

By: Gallego

H.B. No. 3271

A BILL TO BE ENTITLED

AN ACT

1
2 relating to development and promotion of renewable energy
3 generation from renewable and distributed electric generation
4 technologies.

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 Sections 39.9041-39.9043 to read as follows:

8 Sec. 39.9041. GOAL FOR DISTRIBUTED GENERATION BY RENEWABLE
9 ENERGY TECHNOLOGIES. (a) In this section:

10 (1) "Distributed renewable generation" means electric
11 generating capacity provided by a renewable energy technology
12 installed on the electric grid on a retail electric customer's side
13 of the meter.

14 (2) "Renewable energy technology" has the meaning
15 assigned by 39.904(d).

16 (b) It is the intent of the legislature that by January 1,
17 2009, an additional 50 megawatts of distributed renewable
18 generation will have been installed in this state. Of the installed
19 distributed renewable generation, one-half or more must be
20 photovoltaic generation. Electric generating capacity using
21 geothermal heat pump technology may not be counted toward the goals
22 established by this subsection. The cumulative total of
23 distributed renewable generation in this state installed after
24 September 1, 2003, shall be:

- (1) 10 megawatts by January 1, 2005;
- (2) 20 megawatts by January 1, 2006;
- (3) 30 megawatts by January 1, 2007; and
- (4) 40 megawatts by January 1, 2008.

(c) The commission by rule shall require a retail electric provider to purchase under the renewable energy credits trading program established under Section 39.904(b) sufficient renewable energy credits from distributed renewable generation to meet the goals provided by this section.

(d) The commission shall order ERCOT to amend its protocols to provide for retail electric providers, beginning in 2004, to recover as a cost adjustment the cost difference between the average cost of energy, including fuel cost, and the cost incurred by purchasing energy from distributed renewable generation.

Sec. 39.9042. INTERCONNECTION FOR DISTRIBUTED RENEWABLE GENERATION. (a) In this section "distributed renewable generation" has the meaning assigned by Section 39.9041.

(b) A provider of metering services or billing services shall offer to a customer who installs distributed renewable generation net billing by means of a single bidirectional meter.

(c) Standby fees associated with distributed renewable generation must be based on cost.

(d) The commission may not require monetary compensation for excess net generation by distributed renewable generation.

(e) The commission shall adopt standards for equipment to connect distributed electric generation to the electric grid. In adopting the standards, the commission shall consider standards

1 published by Underwriters Laboratories, the National Electric
2 Code, the National Electric Safety Code, and the Institute of
3 Electrical and Electronics Engineers.

4 Sec. 39.9043. INFORMATION REGARDING DISTRIBUTED RENEWABLE
5 GENERATION ALTERNATIVES. (a) In this section "distributed
6 renewable generation" has the meaning assigned by Section 39.9041.

7 (b) If an electric utility, retail electric provider,
8 transmission and distribution utility, municipally owned utility,
9 river authority, or electric cooperative must provide a line
10 extension to or on a customer's property or premises and the
11 electric utility, retail electric provider, transmission and
12 distribution utility, municipally owned utility, river authority,
13 or electric cooperative requires the customer to pay a contribution
14 in aid of construction for that purpose, to make a prepayment, or to
15 sign a contract with a term of one year or more, the electric
16 utility, retail electric provider, transmission and distribution
17 utility, municipally owned utility, river authority, or electric
18 cooperative shall provide the customer with information regarding
19 distributed renewable generation alternatives.

20 (c) Information provided under Subsection (b) must conform
21 to rules of the commission and must be delivered to the customer at
22 the same time that the estimate of the contribution in aid of
23 construction or amount of prepayment is delivered. In the case of a
24 contract with a term of one year or more, the information must be
25 delivered before the contract is executed.

26 SECTION 2. Subchapter C, Chapter 5, Insurance Code, is
27 amended by adding Article 5.35-2 to read as follows:

1 Art. 5.35-2. COVERAGE RELATING TO DISTRIBUTED RENEWABLE
2 GENERATION. (a) In this article, "distributed renewable
3 generation" has the meaning assigned by Section 39.9041, Utilities
4 Code.

5 (b) An insurer offering a homeowners or farm and ranch
6 owners insurance policy in this state, including a Lloyd's plan or a
7 reciprocal or interinsurance exchange, shall offer an endorsement
8 to the policy to provide coverage to residential property owners
9 for liability for damages arising out of distributed renewable
10 generation on or proximate to the residential property. The
11 endorsement must be approved or adopted in accordance with Article
12 5.35 of this code. In approving or adopting the required
13 endorsements, the commissioner shall ensure that the endorsement to
14 be offered provides appropriate coverage, is affordable, and is
15 offered in a nondiscriminatory manner.

16 SECTION 3. This Act takes effect September 1, 2003.