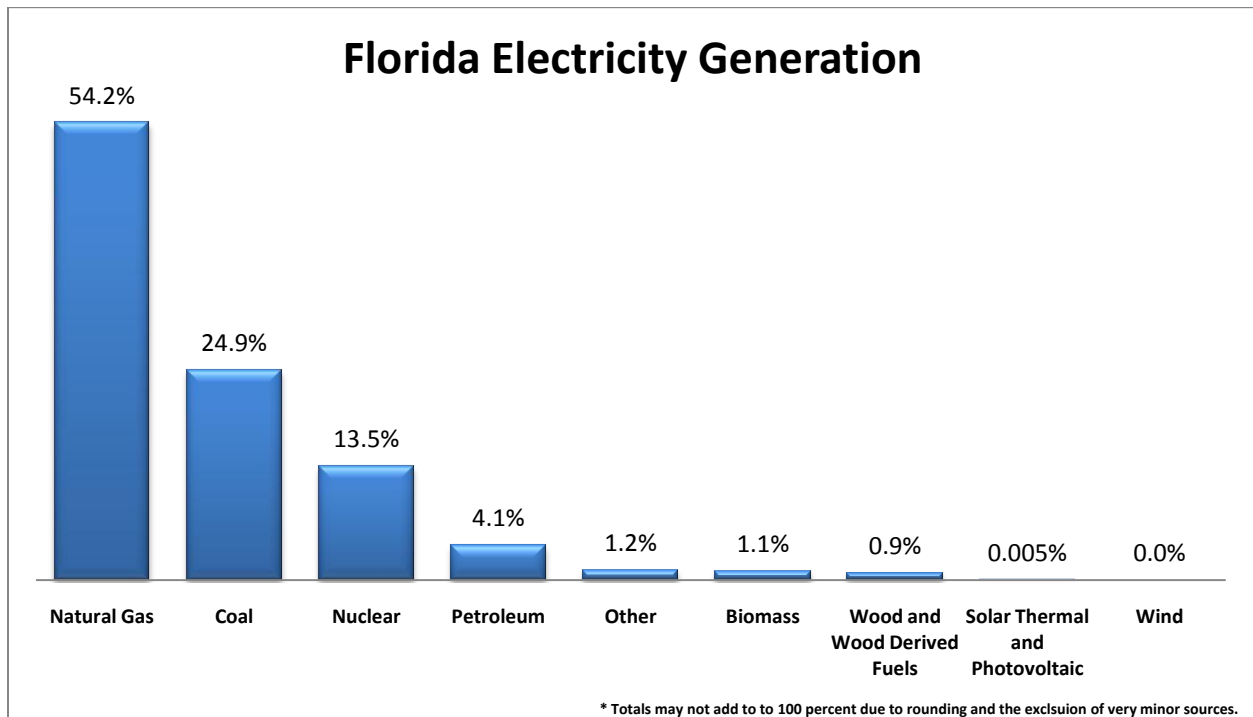


# Florida Energy Facts

Florida – Select Economic and Energy Data <sup>†</sup>		State Rank
Real Gross Domestic Product, per capita	\$32,925	18th lowest
Unemployment	12.2%	6th highest
Gasoline Price, per gallon	\$2.83	20th highest
Electricity Price, per kWh	11.43¢	14th highest

Florida has moderately expensive electricity, 16 percent higher than the national average. Over half of the state’s electricity is generated from natural gas, while coal provides about 25 percent of Florida’s electricity production. Florida generates more electricity from petroleum, in absolute terms, than any other state. The state also produces electricity from municipal solid waste and landfill gas, though these sources contribute little to the overall state electricity production. In 2009, Florida constructed a 25-megawatt solar photovoltaic plant, and have several other solar plants planned.



Florida has substantial oil and natural gas reserves offshore. Due to federal and state regulations, however, these resources are currently off-limits. Most of Florida’s natural gas supply is delivered from other Gulf Coast states via two major interstate pipelines, though it gets some liquefied natural gas from the terminal at Elba Island, Georgia. Some people have suggested constructing liquefied natural gas (LNG) import terminals to further supplement

Florida's natural gas supply within the state. Florida has no coal, so it imports coal from Kentucky, Illinois, and West Virginia.

