

By: Straus

H.B. No. 3244

A BILL TO BE ENTITLED

AN ACT

relating to energy efficiency incentive programs administered by electric utilities.

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

SECTION 1. Section 39.905, Utilities Code, is amended by amending Subsections (a), (d), and (e) and adding Subsection (a-1) to read as follows:

(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 , year-round ~~[and]~~ access to, and assistance in choosing energy efficiency alternatives, , incentive programs, and other choices from the market that allow each customer to reduce energy consumption, peak demand, or 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; and

(4) each electric utility will promote demand response

1 programs to all customer classes.

2 (a-1) The commission shall:

3 (1) ensure timely and reasonable cost recovery for  
4 utility expenditures made to acquire cost-effective energy  
5 efficiency to meet the goal provided by Subsection (a), provided  
6 that the amount a utility recovers in a period may not be greater  
7 than an amount equal to 100 percent above the utility's efficiency  
8 program expenditures for the previous period;

9 (2) establish a performance incentive for utilities  
10 that make an additional three percent incremental expenditure to  
11 acquire energy efficiency above the goal provided by Subsection  
12 (a)(3); and

13 (3) identify in the report provided under Section  
14 31.003 any potential barriers to acquiring additional increases in  
15 energy efficiency and any statutory changes necessary to eliminate  
16 those barriers.

17 (d) The commission shall adopt the following  
18 market-transformation program options that the utilities may  
19 choose to implement in order to satisfy the goal in Subsection  
20 (a)(3):

21 (1) energy-smart schools;  
22 (2) appliance retirement and recycling;  
23 (3) air conditioning system tune-ups; ~~and~~  
24 (4) the use of trees or other landscaping for energy  
25 efficiency;

26 (5) providing energy monitoring equipment to  
27 customers to allow the customers a better understanding of the

1 amount and time of energy use; and

2 (6) customer energy management and demand response  
3 controls.

4 (e) An electric utility may use money approved by the  
5 commission for energy efficiency programs to perform necessary  
6 research and development to foster continuous improvement and  
7 innovation in the application of energy efficiency technology and  
8 energy efficiency program design and implementation. Money the  
9 utility uses under this subsection may not exceed 10 percent of the  
10 amount the commission approved for energy efficiency programs in  
11 the utility's most recent full rate proceeding.

12 SECTION 2. This Act takes effect September 1, 2007.