

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

By: Jackson

S.R. No. 1176

SENATE RESOLUTION

BE IT RESOLVED by the Senate of the State of Texas, 80th Legislature, Regular Session, 2007, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill No. 1090, relating to the establishment of a program by the Department of Agriculture to make grants to encourage the construction of facilities that generate electric energy with certain types of agricultural residues, waste, debris, or crops and to the state's goal for generating renewable energy, to consider and take action on the following matter:

Senate Rules 12.03(3) and (4) are suspended to permit the committee to add the following SECTION to the bill:

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

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

(m-1) As provided by this subsection, the commission shall reduce the requirement under Subsection (c)(1) for a retail electric provider, municipally owned utility, or electric

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

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

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

(o) The commission may establish an alternative compliance payment. An entity that has a renewable energy purchase requirement under this section may elect to pay the alternative compliance payment instead of applying renewable energy credits toward the satisfaction of the entity's obligation under this section. The commission may establish a

separate alternative compliance payment for the goal of 500 megawatts of capacity from renewable energy technologies other than wind energy. The alternative compliance payment for a renewable energy purchase requirement that could be satisfied with a renewable energy credit from wind energy may not be less than \$2.50 per credit or greater than \$20 per credit. Prior to September 1, 2009, an alternative compliance payment under this subsection may not be set above \$5 per credit. In implementing this subsection, the commission shall consider:

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

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

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

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

Explanation: The addition of the amendment to Section 39.904, Utilities Code, is necessary to clarify that a renewable energy credit retired for purposes other than to meet the state goal for renewable energy does not count toward that goal, to authorize a customer of certain retail electric providers, municipally owned utilities, or electric cooperatives to choose not to support the goal for renewable energy generation, and to authorize an alternative compliance payment by which an entity that has a renewable energy purchase requirement may satisfy that obligation.

Senate Rules 12.03(3) and (4) are suspended to permit the committee to add the following SECTION to the bill:

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

- (1) market power in this state; and
- (2) the rates paid for electricity by residential customers in this state.

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

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

President of the Senate

I hereby certify that the above Resolution was adopted by the Senate on May 27, 2007.

Secretary of the Senate