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FLOOR AMENDMENT NO. _____

HOUSE OF REPRESENTATIVES BY:

SECTION 1. Sections 39.904(a) and (o), Utilities Code, are amended to read as follows:

(a) It is the intent of the legislature that by January 1, 2020, at least 35 percent of the generating capacity in this state will be from renewable energy technologies, with at least 2 percent of the generating capacity in this state from solar energy technologies [2015, an additional 5,000 megawatts of generating capacity from renewable energy technologies will have been installed in this state. The cumulative installed renewable capacity in this state shall total 5,880 megawatts by January 1, 2015, and the commission shall establish a target of 10,000 megawatts of installed renewable capacity by January 1, 2025. The cumulative installed renewable capacity in this state shall total 2,280 megawatts by January 1, 2007, 3,272 megawatts by January 1, 2009, 4,264 megawatts by January 1, 2011, 5,256 megawatts by January 1, 2013, and 5,880 megawatts by January 1, 2015. Of the renewable energy technology generating capacity installed to meet the goal of this subsection after September 1, 2005, the commission shall establish a target of having at least 500 megawatts of capacity from a renewable energy technology other than a source using wind energy].

(o) The commission may establish an alternative compliance payment. An entity that has a renewable energy purchase requirement under this section may elect to pay the alternative compliance payment instead of applying renewable energy credits toward the satisfaction of the entity's obligation under this section. [The commission may establish a separate alternative compliance payment for the goal of 500 megawatts of capacity from renewable energy technologies other than wind energy. The

1 alternative compliance payment for a renewable energy purchase
2 requirement that could be satisfied with a renewable energy
3 credit from wind energy may not be less than \$2.50 per credit or
4 greater than \$20 per credit. Prior to September 1, 2009, an
5 alternative compliance payment under this subsection may not be
6 set above \$5 per credit.] In implementing this subsection, the
7 commission shall consider:

8 (1) the effect of renewable energy credit prices on retail
9 competition;

10 (2) the effect of renewable energy credit prices on
11 electric rates;

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

14 (4) any other factors necessary to ensure the continued
15 development of the renewable energy industry in this state while
16 protecting ratepayers from unnecessary rate increases.