

BILL ANALYSIS

Senate Research Center

S.B. 981
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Distributed generation is electricity produced on-site and connected to the utility distribution system. Recent technological advances make distributed generation more affordable and desirable than ever before, but statewide policies do not exist for classification of distributed generation. Statute is unclear or does not address provisions for small scale distributed generators—for example, whether these entities should be considered power generators even though they do not participate in the energy market like large power producers. Furthermore, current statute does not address whether distributed generators are required to register with the Public Utility Commission of Texas (PUC) even though they typically produce less than a megawatt of energy. S.B. 981 seeks to clarify these requirements so that those distributed generators that produce less than two megawatts of energy, and annually consume and produce relatively the same amount of energy are not considered a power generating company, utility, or retail electric provider and are not required to register with PUC.

S.B. 981 amends current law relating to the regulation of distributed renewable generation of electricity.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.916(a)(2), Utilities Code, to redefine "distributed renewable generation owner" in this section.

SECTION 2. Amends Section 39.916, Utilities Code, by adding Subsection (k), to provide that neither a retail electric customer that uses distributed renewable generation nor the owner of the distributed renewable generation that the retail electric customer uses is an electric utility, power generation company, or retail electric provider for the purposes of this title and neither is required to register with or be certified by the Public Utility Commission of Texas if at the time distributed renewable generation is installed, the estimated annual amount of electricity to be produced by the distributed renewable generation is less than or equal to the retail electric customer's estimated annual electricity consumption.

SECTION 3. Effective date: September 1, 2011.