

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 24, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1243 by Gallego (Relating to net metering for retail electric service customers and compensation for excess electricity generated by a retail electric customer's on-site generator.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend various provisions regarding distributed renewable generation and interconnection with electricity utilities, including a requirement for electric utilities to pay a distributed renewable generation owner a fair market value for excess energy. The bill would require the Public Utility Commission (PUC) to adopt rules to establish interconnection and equipment standards that a distributed renewable generation must meet to qualify for compensation. The bill would require the PUC to establish a methodology for determining the fair market value of surplus energy. The bill would authorize the PUC to require electric utilities, electric cooperatives, and retail electric providers to disclose on a customer's bill the amount of surplus energy, the value of any credit for surplus energy, and the value of any credit for surplus energy that is carried over from a prior month.

The bill would require the PUC to post on its Power-to-Choose website information on a retail electric provider's offers for purchase of surplus energy and information on offers for the purchase of renewable energy credits.

Based on the analysis of the PUC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

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