

A BILL TO BE ENTITLED

AN ACT

relating to the construction and operation of combined heating and power facilities in certain municipalities.

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

SECTION 1. Subchapter Z, Chapter 552, Local Government Code, is amended by adding Section 552.913 to read as follows:

Sec. 552.913. COMBINED HEATING AND POWER SYSTEMS IN CERTAIN MUNICIPALITIES. (a) This section applies only to a home-rule municipality that:

(1) has a population of more than 100,000;

(2) owns and operates an electric utility that is a member of a municipal power agency; and

(3) is located in a county adjacent to a county with a population of more than two million.

(b) To the extent this section conflicts with a municipal charter provision, this section controls.

(c) A municipality may buy, own, construct, maintain, and operate a combined heating and power system or plant and related infrastructure.

(d) The governing body of the municipality may designate a combined heating and power economic development district that includes territory that:

(1) is within three miles of the combined heating and power plant;

1           (2) is wholly located within the corporate boundaries  
2 of the municipality; and

3           (3) does not have an interstate or federal highway  
4 located within the boundaries of the district on the date the  
5 territory is designated.

6           (e) The municipality may sell an energy commodity from the  
7 system or plant, including electricity, chilled water, steam, or  
8 gas. The municipality may sell gas only to industrial customers  
9 located in the combined heating and power economic development  
10 district.

11           (f) The municipality shall assess fees against a municipal  
12 entity selling gas to industrial customers in the combined heating  
13 and power economic district that are substantially the same as the  
14 fees assessed against a gas utility that is not owned by the  
15 municipality for occupation of a municipal right-of-way.

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.