

By: Chisum, Strama

H.B. No. 3595

Substitute the following for H.B. No. 3595:

By: Howard of Fort Bend

C.S.H.B. No. 3595

A BILL TO BE ENTITLED

AN ACT

relating to energy efficiency goals and energy efficiency programs.

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

SECTION 1. Section 39.905, Utilities Code, is amended by amending Subsections (a) and (d) to read as follows:

(a) It is the goal of the legislature that:

(1) electric utilities will administer energy efficiency incentive programs in a market-neutral, nondiscriminatory manner but will not offer underlying competitive services;

(2) all customers, in all customer classes, will have a choice of and access to energy efficiency alternatives and other choices from the market that allow each customer to reduce energy consumption, peak demand, or energy costs;

(3) each electric utility will provide, through market-based standard offer programs or through ~~[limited]~~ targeted~~[r]~~ market-transformation programs, incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency for residential and commercial customers equivalent to at least:

(A) 10 percent of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2007;

(B) 15 percent of the electric utility's annual

1 growth in demand of residential and commercial customers by  
2 December 31, 2008, provided that the electric utility's program  
3 expenditures for 2008 funding may not be greater than 75 percent  
4 above the utility's program budget for 2007 for residential and  
5 commercial customers, as included in the April 1, 2006, filing; and

6 (C) 20 percent of the electric utility's annual  
7 growth in demand of residential and commercial customers by  
8 December 31, 2009, provided that the electric utility's program  
9 expenditures for 2009 funding may not be greater than 150 percent  
10 above the utility's program budget for 2007 for residential and  
11 commercial customers, as included in the April 1, 2006, filing;

12 (4) each electric utility in the ERCOT region shall  
13 use its best efforts to encourage and facilitate the involvement of  
14 the region's retail electric providers in the delivery of  
15 efficiency programs and demand response programs under this  
16 section;

17 (5) retail electric providers in the ERCOT region, and  
18 electric utilities outside of the ERCOT region, shall provide  
19 customers with energy efficiency educational materials; and

20 (6) notwithstanding Subsection (a)(3), electric  
21 utilities shall continue to make available, at 2007 funding and  
22 participation levels, any load management standard offer programs  
23 developed for industrial customers and implemented prior to May 1,  
24 2007.

25 (d) The commission shall establish a procedure for  
26 reviewing and evaluating market-transformation program options  
27 described by this subsection and other options. In evaluating

1 program options, the commission may consider the ability of a  
2 program option to reduce costs to customers through reduced demand,  
3 energy savings, and relief of congestion. Utilities may choose to  
4 implement any program option approved by the commission after its  
5 evaluation in order to satisfy the goal in Subsection (a),  
6 including:

- 7 (1) energy-smart schools;
- 8 (2) appliance retirement and recycling;
- 9 (3) air conditioning system tune-ups;
- 10 (4) the installation of variable speed air  
11 conditioning systems, motors, and drives;
- 12 (5) the use of trees or other landscaping for energy  
13 efficiency~~[-]~~;
- 14 (6) ~~[(5)]~~ customer energy management and demand  
15 response programs;
- 16 (7) ~~[(6)]~~ high performance residential and commercial  
17 buildings that will achieve the levels of energy efficiency  
18 sufficient to qualify those buildings for federal tax incentives;
- 19 (8) commissioning services for commercial and  
20 institutional buildings that result in operational and maintenance  
21 practices that reduce the buildings' energy consumption;
- 22 (9) ~~[(7)]~~ programs for customers who rent or lease  
23 their residence or commercial space;
- 24 (10) ~~[(8)]~~ programs providing energy monitoring  
25 equipment to customers that enable a customer to better understand  
26 the amount, price, and time of the customer's energy use;
- 27 (11) ~~[(9)]~~ energy audit programs for owners and other

1 residents of single-family or multifamily residences and for small  
2 commercial customers;

3 (12) [~~(10)~~] net-zero energy new home programs;

4 (13) [~~(11)~~] solar thermal or solar electric programs;

5 [~~and~~]

6 (14) [~~(12)~~] programs for using windows and other  
7 glazing systems, glass doors, and skylights in residential and  
8 commercial buildings that reduce solar gain by at least 30 percent  
9 from the level established for the federal Energy Star windows  
10 program;

11 (15) data center efficiency programs; and

12 (16) energy use programs with measurable and  
13 verifiable results that reduce energy consumption through  
14 behavioral changes that lead to efficient use patterns and  
15 practices.

16 SECTION 2. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2011.