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H.B. No. 2713

A BILL TO BE ENTITLED

1 AN ACT

2 relating to studies, plans, and projects concerning electric  
3 generation capacity or electric energy storage, transmission, or  
4 distribution.

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

6 ARTICLE 1. INTERIM SPECIAL COMMITTEE ON ELECTRIC ENERGY GENERATION  
7 CAPACITY AND ENVIRONMENTAL IMPACT

8 SECTION 1.01. COMPOSITION OF COMMITTEE. (a) The Interim  
9 Special Committee on Electric Energy Generation Capacity and  
10 Environmental Impact is composed of:

11 (1) the chair of the House Environmental Regulation  
12 Committee;

13 (2) the chair of the House Energy Resources Committee;

14 (3) the chair of the House Committee on Regulated  
15 Industries;

16 (4) the chair of the Senate Natural Resources  
17 Committee;

18 (5) the chair of the Senate Business and Commerce  
19 Committee;

20 (6) four members of the house of representatives,  
21 appointed by the speaker of the house of representatives;

22 (7) five members of the senate, appointed by the  
23 lieutenant governor;

24 (8) one member representing the electric generation

1 industry, appointed by the governor;

2 (9) one member representing the academic community in  
3 the area of energy and environmental studies, appointed by the  
4 governor; and

5 (10) one member representing a public interest  
6 organization, appointed by the governor.

7 (b) The speaker of the house of representatives and the  
8 lieutenant governor shall each designate a co-chair from among the  
9 committee members.

10 (c) Not later than the 60th day after the effective date of  
11 this Act, the speaker of the house of representatives and the  
12 lieutenant governor shall appoint the members of the interim  
13 committee.

14 SECTION 1.02. STUDY; PLAN. (a) The committee shall:

15 (1) study the state's demand for electric generation  
16 capacity for the next 50 years and the infrastructure and  
17 technology available for meeting that demand;

18 (2) study the environmental effects of existing  
19 electric generating facilities, including the effects on global  
20 warming or climate change; and

21 (3) prepare a long-term electric energy and  
22 environmental impact plan for the 80th Legislature that includes:

23 (A) an estimate of the demand for electric  
24 generation capacity by this state for each of the next 50 years;

25 (B) an inventory of all existing electric  
26 generating facilities operating in this state;

27 (C) an assessment of the types of, and amount of

1 electric generation capacity from, electric generation technology  
2 available to be used to meet the demand for generation capacity,  
3 including:

- 4 (i) coal;
- 5 (ii) renewable energy;
- 6 (iii) liquefied natural gas;
- 7 (iv) nuclear energy;
- 8 (v) integrated gasification combined cycle  
9 technology; and
- 10 (vi) hydrogen gas;

11 (D) an assessment of the environmental effects of  
12 existing and potential electric generating facilities and energy  
13 generation technology, including the effects on:

- 14 (i) the emission of pollutants regulated by  
15 the federal Clean Air Act (42 U.S.C. Section 7412);
- 16 (ii) the emission of carbon dioxide and  
17 other greenhouse gasses;
- 18 (iii) the cumulative effect on air quality  
19 in nonattainment areas;
- 20 (iv) whether an increase in emissions would  
21 cause an area to become a nonattainment area; and
- 22 (v) global warming or climate change;

23 (E) an assessment of the reliability of existing  
24 electric generating facilities to meet the demand for electric  
25 generation capacity;

26 (F) an estimate of the costs associated with  
27 meeting the demand for electric generation capacity; and

1 (G) recommendations for reducing demand through  
2 the use of energy efficiency programs.

3 (b) In preparing the plan required by Subsection (a), the  
4 committee may consult with:

- 5 (1) the Texas Commission on Environmental Quality;
- 6 (2) the Public Utility Commission of Texas;
- 7 (3) the Railroad Commission of Texas; and
- 8 (4) the Electric Reliability Council of Texas.

9 (c) Each agency named by Subsection (b) shall designate an  
10 individual as the point of contact for the committee.

11 (d) The committee shall file with the legislature the  
12 long-term electric energy and environmental impact plan required by  
13 Subsection (a) not later than January 15, 2009.

