

By: Davis, Wendy

S.B. No. 631

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a loan incentive program to promote energy efficiency in apartment buildings.

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

SECTION 1. Section 39.002, Utilities Code, is amended to read as follows:

Sec. 39.002. APPLICABILITY. This chapter, other than Sections 39.155, 39.157(e), 39.203, 39.903, 39.904, 39.9051, 39.9052, ~~[and]~~ 39.914(e), and 39.918, does not apply to a municipally owned utility or an electric cooperative. Sections 39.157(e), 39.203, and 39.904, however, apply only to a municipally owned utility or an electric cooperative that is offering customer choice. If there is a conflict between the specific provisions of this chapter and any other provisions of this title, except for Chapters 40 and 41, the provisions of this chapter control.

SECTION 2. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.918 to read as follows:

Sec. 39.918. ENERGY EFFICIENCY IMPROVEMENT LOAN PROGRAM FOR APARTMENT BUILDINGS. (a) The commission by rule shall develop a no-interest loan program to promote energy efficiency improvements in apartment buildings. The commission shall administer the program using money appropriated expressly for the program.

(b) To be eligible for a loan under the program, an applicant must:

1           (1) be an owner of an existing multi-unit apartment  
2 building; and

3           (2) use the loan for installation of an appliance or  
4 equipment designed to reduce demand for energy in the apartment  
5 building or for a renovation or repair intended to reduce demand for  
6 energy in the apartment building.

7           (c) The commission by rule shall specify:

8           (1) the types of appliances, equipment, renovations,  
9 and repairs for which a loan may be made under the program; and

10           (2) the types of apartment buildings for which a loan  
11 may be made under the program.

12           (d) Loan payments received by the commission shall be  
13 remitted to the comptroller to be credited to the general revenue  
14 fund. The commission by rule shall establish the manner in which  
15 loans are repaid to the commission. The rules must provide that  
16 each loan be repaid:

17           (1) over a period determined by the commission:

18           (A) by a surcharge on the electricity bills of  
19 the rental units improved through loan proceeds, if the building's  
20 rental units are separately submetered and billed directly by a  
21 utility provider; or

22           (B) by a surcharge on the electricity bill of the  
23 building's owner, if the building's rental units are not separately  
24 submetered or billed directly by a utility provider;

25           (2) according to a formula:

26           (A) based on the difference between total monthly  
27 energy costs after improvements are made and the estimated monthly

1 energy costs if the improvements had not been made;

2 (B) that allocates loan repayment costs in a  
3 submetered apartment building, or an apartment building that uses  
4 central system utilities in which the building owner prorates  
5 utility costs among tenants, only to those rental units that are  
6 directly improved using loan proceeds;

7 (C) that allows the tenant of an improved unit in  
8 a separately submetered apartment building, or the tenant of an  
9 improved unit in an apartment building using central system  
10 utilities in which the building owner prorates utility costs among  
11 tenants, to realize at least 40 percent of the energy cost savings  
12 computed in Paragraph (A); and

13 (D) that allows the owner of an apartment  
14 building using central system utilities in which the owner does not  
15 prorate utility costs among tenants to realize at least 40 percent  
16 of the energy cost savings computed in Paragraph (A); and

17 (3) by periodic assessments against the recipient of  
18 the loan, determined according to the amount owed and the  
19 building's property tax valuation, if, before the loan is fully  
20 repaid, the building is sold, is no longer leased to tenants, or is  
21 destroyed.

22 SECTION 3. Not later than December 1, 2009, the Public  
23 Utility Commission of Texas shall establish the energy efficiency  
24 improvement loan program under Section 39.918, Utilities Code, as  
25 added by this Act, and the commission shall begin accepting  
26 applications for loans under that program not later than January 1,  
27 2010.

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