

Amend **HB 1243** on third reading (second reading engrossment) on page 13 by striking lines 11 and 12 and substituting:
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 these 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.