

By: Zwiener

H.B. No. 3010

A BILL TO BE ENTITLED

AN ACT

relating to the use of and permitting for certain energy devices at a retail customer's premises.

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

SECTION 1. Chapter 250, Local Government Code, is amended by adding Section 250.014 to read as follows:

Sec. 250.014. ONLINE AND AUTOMATED RESIDENTIAL SOLAR AND STORAGE PERMITTING. (a) In this section:

(1) "Residential energy storage system" means commercially available technology, located behind a customer's residential utility meter, that is capable of:

(A) absorbing electricity:

(i) generated on-site; or

(ii) from the electrical grid;

(B) storing electricity for a period of time; and

(C) discharging electricity to meet the power needs of the customer or for export to the electrical grid.

(2) "Residential solar energy system" means a configuration of solar energy devices that collects and distributes solar energy for the purpose of generating electricity and that has a single residential interconnection with the electrical grid.

(3) "SolarAPP+" means the web-based portal, as it existed on January 1, 2023, developed by the National Renewable Energy Laboratory, that automates plan review, produces

1 code-compliant approvals, and issues permits for residential solar  
2 energy systems and residential energy storage systems paired with  
3 residential solar energy systems.

4 (b) This section applies only to:

5 (1) a municipality that has a population of 5,000 or  
6 more; and

7 (2) a county that has a population of 150,000 or more.

8 (c) Notwithstanding any other law, a municipality or county  
9 shall implement an online and automated permitting system for  
10 residential solar energy systems that have a nameplate rating of  
11 not more than 40 kilowatts of alternating current and residential  
12 energy storage systems paired with residential solar energy systems  
13 that have a nameplate rating of not more than 40 kilowatts of  
14 alternating current. The online and automated permitting system  
15 must:

16 (1) verify that the proposed systems comply with  
17 relevant building and fire codes; and

18 (2) issue a permit necessary for a contractor to  
19 install or repair a solar energy system or residential storage  
20 system in real time or allow the municipality or county to issue the  
21 permit in real time.

22 (d) An online and automated permitting system implemented  
23 under this section must have at least the same capabilities as  
24 SolarAPP+. A municipality or county is not required to issue a  
25 permit under Subsection (c) if the online and automated permitting  
26 system implemented by the municipality or county does not meet the  
27 capabilities of SolarAPP+ at the time the permit application is

1 submitted to the municipality or county.

2 (e) A municipality or county shall report to the Public  
3 Utility Commission of Texas when the municipality or county has  
4 implemented an online and automated permitting system under  
5 Subsection (c).

6 (f) A municipality or county to which this section applies  
7 must confirm compliance with this section when applying for a grant  
8 or loan from the State Energy Conservation Office as a condition of  
9 receiving the grant or loan.

10 SECTION 2. Subchapter 2, Chapter 39, Utilities Code, is  
11 amended by adding Section 39.9166 to read as follows:

12 Sec. 39.9166. INTERCONNECTION OF ON-SITE SMALL DISTRIBUTED  
13 GENERATION BY MUNICIPALLY OWNED UTILITIES AND ELECTRIC  
14 COOPERATIVES. (a) In this section:

15 (1) "Interconnection" means the right of a distributed  
16 generation owner to physically connect distributed generation to an  
17 electricity distribution system, and the technical requirements,  
18 rules, or processes for the connection.

19 (2) "On-site small distributed generation" means  
20 distributed generation, as defined by Section 39.9165, located at a  
21 customer's point of delivery with a capacity of not more than 100  
22 kilowatts.

23 (b) Except as provided by Subsections (c) and (e), a  
24 municipally owned utility or electric cooperative that provides  
25 interconnections for on-site small distributed generation must  
26 provide an interconnection not later than the 42nd day after the  
27 date the utility or cooperative receives a complete application for

1 the interconnection.

2 (c) If the interconnection of on-site small distributed  
3 generation will require substantial capital upgrades to the system  
4 of a municipally owned utility or electric cooperative, the utility  
5 or cooperative shall:

6 (1) provide to the interconnection applicant an  
7 estimate of the applicant's costs for the upgrades and a proposed  
8 schedule for the upgrades; and

9 (2) offer to provide the upgrades under a contract  
10 with the interconnection applicant.

11 (d) Except as provided by Subsection (e), a municipally  
12 owned utility or electric cooperative that enters into an upgrade  
13 agreement under Subsection (c) shall provide the interconnection  
14 not later than the 14th day after the date the upgrades are  
15 complete, unless the interconnection applicant agrees to an  
16 extension. The utility or cooperative shall employ best reasonable  
17 efforts to complete the upgrades in the shortest time reasonably  
18 practical.

19 (e) If a municipally owned utility or electric cooperative  
20 determines that the utility or cooperative cannot interconnect  
21 on-site small distributed generation according to the requirements  
22 of this section, the utility or cooperative shall notify the  
23 interconnection applicant in writing of the delay and the reason  
24 for the delay and provide an estimated date for the  
25 interconnection.

26 (f) A municipally owned utility or electric cooperative  
27 shall process all on-site small distributed generation

1 interconnection applications in a non-discriminatory manner, in  
2 the order in which they are received. An application that requires  
3 minor modifications to be complete may not be rejected solely for  
4 that reason.

5 (g) A municipally owned utility or electric cooperative may  
6 not charge an owner or operator of on-site small distributed  
7 generation that exports energy to the utility's or cooperative's  
8 system:

9 (1) a charge for the operation and maintenance of the  
10 utility's or cooperative's facilities;

11 (2) a distribution line charge; or

12 (3) a transmission access or line charge, a  
13 transformation charge, or a transmission line loss charge.

14 (h) The governing body of a municipally owned utility or  
15 electric cooperative shall provide oversight and adopt rules and  
16 procedures, as necessary, to ensure that the utility or cooperative  
17 complies with this section.

18 SECTION 3. (a) Except as provided by Subsection (b) of this  
19 section, a municipality or county shall implement the online and  
20 automated permitting system as required by Section 250.014, Local  
21 Government Code, as added by this Act, not later than September 30,  
22 2024.

23 (b) A municipality that has a population of at least 5,000  
24 and not more than 50,000 shall implement the online and automated  
25 permitting system as required by Section 250.014, Local Government  
26 Code, as added by this Act, not later than September 30, 2025.

27 SECTION 4. This Act takes effect September 1, 2023.