

R E S O L U T I O N

1 BE IT RESOLVED by the House of Representatives of the State of
2 Texas, 80th Legislature, Regular Session, 2007, That House Rule 13,
3 Section 9(a), be suspended in part as provided by House Rule 13,
4 Section 9(f), to enable the conference committee appointed to
5 resolve the differences on House Bill 1090, relating to the
6 establishment of a program by the Department of Agriculture to make
7 grants to encourage the construction of facilities that generate
8 electric energy with certain types of agricultural residues, waste,
9 debris, or crops and to the state's goal for generating renewable
10 energy, to consider and take action on the following matter:

11 House Rule 13, Sections 9(a)(3) and (4), are suspended to
12 permit the committee to add the following section to the bill:

13 SECTION 2. Section 39.904, Utilities Code, is amended by
14 amending Subsection (m) and adding Subsections (m-1), (m-2), (m-3),
15 and (o) to read as follows:

16 (m) A renewable energy credit retired for purposes other
17 than to meet the requirements of Subsection (c)(1) may not affect
18 the minimum annual renewable energy requirement under Subsection
19 (c)(1) for a retail electric provider, municipally owned utility,
20 or electric cooperative.

21 (m-1) As provided by this subsection, the commission shall
22 reduce the requirement under Subsection (c)(1) for a retail
23 electric provider, municipally owned utility, or electric
24 cooperative that is subject to a renewable energy requirement under

1 this section and that serves a customer receiving electric service
2 at transmission-level voltage if, before any year for which the
3 commission calculates renewable energy requirements under
4 Subsection (c)(1), the customer notifies the commission in writing
5 that the customer chooses not to support the goal for renewable
6 energy generation under this section for that year. The commission
7 shall exclude from the calculation of a retail electric provider's,
8 municipally owned utility's, or electric cooperative's requirement
9 under Subsection (c)(1) energy sold by the retail electric
10 provider, municipally owned utility, or electric cooperative at
11 transmission-level voltage to customers who have submitted the
12 notice to the commission under this subsection for the applicable
13 year.

14 (m-2) The commission shall determine the reporting
15 requirements and schedule necessary to implement Subsections (m)
16 and (m-1).

17 (m-3) Subsections (m), (m-1), and (m-2) do not alter the
18 renewable energy goals or targets established in Subsection (a) or
19 reduce the minimum statewide renewable energy requirements of
20 Subsection (c)(1) [~~Notwithstanding any other provision of law, the~~
21 commission shall ensure that all renewable capacity installed in
22 this state and all renewable energy credits awarded, produced,
23 procured, or sold from renewable capacity in this state are counted
24 toward the goal in Subsection (a)].

25 (o) The commission may establish an alternative compliance
26 payment. An entity that has a renewable energy purchase
27 requirement under this section may elect to pay the alternative

1 compliance payment instead of applying renewable energy credits
2 toward the satisfaction of the entity's obligation under this
3 section. The commission may establish a separate alternative
4 compliance payment for the goal of 500 megawatts of capacity from
5 renewable energy technologies other than wind energy. The
6 alternative compliance payment for a renewable energy purchase
7 requirement that could be satisfied with a renewable energy credit
8 from wind energy may not be less than \$2.50 per credit or greater
9 than \$20 per credit. Prior to September 1, 2009, an alternative
10 compliance payment under this subsection may not be set above \$5 per
11 credit. In implementing this subsection, the commission shall
12 consider:

13 (1) the effect of renewable energy credit prices on
14 retail competition;

15 (2) the effect of renewable energy credit prices on
16 electric rates;

17 (3) the effect of the alternative compliance payment
18 level on the renewable energy credit market; and

19 (4) any other factors necessary to ensure the
20 continued development of the renewable energy industry in this
21 state while protecting ratepayers from unnecessary rate increases.

22 Explanation: The addition of the amendment to Section
23 39.904, Utilities Code, is necessary to clarify that a renewable
24 energy credit retired for purposes other than to meet the state goal
25 for renewable energy does not count toward that goal, to authorize a
26 customer of certain retail electric providers, municipally owned
27 utilities, or electric cooperatives to choose not to support the

1 goal for renewable energy generation, and to authorize an
2 alternative compliance payment by which an entity that has a
3 renewable energy purchase requirement may satisfy that obligation.

4 House Rule 13, Sections 9(a)(3) and (4), are suspended to
5 permit the committee to add the following section to the bill:

6 SECTION 4. (a) The Public Utility Commission of Texas shall
7 conduct a study of the effect that Section 39.904, Utilities Code,
8 has had on:

9 (1) market power in this state; and

10 (2) the rates paid for electricity by residential
11 customers in this state.

12 (b) Not later than January 1, 2009, the Public Utility
13 Commission of Texas shall prepare and present to the governor,
14 lieutenant governor, and speaker of the house of representatives a
15 report describing the results of the study that specifies any
16 changes in market power and any costs to or savings for residential
17 customers because of the implementation of Section 39.904,
18 Utilities Code.

19 Explanation: The addition of the requirement that the Public
20 Utility Commission of Texas conduct a study and prepare and present
21 a report is necessary to provide information to the governor,
22 lieutenant governor, and speaker of the house of representatives
23 regarding the effects of the implementation of Section 39.904,
24 Utilities Code.

Swinford

H.R. No. 2851

Speaker of the House

I certify that H.R. No. 2851 was adopted by the House on May 26, 2007, by a non-record vote.

Chief Clerk of the House