

By: Farrar

H.B. No. 2776

A BILL TO BE ENTITLED

AN ACT

relating to the requirement for commercially reasonable, long-term contracts for renewable energy.

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

SECTION 1. Section 39.904, Utilities Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) To ensure that the goals of Subsection (a) are met, the commission by rule shall require a retail electric provider, municipally owned utility, or electric cooperative that purchases renewable energy to enter into commercially reasonable long-term contracts for that renewable energy. The commission by rule shall determine the criteria for the commercial reasonableness of a contract under this subsection. At a minimum, commission rules shall require a contract to be for a term of 10 to 15 years.

SECTION 2. The changes in law made by this Act apply only to a contract for renewable energy that is entered into on or after the effective date of this Act. A contract that is entered into before the effective date of this Act is subject to the law in effect on that date, and that law is continued in effect for that purpose.

SECTION 3. The Public Utility Commission of Texas shall adopt rules consistent with Section 39.904(a-1), Utilities Code, as added by this Act, not later than December 1, 2009.

SECTION 4. This Act takes effect September 1, 2009.