

BILL ANALYSIS

C.S.H.B. 2288
By: Crownover
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There is some debate about whether or not a school district that installs distributed renewable generation such as wind turbines or solar panels on its property should be considered a power generation company. C.S.H.B. 2288 seeks to resolve this question by establishing provisions relating to a prohibition against retail electric customers who own or contract to finance, install, or maintain distributed renewable generation on the customer's side of the meter being considered power generation companies.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2288 amends the Utilities Code to redefine "distributed renewable generation owner" to include a retail electric customer who contracts with another person to finance, install, or maintain distributed renewable generation on the customer's side of the meter, regardless of whether the customer takes ownership of the installed distributed renewable generation.

C.S.H.B. 2288 prohibits the Public Utility Commission of Texas (PUC) from considering the distributed renewable generation owner to be an electric utility, a power generation company, or a retail electric provider or from requiring the distributed renewable generation owner to register with or be certified by the PUC if, at the time distributed renewable generation is installed on a retail electric customer's side of the meter, the estimated annual amount of electric energy to be produced by the distributed renewable generation is less than or equal to the customer's estimated annual electric energy consumption.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2288 omits a provision included in the original making provisions of the original relating to the classification of owners of certain distributed renewable generation applicable to a municipally owned utility or an electric cooperative.

C.S.H.B. 2288 omits provisions included in the original relating to classification of owners of certain distributed renewable generation that define "distributed renewable generation" for purposes of those provisions; prohibit the Public Utility Commission of Texas (PUC) from considering a retail electric customer to be a power generation company based on the customer's ownership of distributed renewable generation or the customer's contract with another person to finance, install, or maintain distributed renewable generation on the customer's side of the meter;

and prohibit the PUC from considering a person to be an electric utility, a power generation company, or a retail electric provider based on the person's contract with a retail electric customer to finance, install, or maintain distributed renewable generation on the customer's side of the meter.

C.S.H.B. 2288 contains a provision not included in the original prohibiting the PUC from considering a distributed renewable generation owner to be an electric utility, a power generation company, or a retail electric provider or requiring the distributed renewable generation owner to register with or be certified by the PUC, if, at the time the distributed renewable generation is installed on a retail customer's side of the meter, the estimated annual amount of electric energy to be produced by the distributed renewable generation is less than or equal to the customer's estimated annual electric energy consumption.