

By: Swinford

H.B. No. 3405

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a solar generation incentive program.

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

SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.917 to read as follows:

Sec. 39.917. SOLAR GENERATION INCENTIVE PROGRAM. (a) It is the goal of the legislature that electric utilities administer incentive programs for residential, commercial, and industrial customers to increase the amount of solar generation capacity installed in this state in a cost-effective, market-neutral, and nondiscriminatory manner, with a goal of installing at least 3,000 megawatts of solar generation capacity in this state by 2020, at least 1,000 of which must be distributed renewable generation as defined by Section 39.916.

(b) The commission by rule shall:

(1) establish a solar generation incentive program, to be implemented by electric utilities, municipally owned electric utilities, and electric cooperatives;

(2) oversee the implementation of the program required by Subdivision (1); and

(3) establish procedures to achieve the goal established by Subsection (a).

(c) The rules adopted under Subsection (b) must include provisions for:

1           (1) a solar generation capacity cost recovery factor  
2 to ensure timely and reasonable cost recovery for electric utility  
3 expenditures under this section;

4           (2) recovery of the cost of electric utility programs  
5 through nonbypassable fees of not less than \$0.000636 per kilowatt  
6 hour for residential, commercial, and industrial customers;

7           (3) awarding incentive rebates in the first year of  
8 the program of not less than:

9                   (A) \$2.40 per watt for residential installation;

10                   (B) \$1.50 per watt for commercial installation;

11 and

12                   (C) \$1.10 per watt for industrial installation;

13           (4) reducing the rebate amounts by not less than seven  
14 percent annually;

15           (5) eliminating the incentive provided by electric  
16 utilities under this subsection on the date the goals established  
17 by Subsection (a) are achieved; and

18           (6) allowing a utility to collect up to five percent of  
19 the awarded incentives for administrative costs.

20           (d) Electric utilities may not provide incentives under  
21 this section for solar generation that is installed after the 10th  
22 anniversary of the date on which the commission by rule establishes  
23 the program required by this section.

24           SECTION 2. As soon as practicable after the effective date  
25 of this Act, but not later than January 1, 2010, the Public Utility  
26 Commission of Texas shall adopt rules establishing the solar  
27 generation incentive program required by Section 39.917, Utilities

1 Code, as added by this Act.

2           SECTION 3. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2009.