

By: Hunter

H.B. No. 3265

A BILL TO BE ENTITLED

AN ACT

1
2 relating to compensation for certain federal production tax credits
3 lost by certain existing renewable generation projects due to lack
4 of electric transmission capabilities.

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

6 SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is
7 amended by adding Section 39.9045 to read as follows:

8 Sec. 39.9045. COMPENSATION FOR PRODUCTION TAX CREDITS LOST
9 DUE TO LACK OF ELECTRIC TRANSMISSION CAPABILITIES. (a) Each
10 independent organization certified under Section 39.151 shall
11 adopt procedures to compensate a renewable energy project for
12 federal production tax credits that the renewable energy project
13 did not receive due to the lack of transmission capabilities that
14 prevented the energy generated by the project from reaching
15 consumers in this state.

16 (b) The procedures adopted under Subsection (a) must
17 provide for:

18 (1) not more than \$10 million in compensation to be
19 paid annually to renewable energy projects in each power region;
20 and

21 (2) compensation to be paid only to renewable energy
22 projects that were constructed to meet the goal for renewable
23 energy prescribed by Section 39.904 and that began operating on or
24 before January 1, 2002.

1 (c) The procedures adopted under Subsection (a) expire when
2 the independent organization implements locational marginal
3 pricing.

4 SECTION 2. (a) This Act takes effect immediately if it
5 receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this Act takes effect September 1, 2003.

9 (b) An independent organization certified under Section
10 39.151, Utilities Code, shall adopt procedures as required by
11 Section 39.9045, Utilities Code, as added by this Act, not later
12 than October 31, 2003.