

Suspending limitations on conference committee jurisdiction, H.B. No. 1090 (Swinford/Jackson)

By: Swinford

H.R. No. 2851

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.