

**Table 1  
Components of the FPSC’s Draft RPS Rule**

<b>General Concept</b>	Compliance through RECs. Requires IOUs to generate through self-build renewables, or to purchase sufficient RECs from other utilities or non-utility renewable generators to meet RPS requirements. Establishes REC market to facilitate short-term spot market and long-term negotiated contracts for RECs from all in-state renewable facilities (unless subject to FEECA).
<b>Renewable Portfolio Standard RPS Percentage and Timing</b>	20% by 2020 7% by 1/1/2013 12% by 1/1/2016 18% by 1/1/2019 20% by 1/1/2021
<b>Rate Cap</b>	Charges to utility customers are initially capped at an amount equal to 2 percent of the utility’s annual retail revenues. The rule provides the FPSC with the flexibility to review and modify the rate cap, if appropriate, annually in the cost recovery proceeding or in a proceeding initiated on its own motion.
<b>Frequency of Review</b>	RPS reviewed at least once every 3 years.
<b>Mandatory Standards or Aspirational Goals</b>	Mandatory, due to the presence of penalties that would be assessed to the utility’s stockholders. However, non-compliance may be excused due to lack of sufficient renewable energy credits or prohibitive cost (i.e., costs over 2 percent rate cap).
<b>Rewards and Penalties</b>	Penalty of up to 50 basis points for unexcused non-compliance to be assessed to the utility’s stockholders. No specified rewards.
<b>Solar and Wind Carve-Out</b>	Carve-out for solar and wind, such that 25 percent of RPS requirements, must be met with these resources. Also, 3/4 of 2 percent rate cap (1.5 percent) funding is allocated to solar and wind resources. The rule provides the FPSC with the flexibility to review and modify the allocation of the rate cap annually, if appropriate.
<b>Renewable Request for Proposals (RFP) Requirements</b>	IOUs are required to issue a renewable RFP every 2 years to determine if a utility’s self-build renewable project is cost-effective.
<b>Cost Recovery</b>	Establishes a dedicated cost recovery clause for all costs associated with renewables. The incremental cost of compliance with the RPS would appear separately on customer bills.
<b>Florida Renewable Energy Credit Market</b>	Provides for FPSC oversight of the establishment of the REC market. Lists the entities eligible to produce RECs and provides for the use of RECs. Cites the FPSC’s dispute resolution processes.
<b>Reporting Requirements for Municipal and Cooperative Electric Utilities</b>	The municipal and rural electric cooperative utilities would annually report to the FPSC information to track utility efforts in renewable energy and energy efficiency.