

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 13, 2009

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

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

IN RE: SB2349 by Ogden (Relating to distributed generation of electric power by natural gas powered generation facilities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would establish a definition of a distributed natural gas generation facility and would authorize distributed natural gas generation facility owners to sell power. The bill would require electric utilities, electric cooperatives or retail electric providers either to purchase power at an agreed upon price or to allow the owner or operator of the facility to use the transmission and distribution facilities to transmit the electric power to another market, in accordance with commission rules. The bill would authorize an electric utility or electric cooperative to recover from the owner or operator of a distributed natural gas generation facility the reasonable costs of interconnecting the facility and/or any upgrades to accommodate the distributed natural gas generation capacity. The bill would require the distributed natural gas generation facility to comply with emissions limitations established by the Texas Commission on Environmental Quality (TCEQ) for a standard emissions permit. The bill would authorize the Public Utility Commission (PUC) to adopt rules to establish simplified filing requirements for distributed natural gas generation facilities.

The PUC would be required to conduct a rulemaking to conform existing rules to the provisions of the bill. Based on the analysis of the PUC and TCEQ, 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, 582 Commission on Environmental Quality

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