

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 2049  
By: Huberty; Menéndez (Williams)  
Business & Commerce  
5/14/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties contend that the current statutory definition of a cogeneration facility as one that sells electric energy to the sole purchaser of a cogenerator's thermal output is incongruent with a regulatory ruling allowing cogeneration facilities to sell thermal energy to multiple purchasers to maximize operational efficiency.

C.S.H.B. 2049 amends current law relating to a qualifying cogeneration facility's ability to sell electric energy to multiple purchasers.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 31.002(13), Utilities Code, to redefine "qualifying cogenerator."

SECTION 2. Amends Subchapter B, Chapter 37, Utilities Code, by adding Section 37.0521, as follows:

Sec. 37.0521. EXCEPTION FOR RETAIL SALES BY CERTAIN QUALIFYING COGENERATORS. (a) Authorizes a qualifying cogenerator, notwithstanding Section 37.001(3) (defining "retail electric utility"), to sell electric energy at retail to more than one purchaser of the cogenerator's thermal output.

(b) Provides that a qualifying cogenerator that sells electric energy at retail to more than one purchaser, if not otherwise subject to regulation as an electric utility, is not as a result of the sale subject to regulation as a retail electric retail provider or power generation company or as a retail electric utility under Chapter 37.

(c) Provides that this section does not apply to sales in an area in which customer choice has not been adopted and where a municipally owned utility or an electric cooperative is certificated to provide retail electric utility service or that is served by an electric utility that operates solely outside of the Electric Reliability Council of Texas.

SECTION 3. Effective date: September 1, 2013.