

BILL ANALYSIS

C.S.S.B. 981
By: Carona
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties consider distributed generation to be electricity produced on-site and connected to a utility distribution system and contend that there is a need for classification of distributed generation in state policy as technological advances have made such generation more affordable and desirable. The parties contend that statute is unclear with regard to small-scale distributed generators and does not adequately address whether such generators are required to register with the Public Utility Commission of Texas. C.S.S.B. 981 seeks to clarify such issues by establishing provisions relating to the regulation of distributed renewable generation of electricity.

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.S.B. 981 amends the Utilities Code to prohibit the Public Utility Commission of Texas (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, 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 to be certified by the PUC.

C.S.S.B. 981 redefines "distributed renewable generation owner" to include within its meaning 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.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 981 contains a prohibition not included in the original prohibiting the Public Utility Commission of Texas (PUC), under certain conditions, from considering the distributed renewable generation owner to be an electric utility or a retail electric provider. The substitute differs from the original by prohibiting the PUC, under those same conditions, from requiring the distributed renewable generation owner to register with or to be certified by the PUC, whereas the original prohibits the PUC, under such conditions, from requiring the distributed renewable generation owner to register as a power generation company.

C.S.S.B. 981 omits a provision included in the original prohibiting the PUC from considering a

person who contracts with a retail electric customer to finance, install, or maintain distributed renewable generation on the customer's side of the meter under a contract to be an electric utility, a power generation company, or a retail electric provider.