

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: SB435 by Ellis (Relating to a statewide goal for electric energy generation during peak load periods from renewable energy technologies.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would establish a goal of 3,000 megawatts of additional generating capacity from renewable energy technologies during peak load periods, to be achieved by January 1, 2020. The bill would require each retail electric provider, municipal utility, or electric cooperative to own or purchase appropriate generating capacity or peak load renewable energy credits.

The bill would require the Public Utility Commission (PUC) to establish by rule a peak load renewable energy credit trading program to support reaching the goal. The bill would require the PUC to adopt rules establishing the minimum annual peak load renewable energy requirement for each retail electric provider, municipally owned utility, or electric cooperative, and to specify reasonable performance standards. The bill would require the PUC to develop a plan to construct transmission capacity necessary to deliver to customers the output from renewable energy technologies to meet peak load demands. The bill would require the PUC to submit a report to the legislature no later than December 31 of each even-numbered year regarding the implementation of these provisions, the estimated cost of transmission service improvements and other necessary system improvements, and an evaluation of the effects that additional peak load renewable generation has on system reliability. The bill would also authorize the PUC to adopt rules requiring renewable peak load power facilities to have reactive power control capabilities or any other technology designed to reduce the facilities' effects on system reliability.

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

Local Government Impact

According to information provided by the Texas Public Power Association, the provisions of the bill would not have an immediate fiscal impact on municipally owned utilities.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, JRO, ES