

1-1 By: Estes S.B. No. 1230
1-2 (In the Senate - Filed March 7, 2011; March 16, 2011, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 March 30, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 30, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1230 By: Estes

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the construction and operation of combined heating and
1-11 power facilities in certain municipalities.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter Z, Chapter 552, Local Government
1-14 Code, is amended by adding Section 552.913 to read as follows:

1-15 Sec. 552.913. COMBINED HEATING AND POWER SYSTEMS IN CERTAIN
1-16 MUNICIPALITIES. (a) This section applies only to a home-rule
1-17 municipality that:

1-18 (1) has a population of more than 100,000;

1-19 (2) owns and operates an electric utility that is a
1-20 member of a municipal power agency; and

1-21 (3) is located in a county adjacent to a county with a
1-22 population of more than two million.

1-23 (b) To the extent this section conflicts with a municipal
1-24 charter provision, this section controls.

1-25 (c) A municipality may buy, own, construct, maintain, and
1-26 operate a combined heating and power system or plant and related
1-27 infrastructure.

1-28 (d) The governing body of the municipality may designate a
1-29 combined heating and power economic development district that
1-30 includes territory that:

1-31 (1) is within three miles of the combined heating and
1-32 power plant;

1-33 (2) is wholly located within the corporate boundaries
1-34 of the municipality; and

1-35 (3) does not have an interstate or federal highway
1-36 located within the boundaries of the district on the date the
1-37 territory is designated.

1-38 (e) The municipality may sell an energy commodity from the
1-39 system or plant, including electricity, chilled water, steam, or
1-40 gas. The municipality may sell gas only to industrial customers
1-41 located in the combined heating and power economic development
1-42 district.

1-43 (f) The municipality shall assess fees against a municipal
1-44 entity selling gas to industrial customers in the combined heating
1-45 and power economic district that are substantially the same as the
1-46 fees assessed against a gas utility that is not owned by the
1-47 municipality for occupation of a municipal right-of-way.

1-48 SECTION 2. This Act takes effect immediately if it receives
1-49 a vote of two-thirds of all the members elected to each house, as
1-50 provided by Section 39, Article III, Texas Constitution. If this
1-51 Act does not receive the vote necessary for immediate effect, this
1-52 Act takes effect September 1, 2011.

1-53 * * * * *