Amend CSHB 1243 (House committee printing) as follows:

- (1) On page 3, strike lines 13 and 14 and substitute: adding Subsections (d-1), (k), (1), (m), (n), (o), (p), (q), and (r) to read as follows:
- (2) On page 4, line 3, strike "renewable resources" and substitute "distributed renewable generation".
- (3) On page 7, strike lines 16 through 18 and substitute:

  generated by distributed renewable generation that provides a

  monthly or longer periodic proxy for the market clearing price. The

  methodology must not allow the aggregate fair market value of

  surplus electricity in any billing period to be less than zero. The

  commission shall review the methodology periodically.
  - (4) On page 8, strike lines 3-19 and substitute:
- (m) A distributed renewable generation owner is qualified to be paid for surplus electricity under Subsection (h), (j), (k), or (l) only if:
- (1) the owner's distributed renewable generation is installed on the customer's side of the meter for a residential retail electric customer or a retail electric customer who is a public school or a church; and
- (2) the generating capacity of the distributed renewable generation does not exceed:
- (A) 10 kilowatts for a residential retail electric customer;
- (B) 150 kilowatts for a church retail electric customer; or
- (n) A distributed renewable generation owner who does not meet the qualifications prescribed by Subsection (m) will be paid for the owner's surplus electricity or will have the owner's surplus electricity exchanged for a credit to the owner's electric service account at a value to which the owner and the provider that serves the owner's load agree.
  - (5) On page 8, line 20, strike "(m)" and substitute "(o)".
  - (6) On page 8, line 27, strike "(n)" and substitute "(p)".
  - (7) On page 9, line 3, strike "bill of" and substitute "bill

## or separate statement to".

- (8) On page 9, line 7, between "<u>credited to</u>" and "<u>the</u> owner", insert "or the payment made to".
  - (9) On page 9, line 11, strike "(o)" and substitute "(q)".
  - (10) On page 9, line 15, strike " $\underline{(p)}$ " and substitute " $\underline{(r)}$ ".
  - (11) On page 12, at the end of line 4, add "residential".
- (12) On page 12, line 11, between "marketers to" and "distributed", insert "residential".
- (13) On page 12, line 18, between "produced by" and "distributed", insert "residential".
- (14) On page 12, between "SECTION 7." and "This Act" insert: Not later than January 1, 2010, the Public Utility Commission of Texas shall provide the methodology for determining a fair market value price for surplus electricity generated by distributed renewable generation, as required by Section 39.916(k), Utilities Code, as added by this Act.

SECTION 8. (a) Section 36.916, Utilities Code, as amended by this Act, expires September 2, 2011.

(b) The Public Utility Commission of Texas shall conduct a study to determine the effect of the pricing methodology the commission provides under Section 39.916(k), Utilities Code, as added by this Act. The commission shall report the findings of the study to the 82nd Legislature not later than January 15, 2011.

SECTION 9.