

By: Goldman

H.B. No. 3916

A BILL TO BE ENTITLED

1 AN ACT
2 relating to prohibiting restrictive regulation of distributed
3 power generation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter Z, Chapter 181, Utilities Code, is
6 amended by adding Section 181.903 to read as follows:

7 Sec. 181.903. RESTRICTION ON REGULATION OF DISTRIBUTED
8 GENERATION. (a) In this section:

9 (1) "Regulatory authority" has the meanings assigned
10 by Sections 11.003 and 101.003.

11 (2) "Utility" has the meaning assigned by Section
12 181.901.

13 (b) No Regulatory authority, planning authority, electric
14 cooperative, municipally-owned utility, Utility, or political
15 subdivision of this state may adopt or enforce an ordinance,
16 resolution, regulation, code, order, policy, or other measure that
17 has the purpose, intent, or effect of directly or indirectly
18 banning, limiting, restricting, discriminating against, or
19 prohibiting the synchronous connection or reconnection of
20 distributed generation or the construction, maintenance, or
21 installation of residential, commercial, or other public or private
22 infrastructure to accommodate receipt of power from distributed
23 generation. If located in the ERCOT power region, such Regulatory
24 authority, planning authority, electric cooperative,

1 municipally-owned utility, Utility, or political subdivision will
2 facilitate the sale of power from distributed generation into the
3 ERCOT wholesale market at the option of the end-use customer. Such
4 Regulatory authority, planning authority, electric cooperative,
5 municipally-owned utility, Utility, or political subdivision may,
6 at the option of the end-use customer, either act as the Qualified
7 Scheduling Entity to facilitate the wholesale sale of power from
8 distributed generation or allow a third-party entity to provide
9 such Qualified Scheduling Entity services.

10 (c) An entity, including a Regulatory authority, planning
11 authority, electric cooperative, municipally-owned utility,
12 Utility, or political subdivision, may not impose any additional
13 charge or pricing difference on a development, building permit
14 applicant, ERCOT wholesale market access, or interconnection
15 agreement for utility infrastructure that discourages or prohibits
16 the connection or reconnection of distributed generation.

17 (d) This section does not limit the ability of a Regulatory
18 authority or political subdivision to choose utility services for
19 properties owned by the Regulatory authority or political
20 subdivision.

21 SECTION 2. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2021.