

1-1 By: Carona S.B. No. 712
1-2 (In the Senate - Filed February 24, 2005; March 2, 2005,
1-3 read first time and referred to Committee on Business and Commerce;
1-4 April 22, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 22, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 712 By: Carona

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the legislature's goal for energy efficiency in this
1-11 state and related energy efficiency programs.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 39.905, Utilities Code, is amended to
1-14 read as follows:

1-15 Sec. 39.905. GOAL FOR ENERGY EFFICIENCY. (a) It is the
1-16 goal of the legislature that:

1-17 (1) electric utilities will administer energy savings
1-18 incentive programs in a market-neutral, nondiscriminatory manner
1-19 but will not offer underlying competitive services;

1-20 (2) all customers, in all customer classes, have a
1-21 choice of and access to energy efficiency alternatives and other
1-22 choices from the market that allow each customer to reduce energy
1-23 consumption, peak demand, or [and reduce] energy costs; [and]

1-24 (3) each electric utility will provide, through
1-25 market-based standard offer programs or limited, targeted,
1-26 market-transformation programs, incentives sufficient for retail
1-27 electric providers and competitive energy service providers to
1-28 acquire additional cost-effective energy efficiency equivalent to
1-29 at least 10 percent of the electric utility's annual growth in
1-30 demand;

1-31 (4) each electric utility may use up to 10 percent of
1-32 the money approved for energy efficiency programs in the utility's
1-33 most recent full rate proceeding before the commission, for the
1-34 purpose of performing the necessary research and development to
1-35 foster continuous improvement and innovation in the application of
1-36 technologies and program design and implementation; and

1-37 (5) in addition to cost recovery for expenditures
1-38 related to the goals in this section, the commission shall allow
1-39 each utility, in its next full rate case before the commission, to
1-40 recover the costs for acquiring additional cost-effective energy
1-41 efficiency equivalent to an amount of up to 20 percent of the
1-42 utility's growth in demand and, in addition, shall allow as a
1-43 motivation to maximize cost-effective energy efficiency an
1-44 incentive to the utility equal to five percent of the additional
1-45 program payments.

1-46 (b) The commission shall provide oversight and adopt rules
1-47 and procedures, as necessary, to ensure that the utilities can
1-48 achieve the goal of this section [is achieved by January 1, 2004].

1-49 (c) A standard offer program under Subsection (a)(3) must be
1-50 neutral with respect to technologies, equipment, and fuels,
1-51 including thermal, chemical, mechanical, and electrical energy
1-52 storage technologies.

1-53 (d) The commission shall adopt the following
1-54 market-transformation program options that the utilities may
1-55 choose to implement in order to satisfy the goal in Subsection
1-56 (a)(3):

1-57 (1) energy-smart schools;
1-58 (2) appliance retirement and recycling;
1-59 (3) air conditioning system tune-ups; and
1-60 (4) the use of trees or other landscaping for energy
1-61 efficiency.

1-62 SECTION 2. This Act takes effect September 1, 2005.

