

Amend HB 1243 on third reading (second reading engrossment) as follows:

(1) On page 3, line 13, strike "(q),".

(2) On page 6, strike line 21, and substitute:

serves the owner's load at a value that is greater than or equal to the avoided cost of the electric utility or electric cooperative, as determined in accordance with commission rules, and, for an electric cooperative, that is at least 4.5 cents per kilowatt hour regardless of the electric cooperative's avoided cost. A distributed generation owner who chooses to sell the owner's surplus electricity in an area in which customer choice has been introduced

(3) On page 7, line 14, strike "(k) The" and substitute:

(k) In areas in which customer choice has been introduced,  
the

(4) On page 8, line 4, strike "(m) A" and substitute:

(m) In areas in which customer choice has been introduced, a

(5) On page 8, strike line 7 and substitute:

(1) the owner's distributed renewable generation is:

(A) rated to produce an amount of electricity that is less than or equal to the amount of electricity the retail electric customer for whom the distributed renewable generation is installed is reasonably expected to consume; and

(B)

(6) On page 9, strike lines 17-20.

(7) On page 9, strike lines 22 and 23 and substitute:

Subsection (k) for determining a fair market value price in an area open to competition, a retail electric

(8) On page 10, strike lines 1-5 and substitute "technology.".

(9) On page 13, strike lines 11 and 12 and substitute:

added by this Act, and shall report its findings and recommendations to the 82nd Legislature not later than January 15, 2011. The study must include assessments of:

(1) the development of the market in ERCOT for the sale of surplus electricity, including the prices that retail electric providers and electric utilities, municipal electric utilities,

and electric cooperatives in areas in which customer choice has not been introduced pay for surplus electricity, and the amount of surplus electricity such entities have purchased;

(2) the rate of adoption by customers in this state of distributed renewable generation, including generation by solar and other on-site renewable technologies, including a comparison of adoption rates in this state compared to the adoption rates in other states, the extent to which adoption rates vary by retail market structure, the amount of direct installation incentives, the pricing for purchasing of surplus electricity, and the extent to which adoption rates are affected by the cost of other electric supplies;

(3) a comparison of the default fair market value price for surplus electricity to:

(A) the local market clearing prices of energy at the time of day surplus electricity has been made available to the grid; and

(B) the avoided costs of electric utilities as determined in accordance with commission rules; and

(4) the extent to which electric service customers with distributed renewable generation help avoid transmission and distribution upgrades and reduce pollution, including an estimation of the value of those benefits regionally.

(c) The study report must include any recommendations for improvements in policies necessary to appropriately encourage the development of distributed renewable generation technologies on customer premises.