By: Carona S.B. No. 943

## A BILL TO BE ENTITLED

1	AN ACT

- 2 relating to the classification and use of energy storage equipment
- or facilities and the provision of studies and reports regarding 3
- energy storage equipment or those facilities. 4
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 6 SECTION 1. Chapter 31, Utilities Code, is amended by adding
- Section 31.006 to read as follows: 7

- Sec. 31.006. ENERGY STORAGE EQUIPMENT OR FACILITIES. 8
- 9 (a) The commission by rule shall classify energy storage equipment
- or facilities in this state as a separate class or separate classes 10
- of equipment or facilities, distinct from generation or 11
- transmission and distribution equipment or facilities. A rule 12
- adopted under this section may not prohibit energy storage 13
- 14 equipment or facilities from being used to provide a service
- related to the generation, transmission, or distribution of 15
- 16 electricity in this state.
- (b) The commission by rule shall provide a mechanism for a 17
- transmission and distribution utility to provide transmission and 18
- distribution services using energy storage equipment or facilities 19
- owned or operated by the utility or by another person. 20
- 21 SECTION 2. Section 39.904(k), Utilities Code, is amended to
- read as follows: 22
- 23 (k) The commission and the independent organization
- certified for ERCOT shall study the need for increased transmission 2.4

- 1 capacity, [and] generation capacity, and energy storage capacity
- 2 throughout this state and report to the legislature the results of
- 3 the study and any recommendations for legislation. The report must
- 4 be filed with the legislature not later than December 31 of each
- 5 even-numbered year and may be filed as a part of the report required
- 6 by Subsection (j).
- 7 SECTION 3. Sections 39.905(b-3) and (d), Utilities Code,
- 8 are amended to read as follows:
- 9 (b-3) Not [Beginning not] later than January 1, 2012 [2008],
- 10 the commission, in consultation with the State Energy Conservation
- 11 Office, [annually for a period of five years] shall compute and
- 12 report to ERCOT the projected energy savings and demand impacts for
- 13 each entity in the ERCOT region that administers standard offer
- 14 programs, market transformation programs, combined heating and
- 15 power technology, demand response programs, solar incentive
- 16 programs, appliance efficiency standards, energy efficiency
- 17 programs in public buildings, energy storage technology, and any
- 18 other relevant programs that are reasonably anticipated to reduce
- 19 electricity energy or peak demand or that serve as substitutes for
- 20 electric supply.
- 21 (d) The commission shall establish a procedure for
- 22 reviewing and evaluating market-transformation program options
- 23 described by this subsection and other options. In evaluating
- 24 program options, the commission may consider the ability of a
- 25 program option to reduce costs to customers through reduced demand,
- 26 energy savings, and relief of congestion. Utilities may choose to
- 27 implement any program option approved by the commission after its

S.B. No. 943

```
1 evaluation in order to satisfy the goal in Subsection (a),
```

- 2 including:
- 3 (1) energy-smart schools;
- 4 (2) appliance retirement and recycling;
- 5 (3) air conditioning system tune-ups;
- 6 (4) the use of trees or other landscaping for energy
- 7 efficiency;
- 8 (5) customer energy management and demand response
- 9 programs;
- 10 (6) high performance residential and commercial
- 11 buildings that will achieve the levels of energy efficiency
- 12 sufficient to qualify those buildings for federal tax incentives;
- 13 (7) programs for customers who rent or lease their
- 14 residence or commercial space;
- 15 (8) programs providing energy monitoring equipment to
- 16 customers that enable a customer to better understand the amount,
- 17 price, and time of the customer's energy use;
- 18 (9) energy audit programs for owners and other
- 19 residents of single-family or multifamily residences and for small
- 20 commercial customers;
- 21 (10) net-zero energy new home programs;
- 22 (11) solar thermal or solar electric programs; [and]
- 23 (12) programs for using windows and other glazing
- 24 systems, glass doors, and skylights in residential and commercial
- 25 buildings that reduce solar gain by at least 30 percent from the
- 26 level established for the federal Energy Star windows program; and
- 27 (13) thermal, chemical, mechanical, and electrical

S.B. No. 943

- 1 <u>energy storage technology programs</u>.
- 2 SECTION 4. This Act takes effect September 1, 2011.