

Amend CSSB 408 by adding the following appropriately numbered SECTION:

SECTION __. Subchapter E, Chapter 36, Utilities Code, is amended by adding Section 36.209 to read as follows:

Sec. 36.209. RESEARCH AND DEVELOPMENT COST RECOVERY. (a) The commission by rule shall adopt a mechanism for an electric utility to recover research and development costs incurred regarding technologies and business practices related to:

(1) producing, transmitting, distributing, storing, metering, and using electricity;

(2) mitigating risks in competitive energy markets;

(3) minimizing environmental impacts of production and delivery of electricity; and

(4) developing uniform commercial standards for the energy industry.

(b) The rules must be designed to encourage electric utilities to take advantage of research and development resources in this state, including state institutions, to:

(1) contribute to economic development and the production of employment opportunities; and

(2) provide this state and state residents with:

(A) the benefits of advanced technologies, systems, and processes;

(B) increased efficiency and reliability in electricity production, delivery, and use;

(C) reduced costs for providing electricity; and

(D) reduced environmental impacts from electricity production and delivery.