14 SECTION 1.03. COMMITTEE MEETINGS. The joint interim  
15 committee shall meet initially at the joint call of the co-chairs,  
16 and the committee shall subsequently hold meetings and public  
17 hearings at the call of the co-chairs.

18 SECTION 1.04. COMMITTEE POWERS AND DUTIES. The committee  
19 has all powers and duties provided to special committees by the  
20 senate and house of representatives rules of procedure, by  
21 Subchapter B, Chapter 301, Government Code, and by policies of the  
22 committees on administration.

23 SECTION 1.05. COMMITTEE FUNDING. (a) From the contingent  
24 expense fund of the senate and the contingent expense fund of the  
25 house of representatives equally, the members of the committee  
26 shall be reimbursed for expenses incurred in carrying out the  
27 provisions of this article in accordance with the senate and house

1 of representatives rules of procedure and the policies of the  
2 committees on administration.

3 (b) Other necessary expenses of operation shall be paid from  
4 the contingent expense fund of the senate and the contingent  
5 expense fund of the house of representatives equally.

6 SECTION 1.06. EFFECTIVE DATE. This article takes effect  
7 September 1, 2007.

8 ARTICLE 2. ELECTRIC ENERGY STORAGE DEVICES

9 SECTION 2.01. DEFINITION. In this article, "commission"  
10 means the Public Utility Commission of Texas.

11 SECTION 2.02. STUDY. (a) The commission shall conduct a  
12 study on the potential of electric energy storage devices to  
13 benefit the operation of transmission and distribution systems. In  
14 conducting the study, the commission shall consider any relevant  
15 issues, including:

16 (1) the effect of the devices on system reliability;

17 (2) the advantages and disadvantages of transmission  
18 and distribution utilities owning and operating those devices as  
19 transmission and distribution facilities;

20 (3) the manner in which the devices may be integrated  
21 into the ERCOT operating system, if applicable;

22 (4) the manner in which the devices may benefit power  
23 generation companies, retail electric providers, electric  
24 utilities, and transmission and distribution utilities; and

25 (5) the appropriate methods to bill and account for  
26 any costs and revenue associated with the electric energy that is  
27 used to charge, and that is later discharged from, a device.

1           (b) The commission shall prepare a report on the results of  
2 the study. The report must include the commission's conclusions on  
3 the potential of electric energy storage devices and, as  
4 appropriate, recommendations to the legislature on legislation or  
5 other action necessary to realize that potential. The commission  
6 shall include the report in the electric market scope of  
7 competition report required by Section 31.003, Utilities Code, that  
8 the commission submits to the 81st Legislature.

9           (c) The commission shall conduct the study and prepare the  
10 report as required by this section:

11                 (1) with input from the ERCOT independent system  
12 operator; and

13                 (2) after requesting comments and input from all  
14 interested parties.

15           SECTION 2.03. DEMONSTRATION PROJECTS. (a) The commission  
16 may authorize one or more electric utilities or transmission or  
17 distribution utilities to operate demonstration projects that  
18 involve facilities capable of not more than two megawatts of  
19 electric energy storage for the purpose of obtaining a better  
20 understanding of the facilities':

21                 (1) cost;

22                 (2) value; and

23                 (3) operational characteristics, including the  
24 efficient use of the transmission system and the facilities' effect  
25 on removing transmission constraints.

26           (b) The operation of a demonstration project under this  
27 section does not prejudice the study required by Section 2.02 of

1 this article or any future determination relating to the  
2 appropriateness of an electric utility or transmission and  
3 distribution utility owning and operating electric energy storage  
4 facilities.

5 (c) This section may not be interpreted to require an  
6 electric utility or transmission and distribution utility to  
7 install an electric energy storage facility.

8 SECTION 2.04. EFFECTIVE DATE. This article takes effect  
9 immediately if this Act receives a vote of two-thirds of all the  
10 members elected to each house, as provided by Section 39, Article  
11 III, Texas Constitution. If this Act does not receive the vote  
12 necessary for immediate effect, this article takes effect September  
13 1, 2007.

14 ARTICLE 3. EFFECTIVE DATE

15 SECTION 3.01. Except as otherwise provided by this Act,  
16 this Act takes effect September 1, 2007.