### **Regulatory Impediments to Affordable Energy**

Although affordable energy is a vital component of a healthy economy, regulations frequently increase energy costs. Regulations imposed in the name of reducing carbon dioxide and greenhouse gas emissions are especially costly. Carbon dioxide is a natural byproduct of the combustion of all carbon-containing fuels, such as natural gas, petroleum, coal, wood, and other organic materials. Today, there is no cost-effective way to capture the carbon dioxide output of the combustion of these fuels, so any regulations that limit carbon dioxide emissions will either limit the use of natural gas, petroleum, and coal, or dramatically increase their prices.

Below are some facts about Florida's regulatory environment that are likely to affect the cost of energy or the cost of using energy.

- **Florida is developing a cap** on greenhouse gas emissions. House Bill 7135, passed in 2008, authorizes the Florida Department of Environmental Protection to develop a greenhouse gas trading program.<sup>1</sup> After development, this program would be submitted to the state legislature for approval.
- **Florida is not a member** of a regional agreement to cap greenhouse gas emissions.
- **Florida does not require** utilities to sell a certain percentage of electricity from renewable sources. However, JEA, a municipal utility, signed a Memorandum of Understanding to generate at least 7.5 percent of its electric capacity from green energy sources by 2015.
- **Florida requires** gasoline to be mixed with renewable fuels. House Bill 7135<sup>2</sup> mandates that gasoline in Florida be 10 percent ethanol by December 31, 2010.
- **Florida imposes** automobile fuel economy standards that include attempts to regulate greenhouse gas emissions from new vehicles. Executive Order 07-127<sup>3</sup> requires the Florida Secretary of Environmental Protection to develop rules adopting California's vehicle emissions standards.
- **Florida requires** new residential and commercial buildings to meet energy efficiency standards. House Bill 697, enacted in 2008, requires the Florida Building Commission to use the current version of the International Energy Conservation Code (IECC) as a foundation code, but to amend the IECC to maintain the efficiencies of the Florida Energy Efficiency Code for Building Construction.<sup>4</sup> The IECC, developed by the International Code Council, is a model code that mandates certain energy efficiency standards. The Florida Energy Conservation and Sustainable Buildings Act requires the use of energy efficiency equipment and design and solar energy devices in state buildings.<sup>5</sup> House Bill 7135, passed in 2008, mandates that buildings constructed and financed by the state must comply with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, or an equivalent system. It also

precludes the state from entering leasing agreements for office space that does not meet Energy Star standards.<sup>6</sup>

- **Florida does not impose** state-based appliance efficiency standards.
- **Florida does not allow** utilities to “decouple” revenue from the sale of electricity and natural gas. Some states decouple revenue from actual sales, allowing utilities to increase their revenue by selling less electricity and natural gas.

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<sup>†</sup> Data Sources: Real GDP per capita 2008: Bureau of Economic Analysis, *News Release: GDP by State* (June 2, 2009), [http://www.bea.gov/newsreleases/regional/gdp\\_state/gsp\\_newsrelease.htm](http://www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm); Unemployment: Bureau of Labor Statistics, *Regional and State Employment and Unemployment—February 2010* (Mar. 10, 2010); Gasoline Prices: American Automobile Association, *AAA Daily Fuel Gauge Report* (Mar. 30, 2010); Electricity Prices: Energy Information Administration, *Electric Power Monthly*, Table 5.6.B., Average Retail Price of Electricity, (March 15, 2010), [http://www.eia.doe.gov/cneaf/electricity/epm/table5\\_6\\_b.html](http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html); Electricity Generation Data: Energy Information Administration, *Electricity Generation 2009*, [http://www.eia.doe.gov/cneaf/electricity/epa/generation\\_state\\_mon.xls](http://www.eia.doe.gov/cneaf/electricity/epa/generation_state_mon.xls).

<sup>1</sup> H.B. 7135 (Fla. 2008), <http://flsenate.gov/data/session/2008/House/bills/billtext/pdf/h713503er.pdf>.

<sup>2</sup> *Id.*

<sup>3</sup> Fla. Exec. Order No. 07-127 (July 13, 2007), <http://www.flclimatechange.us/ewebeditpro/items/O12F15074.pdf>.

<sup>4</sup> H.B. 697 (Fla. 2008), <http://www.myfloridahouse.gov/sections/Bills/billsdetail.aspx?BillId=38094>.

<sup>5</sup> Fla Stat. Chapter 255 (2009),

[http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&URL=Ch0255/ch0255.htm](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=Ch0255/ch0255.htm).

<sup>6</sup> H.B. 7135 (Fla 2008), [http://laws.flrules.org/files/Ch\\_2008-227.pdf](http://laws.flrules.org/files/Ch_2008-227.pdf).