

By: Solomons

H.B. No. 1866

A BILL TO BE ENTITLED

AN ACT

relating to distributed renewable generation of electric power.

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

SECTION 1. Section 17.002, Utilities Code, is amended by adding Subdivision (4-a) to read as follows:

(4-a) "Distributed renewable generation" has the meaning assigned by Section 39.916.

SECTION 2. Section 17.004, Utilities Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) All buyers of retail electric services are entitled to the opportunity to interconnect distributed renewable generation according to conditions established by commission rule.

SECTION 3. Section 17.006, Utilities Code, is amended to read as follows:

Sec. 17.006. PROTECTIONS FOR CUSTOMERS OF ELECTRIC COOPERATIVES. (a) An electric cooperative shall not be deemed to be a "service provider" or "billing agent" for purposes of Sections 17.156(b) and (e), except that, for purposes of enforcing Section 17.004(a-1), an electric cooperative is a "service provider" under Section 17.156(b).

(b) An [The] electric cooperative shall adopt, implement, and enforce rules that shall have the effect of accomplishing the objectives set out in Sections 17.004(a), (a-1), and (b) and Section 17.102. The board of directors of an [the] electric

1 cooperative or its designee shall perform the dispute resolution
2 function provided for by Section 17.157 for electric customers
3 served by the electric cooperative within its certificated service
4 area. With respect to electric customers served by an electric
5 cooperative outside its certificated service area or otherwise
6 served through others' distribution facilities, after the
7 legislature authorizes retail competition, the provisions of this
8 chapter as administered by the commission shall apply. Nothing in
9 this chapter shall be deemed to apply to a wholesale customer of an
10 electric cooperative.

11 SECTION 4. Section 41.004, Utilities Code, is amended to
12 read as follows:

13 Sec. 41.004. JURISDICTION OF COMMISSION. Except as
14 specifically provided otherwise in this chapter, the commission has
15 jurisdiction over electric cooperatives only as follows:

16 (1) to regulate wholesale transmission rates and
17 service, including terms of access, to the extent provided in
18 Subchapter A, Chapter 35;

19 (2) to regulate certification to the extent provided
20 in Chapter 37;

21 (3) to establish a code of conduct as provided in
22 Section 39.157(e) subject to Section 41.054;

23 (4) to establish terms and conditions, but not rates,
24 for open access to distribution facilities for electric
25 cooperatives providing customer choice, as provided in Section
26 39.203; ~~and~~

27 (5) to require reports of electric cooperative

1 operations only to the extent necessary to:

2 (A) ensure the public safety;

3 (B) enable the commission to satisfy its
4 responsibilities relating to electric cooperatives under this
5 chapter;

6 (C) enable the commission to determine the
7 aggregate electric load and energy requirements in the state and
8 the resources available to serve that load; or

9 (D) enable the commission to determine
10 information relating to market power as provided in Section 39.155;
11 and

12 (6) to establish conditions under which customers may
13 interconnect distributed renewable generation, as defined by
14 Section 39.916.

15 SECTION 5. Section 41.055, Utilities Code, is amended to
16 read as follows:

17 Sec. 41.055. JURISDICTION OF BOARD OF DIRECTORS. A board
18 of directors has exclusive jurisdiction to:

19 (1) set all terms of access, conditions, and rates
20 applicable to services provided by the electric cooperative, except
21 as provided by Sections 41.004, 41.054, and 41.056, including
22 nondiscriminatory and comparable rates for distribution but
23 excluding wholesale transmission rates, terms of access, and
24 conditions for wholesale transmission service set by the commission
25 under Subchapter A, Chapter 35, provided that the rates for
26 distribution established by the electric cooperative shall be
27 comparable to the distribution rates that apply to the electric

1 cooperative and its subsidiaries;

2 (2) determine whether to unbundle any energy-related
3 activities and, if the board of directors chooses to unbundle,
4 whether to do so structurally or functionally;

5 (3) reasonably determine the amount of the electric
6 cooperative's stranded investment;

7 (4) establish nondiscriminatory transition charges
8 reasonably designed to recover the stranded investment over an
9 appropriate period of time;

10 (5) determine the extent to which the electric
11 cooperative will provide various customer services, including
12 nonelectric services, or accept the services from other providers;

13 (6) manage and operate the electric cooperative's
14 utility systems, including exercise of control over resource
15 acquisition and any related expansion programs;

16 (7) establish and enforce service quality standards,
17 reliability standards, and consumer safeguards designed to protect
18 retail electric customers;

19 (8) determine whether a base rate reduction is
20 appropriate for the electric cooperative;

21 (9) determine any other utility matters that the board
22 of directors believes should be included;

23 (10) sell electric energy and capacity at wholesale,
24 regardless of whether the electric cooperative participates in
25 customer choice;

26 (11) determine the extent to which the electric
27 cooperative offers energy efficiency programs and how the programs

1 are administered by the electric cooperative; and

2 (12) make any other decisions affecting the electric
3 cooperative's method of conducting business that are not
4 inconsistent with the provisions of this chapter.

5 SECTION 6. This Act takes effect September 1, 2009.