

Amend CSSB 541 (Senate committee printing) as follows:

(1) In the recitation (page 1, line 19), strike "and (c-2), and (p)" and substitute "(c-2), (c-3), (n-1), and (p)".

(2) In SECTION 2 of the bill by striking added Subsection (a-1), Section 39.904, Utilities Code (page 1, lines 36-48), and substituting:

(a-1) It is the goal of the legislature that by January 1, 2020, an additional 1,500 megawatts of tier 2 renewable energy will have been installed in this state. Of the renewable energy generating capacity installed to meet the goal of this subsection, up to 500 megawatts of renewable energy storage may qualify to meet the tier 2 goal. The cumulative installed tier 2 renewable energy resource capacity in this state shall total 50 megawatts by January 1, 2011; 100 megawatts by January 1, 2012; 200 megawatts by January 1, 2013; 350 megawatts by January 1, 2014; 500 megawatts by January 1, 2015; 750 megawatts by January 1, 2016; 900 megawatts by January 1, 2017; 1,000 megawatts by January 1, 2018; 1,250 megawatts by January 1, 2019; and 1,500 megawatts by January 1, 2020. On January 1, 2016, if the commission determines the state has not made significant progress toward the goals of this subsection, then the commission may take action to suspend future obligations under this subsection.

(3) Add the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 39.002, Utilities Code, is amended to read as follows:

Sec. 39.002. APPLICABILITY. Except as provided by this section, this [~~This~~] chapter, other than Sections 39.155, 39.157(e), 39.203, 39.903, 39.904, 39.9051, 39.9052, and 39.914(e), does not apply to a municipally owned utility or an electric cooperative. Sections 39.157(e), 39.203, and 39.904[~~however,~~] apply only to a municipally owned utility or an electric cooperative that is offering customer choice. Section 39.9041 applies to a municipally owned utility. If there is a conflict between the specific provisions of this chapter and any other provisions of this title, except for Chapters 40 and 41, the

provisions of this chapter control.

SECTION _____. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.9041 to read as follows:

Sec. 39.9041. RENEWABLE ENERGY FOR MUNICIPALLY OWNED UTILITIES. (a) It is the goal of the legislature that municipally owned utilities:

(1) increase the installed capacity in this state from tier 2 renewable energy or from renewable energy storage in a cost-effective, market neutral, and nondiscriminatory manner; and

(2) install capacity from tier 2 renewable energy or from renewable energy storage in proportion to and at a level consistent with the requirements for electric utilities under Section 39.904(a-1).

(b) This section applies only to a municipally owned utility with retail sales of more than 500,000 megawatt hours for the year beginning January 1, 2007.

(c) Beginning not later than September 1, 2012, a municipally owned utility annually shall report to the state energy conservation office, in a form determined by the office, information regarding the efforts of the utility under this section.

(d) This section does not prevent the governing body of a municipally owned utility from adopting rules, programs, and incentives that encourage or provide for the installation of capacity from tier 2 renewable energy or renewable energy storage in addition to the goals in Section 39.904(a-1).

(e) The commission shall count capacity from tier 2 renewable energy or renewable energy storage installed on or after May 1, 2007, toward a municipally owned utility's compliance with this section.

(f) A municipally owned utility may satisfy the requirements of this section:

(1) by owning or purchasing capacity from tier 2 renewable energy or renewable energy storage; or

(2) by purchasing renewable energy credits in lieu of capacity from tier 2 renewable energy technologies.

(4) In SECTION 2 of the bill After added Subsection (c-2),

Section 39.904, Utilities Code (page 2, between lines 37 and 38), insert:

(c-3) Not later than January 1, 2010, the commission shall adopt rules necessary to allow generators of tier 2 renewable energy installed before September 1, 1999, to qualify annually for not more than 40 megawatts of tier 2 renewable energy credits.

(5) After amended Subsection (n), Section 39.904, Utilities Code (page 2, between lines 61 and 62), insert:

(n-1) If the commission determines that complying with the goals of Subsection (a-1) and a federal renewable portfolio standard that is more stringent than those goals would cause an undue burden to ratepayers in this state, the commission may suspend any requirement relating to meeting those goals.

(6) Amend Subsection (p), Section 39.904, Utilities Code (page 3, lines 25 through 30), by striking proposed subsection (p) and substituting the following:

(p) If the commission suspends the tier 2 renewable energy goal under subsection (a-1), all alternative compliance payment funds collected shall be refunded by the retail electric providers under the guidance of the commission to the residential and commercial electric customers covered by this subchapter. If the commission does not suspend the tier 2 renewable energy goal under subsection (a-1), the alternative compliance payment funds collected by the commission shall be used for the purpose of a solar rebate program established by the commission.