specific entities at this time. Rather, DEP is directed to develop a comprehensive recycling program designed to reach the goal and present it to the legislature for its approval. (S.B. 542)
- BOMA FL members to discuss a task force that would include "waste/trash" vendors.
 - BOMA CONTACT: *Alexis Stone*
 - GOV CONTACT: TBA

D. Department of Community Affairs (DCA)

- Through the Building Code there exists an Energy . BOMA should consider becoming heavily involved with this Energy TAC; which is developing guidelines to implement the
- There is a Governors' request to *increase the energy efficiency of new construction by 15% over the proposed 2007 energy code for use in buildings*. This 15% reduction requirement is targeted for *January 1, 2009*. (E.O. 07-127)
- The full **Florida** Building Commission will hear the recommendations and vote on some measures from the Energy Tax in October 2008 at the Embassy Suites October 13-15 in Tampa. (E.O. 07-127)
- *A 15% increase in the efficiency of regulated appliances sold in Florida by July 1, 2009*. Public Service Commission to adopt a 20% renewable portfolio standards statewide beginning September 1, 2007 to include interconnection standards for distributed renewable at new metering standard at full retail rates up to 1 MW of distributed capacity. (E.O. 07-127)

III. Areas/departments that may affect BOMA members
CONTINUED:

D. Department of Community Affairs (DCA) CONTINUED:

- Section 108 of the bill amends s. 553.73, F.S., page 226: Requires the Florida Building Commission to select the most current version of the International Energy Conservation Code (IECC) as a foundation code and modify it to maintain the efficiencies of the Florida Energy Efficiency Code. (Note that HB 697 contains identical provisions) (H.B. 7135)
- BOMA CONTACT: DEBRA MINK 954-771-1717
- GOV CONTACT: TBA

E. Governor's Action Team on Energy and Climate Change

- The goal is to surpass or achieve executive order target for state wide green house gas reduction specified in E.O. 07-127.
- The committee that has been appointed by the Governor and is chaired by DEP/Secretary Michael Sole and has 26 members. (E.O. 07-128)
- The committee created 6 tasks forces – "TWGS" – Technical Work Groups (E.O. 07-128):
 1. Energy Supply/Demand
 2. Transportation & land use
 3. Agriculture, forestry, and waste management
 4. Adaption to climate change
 5. Cap and Trade

For example when electricity is generated power plants produce carbon emissions. The cap and trade is either to cap and contain the carbon emissions or dispose of them or to trade with somebody else who is producing less carbon emissions. The way it impacts buildings is the cost will be passed later on to the building owners. Efficient building

owners will have lower electric rates than less efficient buildings.

i.

Energy Service Companies or ESCOs - Energy Service Companies, or ESCOs, generally design and implement energy conservation measures (ECMs), that is energy savings projects for a variety of facilities. They may be affiliated with regulated utilities (non-regulated operations) or with equipment manufacturers or completely independent consultants. In the more common

**III. Areas/departments that may affect BOMA members
CONTINUED:**

**E. Governor's Action Team on Energy and Climate Change
CONTD:**

business model, the ESCO enters into an Energy Savings Performance Contract (ESPC) and performs the feasibility study, designs the solution, installs the equipment/software, and then operates and/or maintains the systems during the contractual payback period (typically 5-15 years). The intent is for the cost of the project to be paid by the energy savings. In the resurgent form of Shared Energy Savings Performance Contracts (SESPCs), they may be for a shorter time payback period and may allow the owner to do the project without any upfront investment on his part. In Florida, ESCOs are not specifically regulated by the State. However, in order to enter into a guaranteed ESPC with a State agency, they must be a licensed Energy Performance Contractor (EPC) in compliance with F.S. 489.145. For further information, go to: http://dms.myflorida.com/business_operations/real_estate_development_management/facilities_management/energy_initiatives

6. Government policy coordination

The focus is government policy coordination, a task that includes looking at numerous issues. (These issues include "greening the states economy, growth of renewable energy, growth of industries under the low carbon banner, transportation planning, water supply planning, green house gas, etc.") How does the government begin to integrate these concerns so that the government agencies and task forces are not working at cross purposes?

- BOMA CONTACT: Robert Fine/Greenberg Traurig
305-579-0826 – TBA
- GOV CONTACT: TBA