

BILL ANALYSIS

C.S.H.B. 1415
By: Leibowitz
Government Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Energy prices are up and the instability in oil supplies continues to strain energy production. Changing the energy habits of American citizens and businesses is necessary for our sustained environmental and economic health. If Texas wants to meet its future energy needs, then Texas must strengthen its commitment to energy produced from renewable resources, like solar energy.

This bill encourages solar panel installation by public schools by providing credit for surplus electricity through net metering.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 2 of this bill.

ANALYSIS

The bill amends the Utilities Code, providing that surplus electricity produced by a school building's solar panels is made available for sale and that the net value of that surplus electricity is credited to the district.

As such, the bill requires the Public Utility Commission of Texas (commission) in non-competitive electric markets, to require by rules that credits for electricity produced by a school's solar panels reflect the value of the electricity that is made available for sale to the electric utility in accordance with federal regulations. Likewise in competitive electric markets, the bill requires that a school building's surplus must be sold to an electric service provider and provides guidelines under which the school district may negotiate the appropriate price for the excess generation with the provider that serves the district's load.

The bill also establishes that the utility shall provide the metering devices necessary for net metering and that the customer shall be required to pay for the price differential for said net metering unless provided at no additional cost by the transmission and distribution utility.

Lastly, the bill establishes applicability between provisions of the bill and existing code, as well as makes conforming changes.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute requires that determining the value of surplus energy, provided by a school's solar panels in non-competitive markets, be in accordance with federal regulations.

The substitute clarifies, for both non-competitive electric markets and competitive markets, how school districts can receive credits or negotiate value for surplus electricity produced by a school building's solar panels. The substitute also establishes that the utility shall provide the metering devices necessary for net metering and that the customer shall be required to pay for the price differential for said net metering unless provided at no additional cost by the transmission and distribution utility.

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