

By: Carona

S.B. No. 712

A BILL TO BE ENTITLED

AN ACT

relating to the legislature's goal for energy efficiency in this state and related energy efficiency programs.

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

SECTION 1. Section 39.905, Utilities Code, is amended to read as follows:

Sec. 39.905. GOAL FOR ENERGY EFFICIENCY. (a) It is the goal of the legislature that:

(1) electric utilities will administer energy savings incentive programs in a market-neutral, nondiscriminatory manner but will not offer underlying competitive services;

(2) all customers, in all customer classes, have a choice of and access to energy efficiency alternatives and other choices from the market that allow each customer to reduce energy consumption, peak demand, or ~~[and reduce]~~ energy costs; ~~[and]~~

(3) each electric utility will provide, through market-based standard offer programs or limited, targeted, market-transformation programs, incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency equivalent to at least 10 percent of the electric utility's annual growth in demand;

(4) each electric utility may use up to 10 percent of the money approved for energy efficiency programs in the utility's

1 most recent full rate proceeding before the commission, for the  
2 purpose of performing the necessary research and development to  
3 foster continuous improvement and innovation in the application of  
4 technologies and program design and implementation; and

5 (5) in addition to cost recovery for expenditures  
6 related to the goals in this section, the commission shall allow  
7 each utility, in its next full rate case before the commission, to  
8 recover the costs for acquiring additional cost-effective energy  
9 efficiency equivalent to an amount of up to 20 percent of the  
10 utility's growth in demand and, in addition, shall allow as a  
11 motivation to maximize cost-effective energy efficiency an  
12 incentive to the utility equal to five percent of the additional  
13 program payments.

14 (b) The commission shall provide oversight and adopt rules  
15 and procedures, as necessary, to ensure that the utilities can  
16 achieve the goal of this section [~~is achieved by January 1, 2004~~].

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

21 (d) The commission shall adopt the following  
22 market-transformation program options that the utilities may  
23 choose to implement in order to satisfy the goal in Subsection  
24 (a)(3):

- 25 (1) energy-smart schools;  
26 (2) appliance retirement and recycling;  
27 (3) air conditioning system tune-ups; and

1                   (4) the use of trees or other landscaping for energy  
2 efficiency.

3                   SECTION 2. This Act takes effect September 1, 2005.