

By: Gallego

H.B. No. 3478

A BILL TO BE ENTITLED

AN ACT

relating to this state's goal for renewable energy.

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

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

(a) It is the intent of the legislature that by January 1, 2015, an additional 5,000 megawatts of generating capacity from renewable energy technologies will have been installed in this state. The cumulative installed renewable capacity in this state shall total 5,880 megawatts by January 1, 2015, and the commission shall establish a goal [~~target~~] of 10,000 megawatts of installed renewable capacity by January 1, 2020 [~~2025~~]. The cumulative installed renewable capacity in this state shall total [~~2,280~~ ~~megawatts by January 1, 2007, 3,272 megawatts by January 1, 2009,~~ 4,264 megawatts by January 1, 2011, 5,256 megawatts by January 1, 2013, and 5,880 megawatts by January 1, 2015. Of the renewable energy technology generating capacity installed to meet the goal of this subsection by January 1, 2020 [~~after September 1, 2005~~], the commission shall establish a goal [~~target~~] of having at least 4,000 [~~500~~] megawatts of capacity from a renewable energy technology other than a source that uses high-capacity [~~using~~] wind energy. The cumulative installed renewable capacity from a source other than high-capacity wind energy shall total 500 megawatts by January

1 1, 2012, 2,000 megawatts by January 1, 2015, and 4,000 megawatts by  
2 January 1, 2020.

3 (d) In this section, "renewable energy technology" means  
4 any technology that exclusively relies on an energy source that is  
5 naturally regenerated over a short time and derived directly from  
6 the sun, indirectly from the sun, or from moving water or other  
7 natural movements and mechanisms of the environment. Renewable  
8 energy technologies include those that rely on energy derived  
9 directly from the sun, on wind, geothermal, hydroelectric, wave, or  
10 tidal energy, or on renewable biomass or renewable biomass-based  
11 waste products, including landfill gas. A renewable energy  
12 technology does not rely on energy resources derived from fossil  
13 fuels, waste products from fossil fuels, or waste products from  
14 inorganic sources.

15 (d-1) In this section, "renewable biomass" means:

16 (1) planted crops and crop residue harvested from  
17 agricultural land cleared before September 1, 2009, whether  
18 actively managed or fallow, excluding forest land;

19 (2) wood waste from actively managed tree plantations  
20 on nonfederal land cleared before September 1, 2009, including land  
21 that belongs to an Indian tribe and is held in trust by the United  
22 States or is otherwise subject to a restriction on alienation  
23 imposed by the United States;

24 (3) forest wood waste, including residual tops and  
25 limbs of trees, unused cull trees, pre-commercial thinnings, and  
26 wood or debris from noncommercial tree species, slash, or brush  
27 obtained from nonfederal forest land, including land that belongs

1 to an Indian tribe and is held in trust by the United States or is  
2 otherwise subject to a restriction on alienation imposed by the  
3 United States, excluding old growth forests or ecologically  
4 sensitive areas;

5 (4) residential or commercial yard waste or food  
6 waste, including recycled cooking grease;

7 (5) organic matter from the vicinity of buildings,  
8 public infrastructure, or other areas regularly occupied by people;

9 (6) animal waste and animal by-products; and

10 (7) algae.

11 (d-2) In this section, "high-capacity wind energy" means  
12 energy from a source using wind that has a capacity of more than 150  
13 kilowatts.

14 (o) The commission shall [~~may~~] establish an alternative  
15 compliance payment. An entity that has a renewable energy purchase  
16 requirement under this section may elect to pay the alternative  
17 compliance payment instead of applying renewable energy credits  
18 toward the satisfaction of the entity's obligation under this  
19 section. The commission shall [~~may~~] establish a separate  
20 alternative compliance payment for the goal of 4,000 [~~500~~]  
21 megawatts of capacity from renewable energy technologies other than  
22 high-capacity wind energy. [~~The alternative compliance payment for~~  
23 ~~a renewable energy purchase requirement that could be satisfied~~  
24 ~~with a renewable energy credit from wind energy may not be less than~~  
25 ~~\$2.50 per credit or greater than \$20 per credit. Prior to September~~  
26 ~~1, 2009, an alternative compliance payment under this subsection~~  
27 ~~may not be set above \$5 per credit. In implementing this~~

1 ~~subsection, the commission shall consider:~~

2           ~~[(1) the effect of renewable energy credit prices on~~  
3 ~~retail competition;~~

4           ~~[(2) the effect of renewable energy credit prices on~~  
5 ~~electric rates;~~

6           ~~[(3) the effect of the alternative compliance payment~~  
7 ~~level on the renewable energy credit market; and~~

8           ~~[(4) any other factors necessary to ensure the~~  
9 ~~continued development of the renewable energy industry in this~~  
10 ~~state while protecting ratepayers from unnecessary rate~~  
11 ~~increases.]~~

12           SECTION 2. This Act takes effect September 1, 2009.