

By: Carona

S.B. No. 1351

A BILL TO BE ENTITLED

AN ACT

relating to demand-side electric energy resources in the competitive electric market.

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

SECTION 1. Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.160 to read as follows:

Sec. 39.160. LOAD PARTICIPATION REQUIREMENTS. The commission and the independent organization certified under Section 39.151 for each power region shall allow load participation in all energy markets for residential, commercial, and industrial customer classes, directly or through aggregators of retail customers, to the extent that load participation by each customer class complies with requirements of the independent organization for ensuring reliability and adequacy of the regional electric network. The load participation must be designed and implemented in a manner to increase market efficiency, competition, and customer benefits.

SECTION 2. Subsection (b), Section 39.905, Utilities Code, is amended to read as follows:

(b) The commission shall provide oversight and adopt rules and procedures to ensure that the utilities can achieve the goal of this section, including:

(1) establishing an energy efficiency cost recovery factor for ensuring timely and reasonable cost recovery for utility

1 expenditures made to satisfy the goal of this section;

2 (2) establishing an incentive under Section 36.204 to
3 reward utilities administering programs under this section that
4 exceed the minimum goals established by this section;

5 (3) providing a utility that is unable to establish an
6 energy efficiency cost recovery factor in a timely manner due to a
7 rate freeze with a mechanism to enable the utility to:

8 (A) defer the costs of complying with this
9 section; and

10 (B) recover the deferred costs through an energy
11 efficiency cost recovery factor on the expiration of the rate
12 freeze period;

13 (4) ensuring that the costs associated with programs
14 provided under this section and any shareholder bonus awarded are
15 borne by the customer classes that receive the services under the
16 programs;

17 (5) ensuring the program rules encourage the value of
18 the incentives to be passed on to the end-use customer; and

19 (6) ensuring that programs are evaluated, measured,
20 and verified using a framework established by the commission that
21 promotes effective program design and consistent and streamlined
22 reporting[, ~~and~~

23 [~~(7) ensuring that an independent organization~~
24 ~~certified under Section 39.151 allows load participation in all~~
25 ~~energy markets for residential, commercial, and industrial~~
26 ~~customer classes, either directly or through aggregators of retail~~
27 ~~customers, to the extent that load participation by each of those~~

1 ~~customer classes complies with reasonable requirements adopted by~~
2 ~~the organization relating to the reliability and adequacy of the~~
3 ~~regional electric network and in a manner that will increase market~~
4 ~~efficiency, competition, and customer benefits].~~

5 SECTION 3. This Act takes effect September 1, 2013.