

By: Strama

H.B. No. 3583

A BILL TO BE ENTITLED

AN ACT

relating to renewable energy technology capable of serving peak demand.

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

SECTION 1. 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

1 other renewable energy technologies;

2 (4) 9,880 megawatts by January 1, 2020, 4,000  
3 megawatts of which must be from renewable energy technology capable  
4 of serving peak demand and 5,880 megawatts of which may be from  
5 other renewable energy technologies;

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

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

1 energy technologies.

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

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

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

9 (o) The commission may establish an alternative compliance  
10 payment. An entity that has a renewable energy purchase requirement  
11 under this section may elect to pay the alternative compliance  
12 payment instead of applying renewable energy credits toward the  
13 satisfaction of the entity's obligation under this section. The  
14 commission may establish a separate alternative compliance payment  
15 for the goal of installing 5,000 [500] megawatts of capacity from  
16 renewable energy technologies capable of serving peak demand [other  
17 than wind energy]. The alternative compliance payment for a  
18 renewable energy purchase requirement that could be satisfied with  
19 a renewable energy credit from wind energy may not be less than  
20 \$2.50 per credit or greater than \$20 per credit. Prior to September  
21 1, 2009, an alternative compliance payment under this subsection  
22 may not be set above \$5 per credit. In implementing this subsection,  
23 the commission shall consider:

24 (1) the effect of renewable energy credit prices on  
25 retail competition;

26 (2) the effect of renewable energy credit prices on  
27 electric rates;

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

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

6           SECTION 2. This Act takes effect September 1, 2013.