

By: Baxter

H.B. No. 2265

A BILL TO BE ENTITLED

AN ACT

1
2 relating to meeting the state's goal for electric generation
3 capacity by renewable energy technologies and the rate treatment of
4 utility expenditures for interconnecting generating capacity by
5 certain renewable technologies.

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

7 SECTION 1. Section 36.053, Utilities Code, is amended by
8 adding Subsection (d) to read as follows:

9 (d) If, in a proceeding in which transmission or
10 transmission related facilities are certificated under Chapter 37,
11 the commission found that the facilities are needed to accommodate
12 future development or future interconnection of renewable energy
13 generation technology capacity, the commission shall find that the
14 facilities are used by and useful to the utility in providing
15 service, regardless of the extent of the actual use of the
16 facilities.

17 SECTION 2. Section 39.904, Utilities Code, is amended by
18 adding Subsections (c-1) and (c-2) to read as follows:

19 (c-1) The commission by rule shall establish competitive
20 renewable energy generation zones in appropriate areas of this
21 state. The commission may designate as a competitive renewable
22 energy generation zone any defined geographic area in which
23 renewable energy resources and suitable land areas are sufficient
24 to develop at least 1,000 megawatts of nameplate generating

1 capacity from renewable energy generation technology.

2 (c-2) For the purposes of Section 39.101(b)(3) and to
3 promote the development of renewable energy generation technology,
4 the commission shall take necessary actions, including:

5 (1) ordering the construction of transmission
6 facilities to alleviate local or regional transmission capacity
7 constraints or congestion measured by the nameplate capacity of
8 renewable energy generation technology that is operational or under
9 construction on December 31, 2005;

10 (2) directing the appropriate independent
11 organization or electric reliability council and transmission and
12 distribution service providers to study, plan for, and route
13 additional transmission facilities to anticipate and to facilitate
14 the further development of renewable energy generation technology
15 capacity in those partially developed competitive renewable energy
16 generation zones in which existing transmission capacity is already
17 constrained, congested, or at capacity;

18 (3) designating competitive renewable energy
19 generation zones and, in conjunction with each appropriate
20 independent organization, electric reliability council, or
21 regional transmission organization, develop a plan to construct
22 transmission capacity to interconnect and deliver full output to
23 customers of energy generated by existing and anticipated renewable
24 energy generation technology in the zones in a manner that is most
25 beneficial and cost-effective for electric consumers; and

26 (4) establishing a process by which, if the commission
27 finds that the evidence shows the transmission facilities will be

1 needed by the time anticipated renewable energy generation
2 technology facilities can become operational, the commission may
3 grant a certificate of convenience and necessity for transmission
4 facilities to provide retail customer access to energy from
5 competitive renewable energy generation zones, without requiring
6 that an interconnection agreement be executed by a renewable energy
7 generator.

8 SECTION 3. The Public Utility Commission of Texas shall
9 designate the initial competitive renewable energy generation
10 zones under Section 39.904, Utilities Code, as amended by this Act,
11 not later than January 1, 2006. Notwithstanding the general
12 requirements of Section 39.904(c-1), Utilities Code, as added by
13 this Act, the initial competitive renewable energy generation zones
14 must define a contiguous area encompassing four counties in which
15 renewable energy generation technology capacity of at least 200
16 megawatts of nameplate capacity is available on December 31, 2005.

17 SECTION 4. The Public Utility Commission of Texas shall
18 adopt rules to implement this Act as soon as practicable.

19 SECTION 5. This Act takes effect September 1, 2005.