

AN ACT

relating to the compensation of a distributed renewable generation owner in certain areas outside of ERCOT.

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

SECTION 1. Section 39.554, Utilities Code, is amended by amending Subsection (f) and adding Subsection (i) to read as follows:

(f) Unless the commission approves an alternative method for compensating a distributed renewable generation owner for electricity generated by distributed renewable generation or a qualifying facility, for ~~For~~ a distributed renewable generation owner that chooses interconnection through a single meter under Subsection (e):

(1) the amount of electricity the owner generates through distributed renewable generation or a qualifying facility for a given billing period offsets the owner's consumption for that billing period; and

(2) any electricity the owner generates through distributed renewable generation or a qualifying facility that exceeds the owner's consumption for a given billing period shall be credited to the owner under Subsection (g).

(i) Before approving an alternative method for compensating a distributed renewable generation owner for electricity generated by distributed renewable generation or a qualifying facility, the

1 commission shall require the electric utility to conduct and submit  
2 to the commission a comprehensive cost-benefit analysis using  
3 established best practices to justify the rates of compensation and  
4 any associated fees. The commission must consider the  
5 comprehensive cost-benefit analysis before approving alternative  
6 rates for compensating distributed renewable generation owners or  
7 the continuation of net metering, including any rates or fees that  
8 apply only to distributed renewable generation owners and reflect  
9 the value provided by the distributed renewable generation or  
10 qualifying facility.

11       SECTION 2. This Act takes effect September 1, 2026.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 912 was passed by the House on April 9, 2025, by the following vote: Yeas 148, Nays 0, 1 present, not voting.

\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 912 was passed by the Senate on May 7, 2025, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

\_\_\_\_\_  
Governor