

By: Shapiro

S.B. No. 427

A BILL TO BE ENTITLED

AN ACT

relating to energy demand and incentives for distributed renewable generation.

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. GOAL FOR DISTRIBUTED RENEWABLE GENERATION.

(a) In this section, "distributed renewable generation" has the meaning assigned by Section 39.916.

(b) It is the goal of the legislature that by January 1, 2020, an additional 2,000 megawatts of generating capacity from distributed renewable energy sources will have been installed in this state and that, by January 1, 2015, at least 1,000 megawatts of that additional generating capacity will have been installed in this state.

(c) Electric utilities shall administer programs to give all customers, in all customer classes, an opportunity and incentive to use distributed renewable generation as a supplemental energy source, including programs that provide incentives to:

(1) commercial and residential customers to build integrated solar and geothermal generation of their residence or place of business; and

(2) homebuilders to build integrated solar and geothermal generation in new homes.

1 (d) A retail electric provider shall provide its customers
2 with distributed renewable generation educational materials.

3 (e) The commission shall provide oversight and adopt rules
4 and procedures to ensure that the utilities can achieve the goal
5 prescribed by this section, including rules and procedures:

6 (1) establishing a distributed renewable generation
7 cost recovery factor for ensuring timely and reasonable cost
8 recovery for utility expenditures made to satisfy the goal
9 prescribed by this section;

10 (2) establishing an incentive under Section 36.204 to
11 reward utilities administering programs under this section;

12 (3) providing a utility that is unable to establish a
13 distributed renewable generation cost recovery factor in a timely
14 manner due to a rate freeze with a mechanism to enable the utility
15 to:

16 (A) defer the costs of complying with this
17 section; and

18 (B) recover the deferred costs through a
19 distributed renewable generation cost recovery factor on the
20 expiration of the rate freeze period;

21 (4) ensuring that the costs associated with the
22 programs provided under this section are borne by the customer
23 classes that receive the services under the programs; and

24 (5) ensuring the program encourages the utilities to
25 pass on the value of the incentives to end-use consumers.

26 (f) The distributed renewable generation cost recovery
27 factor under Subsection (e) may not result in an over-recovery of

1 costs but may be adjusted each year to change rates to enable
2 utilities to match revenues against distributed renewable
3 generation costs and any incentives they receive. The factor shall
4 be adjusted to reflect any over-collection or under-collection of
5 distributed renewable generation cost recovery revenue in previous
6 years.

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