

By: Anchia

H.B. No. 776

A BILL TO BE ENTITLED

AN ACT

relating to the rights of distributed renewable generation owners and certain parties who provide distributed renewable generation to retail electric customers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 31.002(6), Utilities Code, is amended to read as follows:

(6) "Electric utility" means a person or river authority that owns or operates for compensation in this state equipment or facilities to produce, generate, transmit, distribute, sell, or furnish electricity in this state. The term includes a lessee, trustee, or receiver of an electric utility and a recreational vehicle park owner who does not comply with Subchapter C, Chapter 184, with regard to the metered sale of electricity at the recreational vehicle park. The term does not include:

(A) a municipal corporation;

(B) a qualifying facility;

(C) a power generation company;

(D) an exempt wholesale generator;

(E) a power marketer;

(F) a corporation described by Section 32.053 to the extent the corporation sells electricity exclusively at wholesale and not to the ultimate consumer;

(G) an electric cooperative;

(H) a retail electric provider;

(I) this state or an agency of this state; ~~[or]~~

(J) a person not otherwise an electric utility

who:

(i) furnishes an electric service or commodity only to itself, its employees, or its tenants as an incident of employment or tenancy, if that service or commodity is not resold to or used by others;

(ii) owns or operates in this state equipment or facilities to produce, generate, transmit, distribute, sell, or furnish electric energy to an electric utility, if the equipment or facilities are used primarily to produce and generate electric energy for consumption by that person; or

(iii) owns or operates in this state a recreational vehicle park that provides metered electric service in accordance with Subchapter C, Chapter 184; or

(K) a distributed renewable generation owner, as defined by Section 39.916, or a person with whom a retail electric customer contracts to install or maintain distributed renewable generation on the customer's side of the meter.

SECTION 2. The heading to Section 39.916, Utilities Code, is amended to read as follows:

Sec. 39.916. ~~[INTERCONNECTION OF]~~ DISTRIBUTED RENEWABLE GENERATION.

SECTION 3. Section 39.916(a)(2), Utilities Code, is amended to read as follows:

1           (2) "Distributed renewable generation owner" means  
2 the owner of distributed renewable generation. The term includes a  
3 retail electric customer who contracts with another person to  
4 install or maintain distributed renewable generation on the  
5 customer's side of the meter, notwithstanding the fact that the  
6 customer does not take actual ownership of the installed  
7 distributed renewable generation.

8           SECTION 4. Section 39.916, Utilities Code, is amended by  
9 amending Subsections (d) and (j) and adding Subsection (i) to read  
10 as follows:

11           (d) The commission by rule shall establish safety,  
12 technical, and performance standards for distributed renewable  
13 generation that may be interconnected. In adopting the rules, the  
14 commission shall consider standards published by the Underwriters  
15 Laboratories, the National Electric Code, the National Electric  
16 Safety Code, and the Institute of Electrical and Electronics  
17 Engineers. The commission may not require a distributed renewable  
18 generation owner or a person who contracts with a customer to  
19 install or maintain distributed renewable generation on the  
20 customer's side of the meter to register as a self-generator.

21           (i) The commission by rule shall establish a minimum rate at  
22 which an electric utility or retail electric provider shall  
23 purchase surplus electricity produced by distributed renewable  
24 generation. The minimum rate must be equal to or greater than the  
25 clearing price for energy at the time of day that the electricity is  
26 made available to the grid.

27           (j) Subject to Subsection (i), for ~~[For]~~ distributed

1 renewable generation owners in areas in which customer choice has  
2 been introduced, the distributed renewable generation owner must  
3 sell the owner's surplus electricity produced to the retail  
4 electric provider that serves the distributed renewable generation  
5 owner's load at a value agreed to between the distributed renewable  
6 generation owner and the provider that serves the owner's load  
7 which may include, but is not limited to, an agreed value based on  
8 the clearing price of energy at the time of day that the electricity  
9 is made available to the grid or it may be a credit applied to an  
10 account during a billing period that may be carried over to  
11 subsequent billing periods until the credit has been redeemed. The  
12 independent organization identified in Section 39.151 shall  
13 develop procedures so that the amount of electricity purchased from  
14 a distributed renewable generation owner under this section is  
15 accounted for in settling the total load served by the provider that  
16 serves that owner's load by January 1, 2009. A distributed  
17 renewable generation owner requesting net metering services for  
18 purposes of this section must have metering devices capable of  
19 providing measurements consistent with the independent  
20 organization's settlement requirements.

21 SECTION 5. This Act takes effect September 1, 2011.