

## **BILL ANALYSIS**

Senate Research Center  
81R9099 TJS-F

S.B. 1419  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the Texas Renewable Portfolio Standard (RPS) has been so successful that its 10-year goal of 5,880 megawatts (MW) by 2015 has already been met, almost exclusively through high-capacity wind power. Wind power development in Texas has more than quadrupled since the RPS was established. Due to its competitive pricing, available federal tax incentives and the state's immense wind resources, wind power is expected to remain competitive with coal-fired and gas-fired plants.

As proposed, S.B. 1419 requires that by January 1, 2020, a cumulative total of 10,000 MW of renewable capacity be installed in Texas, and that at least a cumulative total of 4,000 MW come from a source other than high-capacity wind energy. S.B. 1419 also creates a new definition of renewable biomass. The bill also requires the Public Utility Commission of Texas to establish compliance payment for both the overall goal for an RPS and the 4,000 megawatt goal from a source other than high-capacity wind energy.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 39.904, Utilities Code, by amending Subsections (a), (d), and (o) and adding Subsections (d-1) and (d-2), as follows:

(a) Requires that the cumulative installed renewable capacity in this state total 5,880 megawatts by January 1, 2015 and requires the Public Utility Commission of Texas (PUC) to establish a goal, rather than a target, of 10,000 megawatts of installed renewable capacity by January 1, 2020, rather than 2025. Deletes existing text that requires the cumulative installed renewable capacity in this state to total 2,280 megawatts by January 1, 2007, and 3,272 megawatts by January 1, 2009. Requires PUC, of the renewable energy technology generating capacity installed to meet the goal of this subsection by January 1, 2020, rather than after September 1, 2005, to establish a goal, rather than a target, of having at least 4,000 megawatts, rather than 500 megawatts, of capacity from a renewable energy technology other than a source that uses high-capacity wind energy, rather than using wind energy. Requires that the cumulative installed renewable capacity from a source other than high-capacity wind energy total 500 megawatts by January 1, 2012, 2,000 megawatts by January 1, 2015, and 4,000 megawatts by January 1, 2020.

(d) Redefines "renewable energy technology."

(d-1) Defines "renewable biomass."

(d-2) Defines "high-capacity wind energy."

(o) Requires, rather than authorizes, PUC to establish an alternative compliance payment. Makes conforming changes. Deletes existing text that requires that the alternative compliance payment for renewable energy purchase requirement that could be satisfied with a renewable energy credit from wind energy from being less than \$2.50 per

credit or greater than \$20 per credit and prohibits an alternative compliance payment under this section prior to September 1, 2009 from being set above \$5 per credit be within a certain range and that requires PUC to consider certain effects and factors in implementing this subsection.

SECTION 2. Effective date: September 1, 2009.