

By: Farabee

H.B. No. 1565

A BILL TO BE ENTITLED

AN ACT

relating to establishing a state goal for electric generation capacity using certain emerging generation technologies.

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

SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.9042 to read as follows:

Sec. 39.9042. GOAL FOR RENEWABLE ENERGY. (a) In this section, "emerging generation technology" has the meaning Section 39.904(d) assigns to "renewable energy technology" except that the term:

(1) includes clean distributed generation from sources such as fuel cells or waste heat; and

(2) does not include renewable energy technology that relies on energy derived from:

(A) wind; or

(B) landfill gas.

(b) It is the intent of the legislature that by January 1, 2015, an additional 500 megawatts of generating capacity from emerging generation technology will have been installed in this state.

(c) The commission by rule shall establish an emerging generation technology credits trading program. Any retail electric provider, municipally owned utility, or electric cooperative that does not satisfy the requirements of Subsection (b) by directly

1 owning or purchasing capacity using emerging generation technology
2 shall purchase sufficient emerging generation technology credits
3 to satisfy the requirements by holding emerging generation
4 technology credits in lieu of capacity from emerging generation
5 technology.

6 (d) Not later than January 1, 2007, the commission shall
7 adopt rules necessary to administer and enforce this section. At a
8 minimum, the rules shall:

9 (1) establish the minimum annual emerging generation
10 technology generation requirement for each retail electric
11 provider, municipally owned utility, and electric cooperative
12 operating in this state in a manner reasonably calculated by the
13 commission to produce, on a statewide basis, compliance with the
14 requirement prescribed by Subsection (b); and

15 (2) specify reasonable performance standards that all
16 emerging generation technology capacity additions must meet to
17 count against the requirement prescribed by Subsection (b) and
18 that:

19 (A) are designed and operated so as to maximize
20 the energy output from the capacity additions in accordance with
21 then current industry standards; and

22 (B) encourage the development, construction, and
23 operation of new emerging generation technology generation
24 projects at those sites in this state that have the greatest
25 economic potential for capture and development of this state's
26 environmentally beneficial energy resources.

27 SECTION 2. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2005.