



FLOOR AMENDMENT NO. _____ 13 MAR 19 AM 8:23

BY:

HOUSE OF REPRESENTATIVES

HB 1600 is amended by adding the following appropriately numbered section and renumbering subsequent sections appropriately:

SECTION _____. Section 39.904, Utilities Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (d-1) to read as follows:

(a) It is the intent of the legislature that after January 1, 2022, [by January 1, 2015, an additional 5,000] 10,880 megawatts of generating capacity from renewable energy technologies will have been installed in this state, 5,000 megawatts of which must be renewable energy technology capable of serving peak demand. The cumulative installed renewable capacity in this state shall total:

(1) 6,880 megawatts by January 1, 2015, 1,000 megawatts of which must be from renewable energy technology capable of serving peak demand and 5,880 megawatts of which may be from other renewable energy technologies;

(2) 7,880 megawatts by January 1, 2016, 2,000 megawatts of which must be from renewable energy technology capable of serving peak demand and 5,880 megawatts of which may be from other renewable energy technologies;

(3) 8,880 megawatts by January 1, 2018, 3,000 megawatts of which must be from renewable energy technology capable of serving peak demand and 5,880 megawatts of which may be from other renewable energy technologies;

(4) 9,880 megawatts by January 1, 2020, 4,000 megawatts of which must be from renewable energy technology capable of serving peak demand and 5,880 megawatts of which may be from other renewable energy technologies;

1 (5) 10,880 megawatts after January 1, 2022, 5,000
2 megawatts of which must be from renewable energy technology
3 capable of serving peak demand and 5,880 megawatts of which may
4 be from other renewable energy technologies~~[5,880 megawatts by~~
5 ~~January 1, 2015, and the commission shall establish a target of~~
6 ~~10,000 megawatts of installed renewable capacity by January 1,~~
7 ~~2025. The cumulative installed renewable capacity in this state~~
8 ~~shall total 2,280 megawatts by January 1, 2007, 3,272 megawatts~~
9 ~~by January 1, 2009, 4,264 megawatts by January 1, 2011, 5,256~~
10 ~~megawatts by January 1, 2013, and 5,880 megawatts by January 1,~~
11 ~~2015. Of the renewable energy technology generating capacity~~
12 ~~installed to meet the goal of this subsection after September 1,~~
13 ~~2005, the commission shall establish a target of having at least~~
14 ~~500 megawatts of capacity from a renewable energy technology~~
15 ~~other than a source using wind energy].~~

16 (b) The commission shall establish a renewable energy
17 credits trading program. Any retail electric provider,
18 municipally owned utility, or electric cooperative that does not
19 satisfy the requirements of Subsection (a) by directly owning or
20 purchasing capacity using renewable energy technologies shall
21 purchase sufficient renewable energy credits to satisfy the
22 requirements by holding renewable energy credits in lieu of
23 capacity from renewable energy technologies.

24 (d-1) In this section, "renewable energy technology
25 capable of serving peak demand" means a renewable energy
26 technology that:

27 (1) may be dispatched by the operator regardless of
28 environmental or weather conditions; or

29 (2) during the preceding year, provided energy at a
30 capacity factor of at least 40 percent between 1 p.m. and 8 p.m.
31 in June, July, August, and September.

1 (o) The commission may establish an alternative compliance
2 payment. An entity that has a renewable energy purchase
3 requirement under this section may elect to pay the alternative
4 compliance payment instead of applying renewable energy credits
5 toward the satisfaction of the entity's obligation under this
6 section. The commission may establish a separate alternative
7 compliance payment for the goal of installing 5,000 ~~[500]~~
8 megawatts of capacity from renewable energy technologies capable
9 of serving peak demand ~~[other than wind energy]~~. The alternative
10 compliance payment for a renewable energy purchase requirement
11 that could be satisfied with a renewable energy credit from wind
12 energy may not be less than \$2.50 per credit or greater than \$20
13 per credit. Prior to September 1, 2009, an alternative
14 compliance payment under this subsection may not be set above \$5
15 per credit. In implementing this subsection, the commission
16 shall consider:

17 (1) the effect of renewable energy credit prices on
18 retail competition;

19 (2) the effect of renewable energy credit prices on
20 electric rates;

21 (3) the effect of the alternative compliance payment
22 level on the renewable energy credit market; and

23 (4) any other factors necessary to ensure the
24 continued development of the renewable energy industry in this
25 state while protecting ratepayers from unnecessary rate
26 increases.

