

By: Farabee

H.B. No. 1643

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to net metering for retail electric service customers and  
3 compensation for excess electricity generated by certain renewable  
4 energy technology generators.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is  
7 amended by adding Section 39.923 to read as follows:

8 Sec. 39.923. NET METERING AND FAIR MARKET COMPENSATION OF  
9 ON-SITE ENERGY PRODUCTION FOR RETAIL CUSTOMERS. (a) In this  
10 section:

11 (1) "Net metering service" means electric service for  
12 which a retail electric provider's customer is:

13 (A) billed according to the difference between  
14 the amount of electricity provided by the retail electric provider  
15 to the customer during a billing period and the amount of  
16 electricity delivered from the customer's side of the meter using  
17 renewable energy technology; and

18 (B) credited over an annualized period for the  
19 amount of electricity delivered from the customer's side of the  
20 meter using renewable energy technology when that amount is greater  
21 than the amount the retail electric provider delivers to the  
22 customer.

23 (2) "Renewable energy technology" has the meaning  
24 assigned by Section 39.904(d).

1        (b) Notwithstanding any other law, the commission by rule  
2 shall require an electric utility, retail electric provider,  
3 electric cooperative, or municipally owned utility to offer net  
4 metering service to all retail customers of the utility, provider,  
5 or cooperative who have an eligible on-site generating facility  
6 that generates electricity using renewable energy technology. In  
7 developing rules under this subsection, the commission shall  
8 consider model net metering rules published by the Interstate  
9 Renewable Energy Council and similar model rules.

10        (c) Rules adopted under Subsection (b) must provide:

11                (1) that a retail customer is entitled to compensation  
12 at fair market value for metered electricity produced by the  
13 customer's eligible on-site renewable energy technology generating  
14 facility and delivered to the electric transmission grid;

15                (2) that, to the extent a retail customer earns a  
16 credit for the value of the customer's electricity delivered to the  
17 electric transmission grid, the electric utility, retail electric  
18 provider, electric cooperative, or municipally owned utility must  
19 pay the customer the excess value or allow the credit to offset  
20 later charges that accrue; and

21                (3) for a retail customer to receive payment for  
22 excess energy credits from the utility, provider, or cooperative if  
23 the customer terminates service.

24        (d) The commission by rule may establish standards an  
25 on-site renewable energy technology generating facility must meet  
26 to be eligible for compensation under Subsection (b), including  
27 standards for generating facility equipment and for

1 interconnection. The standards must be designed so that  
2 small-scale renewable energy technology generating facilities  
3 located at residential and business addresses are eligible for the  
4 compensation.

5 SECTION 2. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2009.