

BILL ANALYSIS

Senate Research Center

S.B. 712
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Business & Commerce
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Enrolled

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

S.B. 712 encourages and facilitates the adoption of emerging energy and information-related technologies that either reduce overall energy consumption or reduce consumption at peak times by proposing modified efficiency goals. The bill permanently retires old, inefficient household appliances from the market by safely recycling them. Finally, S.B. 712 requires the Public Utility Commission of Texas to establish market transformation programs for schools and homeowners.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Public Utility Commission of Texas is modified in SECTION 1 (Section 39.905, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.905, Utilities Code, as follows:

Sec. 39.905. GOAL FOR ENERGY EFFICIENCY. (a) Sets forth modified goals of the legislature relating to energy efficiency.

(b) Requires the Public Utility Commission of Texas (commission) to provide oversight and adopt rules and procedures, as necessary, to ensure that the utilities can achieve the goal of this section. Deletes existing text requiring the goal to be met by January 1, 2004.

(c) Requires a standard offer program under Subsection (a)(3) to be neutral with respect to technologies, equipment, and fuels, including thermal, chemical, mechanical, and electrical energy storage technologies.

(d) Requires the commission to adopt certain market transformation program options that the utilities are authorized to choose in order to satisfy the goal in Subsection (a)(3).

(e) Authorizes an electric utility to use money approved by the commission for energy efficiency programs to perform necessary research and development to foster continuous improvement and innovation in the application of technology and program design and implementation. Prohibits money the utility uses under this subsection from exceeding 10 percent of the amount the commission approved for energy efficiency programs in the utility's most recent full rate proceeding.

(f) Requires each unbundled transmission and distribution utility, unless funding is provided under Section 39.903 (System Benefit Fund), beginning January 1, 2006, to include a targeted low-income energy program as described by Section 39.903(f)(2) in its energy efficiency plan, and the savings achieved by the program to count toward the transmission and distribution utility's energy efficiency goal. Requires the commission to determine the appropriate level of funding to be allocated to both targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. Provides that the total expenditures for both targeted and standard

offer low-income energy efficiency programs will be based on the amount spent by the transmission and distribution utility on the commission's hard-to-reach program in calendar year 2003. Requires this level of funding for low-income energy efficiency programs to be provided from money approved by the commission for the transmission and distribution utility's energy efficiency programs. Requires the state agency that administers the federal weatherization assistance program to provide reports as required by the commission to provide the most current information available on energy and peak demand savings achieved in each transmission and distribution utility service area.

SECTION 2. Effective date: September 1, 2005.