



Florida's Future Role in Energy Efficiency and Conservation

By Thornton J. Williams, Williams Wilson PA

The United States is currently the largest single consumer of energy. The U.S. Department of Energy categorizes national energy use in four broad sectors: transportation, residential, commercial, and industrial. Energy usage in transportation and residential sectors accounts for about half of U.S. energy consumption, and is largely controlled by individual domestic consumers. Commercial and industrial energy expenditures are determined by businesses entities and other facility managers.

Florida's economy and population is one of the fastest-growing in the United States. As a result, Florida's demand for energy is increasing at an exponential rate. This increased demand for energy, compounded with the instability of energy prices, can have a significant impact on the sustainability of Florida's future expansion. To avoid a serious energy crisis in coming decades, Florida must look at both short- and long-term solutions to ensure it is prepared for any energy crisis that may be on the horizon.

An "energy crisis" is defined as any great bottleneck (or price rise) in the supply of energy resources to an economy. It usually refers to the shortage of oil, and additionally to electricity or other natural resources. An energy crisis may be referred to as an oil crisis, petroleum crisis, energy shortage, electricity shortage, or electricity crisis. Oil price increases since 2003 caused by continued global increases in petroleum demand, coupled with production stagnation, the falling value of the U.S. dollar, and a myriad of other secondary causes, have led to a looming energy crisis for the nation as a whole.

For Florida, the long-term solutions to the inevitable energy crisis rest on the state's investment in renewable energy technology and infrastructure, and its ability to find new and affordable energy sources. In turn, in the short term, the state may need to identify facilities and infrastructures that can be

retrofitted and upgraded to not only be more energy efficient, but also more environmentally friendly. This approach should produce almost immediate results in terms of slowing down the state's energy consumption, and will strategically position the state to be a key recipient of "green economy" dollars anticipated to be either directly or indirectly distributed by President Obama's new administration. Dubbed the American Reinvestment and Recovery Plan, the proposal being pushed by President Obama's administration, which is estimated at \$825 billion to help lift the country out of recession, includes spending for infrastructure improvements and investments in renewable energy, among other things. This package will definitely bring additional transportation dollars to Florida.

Likewise, energy efficiency is a central component of the Obama Administration's "green economy" concept and it is expected that there will be more stringent federal standards and guidelines imposed on residences, commercial and industrial buildings, appliances and vehicle emissions.

Additionally, the Administration will give preferential federal funds to states that display initiative in this arena by retrofitting existing buildings and implementing new building codes that prioritize energy efficiency. Tapping into the coffers of the federal government will allow the state to make firm commitments to long-term technology and infrastructure projects that will help stabilize its impending energy problems.

Florida has already implemented energy efficiency legislation. In 1994, the Florida legislature took the first step by enacting what is currently known as The Guaranteed Energy, Water, and Wastewater Performance Savings Contracting Act, hereinafter "Act," which permits state agencies and municipalities to enter into guaranteed energy performance savings contracts with persons or businesses that are licensed and experienced in the analysis, design, implementation,

or installation of energy conservation measures.

These contracts are for the evaluation, recommendation, and implementation of training programs, facility alteration, or equipment purchase to be used in new construction, including an addition to an existing facility, which reduces energy or operating costs. These contracts can also encompass the design and installation of equipment to implement such measures, and the operation and maintenance of such measures.

The rationale behind the legislation was that investment in energy conservation measures in agency facilities can reduce the amount of energy consumed and produce immediate and long-term savings. Today, the legislation will be fundamental to the state's potential bid for crucial federal "green" dollars.

Currently, the Act is limited in application to only "new construction" which is defined to include "an addition to existing facilities or infrastructure." Unfortunately, this narrow application of guaranteed energy, water and wastewater performance savings contracts bars their use for the upgrading of existing infrastructure and facilities, which could result in real cost savings to the state. In order for Florida to fully take advantage of potential cost and energy savings, it is likely that this provision of section 489.145, Florida Statutes, will need to be revised and brought more in line with the state's energy efficiency and conservation objectives.

Undoubtedly, over the next couple of years with the national focus being strengthened in the areas of energy-efficiency, increased infrastructure and environmental conservation, Florida should continue to look at both short- and long-term goals to improving its energy efficiency and conservation. ■



About the Author:
Thornton J. Williams is a managing partner at Williams Wilson PA. He may be reached at: 850-224-3999 or by e-mail: twilliams@twalaw.com.