

By: Carona

S.B. No. 712

Substitute the following for S.B. No. 712:

By: Farabee

C.S.S.B. No. 712

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the legislature's goal for energy efficiency and  
3 related energy efficiency programs.

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

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

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

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

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

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

23 (b) The commission shall provide oversight and adopt rules  
24 and procedures, as necessary, to ensure that the utilities can

1 achieve the goal of this section [~~is achieved by January 1, 2004~~].

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

6 (d) The commission shall adopt the following  
7 market-transformation program options that the utilities may  
8 choose to implement in order to satisfy the goal in Subsection  
9 (a)(3):

- 10 (1) energy-smart schools;  
11 (2) appliance retirement and recycling;  
12 (3) air conditioning system tune-ups; and  
13 (4) the use of trees or other landscaping for energy  
14 efficiency.

15 (e) An electric utility may use money approved by the  
16 commission for energy efficiency programs to perform necessary  
17 research and development to foster continuous improvement and  
18 innovation in the application of technology and program design and  
19 implementation. Money the utility uses under this subsection may  
20 not exceed 10 percent of the amount the commission approved for  
21 energy efficiency programs in the utility's most recent full rate  
22 proceeding.

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