

1-1 By: Menéndez S.B. No. 2066
1-2 (In the Senate - Filed March 7, 2019; March 21, 2019, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 April 25, 2019, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 25, 2019,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hancock	X		
1-10	Nichols	X		
1-11	Campbell	X		
1-12	Creighton	X		
1-13	Menéndez	X		
1-14	Paxton	X		
1-15	Schwertner	X		
1-16	Whitmire	X		
1-17	Zaffirini	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2066 By: Menéndez

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to distributed renewable generation resources.
1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is
1-24 amended by adding Chapter 113 to read as follows:
1-25 CHAPTER 113. SALES AND LEASING OF DISTRIBUTED RENEWABLE GENERATION
1-26 RESOURCES
1-27 Sec. 113.001. DEFINITIONS. In this chapter:
1-28 (1) "Distributed renewable generation" has the
1-29 meaning assigned by Section 39.916, Utilities Code.
1-30 (2) "Small commercial customer" has the meaning
1-31 assigned by Section 39.202(o), Utilities Code.
1-32 Sec. 113.002. APPLICABILITY. (a) This chapter applies to
1-33 a seller or lessor of distributed renewable generation resources.
1-34 (b) This chapter does not apply to:
1-35 (1) a transaction involving the sale or transfer of
1-36 the real property on which a distributed renewable generation
1-37 resource is located;
1-38 (2) a person, including a person acting through the
1-39 person's officers, employees, brokers, or agents, who markets,
1-40 sells, solicits, negotiates, or enters into an agreement for the
1-41 sale or financing of a distributed renewable generation resource as
1-42 part of a transaction involving the sale or transfer of the real
1-43 property on which the distributed renewable generation resource is
1-44 or will be affixed; or
1-45 (3) a third party that enters into an agreement for the
1-46 financing of a distributed renewable generation resource.
1-47 Sec. 113.003. LEASE, SALES, AND INSTALLATION DISCLOSURES.
1-48 A seller or lessor who enters into a purchase, lease, or power
1-49 purchase agreement with a residential or small commercial customer
1-50 for the operation of a distributed renewable generation resource
1-51 shall provide to the customer in writing:
1-52 (1) contact information of the salesperson and
1-53 installer of the generation resource;
1-54 (2) a description of all equipment to be installed;
1-55 (3) the cost of all equipment to be installed;
1-56 (4) a detailed accounting of fees associated with the
1-57 installation or operation of the generation resource;
1-58 (5) representations, if any, made as part of the
1-59 agreement regarding the expected operational performance and
1-60 financial performance of the generation resource; and

2-1 (6) all applicable warranties.

2-2 Sec. 113.004. ADDITIONAL DISCLOSURES FOR LEASE AGREEMENTS.

2-3 In addition to the disclosures required under Section 113.003, a
 2-4 lessor shall provide to a leasing residential or small commercial
 2-5 customer in writing:

2-6 (1) the term and rate of the lease, including any
 2-7 payment escalators or other terms that affect the customer's
 2-8 payments; and

2-9 (2) a statement of whether the lease and any
 2-10 applicable warranty or maintenance agreement is transferable to a
 2-11 subsequent purchaser of the property where the distributed
 2-12 renewable generation resource is installed.

2-13 Sec. 113.005. DISCLOSURES FOR POWER PURCHASE AGREEMENTS. A
 2-14 residential or small commercial customer who enters into a power
 2-15 purchase agreement is entitled to receive in writing:

2-16 (1) the disclosures required under Sections
 2-17 113.003(1), (2), (5), and (6);

2-18 (2) the term and rate of the power purchase agreement,
 2-19 including any payment escalators or other terms that affect the
 2-20 customer's payments; and

2-21 (3) whether the power purchase agreement and any
 2-22 applicable warranty or maintenance agreement is transferable to a
 2-23 subsequent purchaser of the property where the distributed
 2-24 renewable generation resource is installed.

2-25 SECTION 2. Chapter 229, Local Government Code, is amended
 2-26 by adding Subchapter C to read as follows:

2-27 SUBCHAPTER C. REGULATION OF SOLAR ENERGY DEVICES

2-28 Sec. 229.101. REGULATION OF SOLAR ENERGY DEVICES. (a) In
 2-29 this section:

2-30 (1) "Municipally owned utility" has the meaning
 2-31 assigned by Section 11.003, Utilities Code.

2-32 (2) "Small commercial customer" has the meaning
 2-33 assigned by Section 39.202(o), Utilities Code.

2-34 (3) "Solar energy device" has the meaning assigned by
 2-35 Section 171.107, Tax Code.

2-36 (b) A municipality may not prohibit or restrict the
 2-37 installation of a solar energy device by a residential or small
 2-38 commercial customer except to the extent:

2-39 (1) a property owner's association may prohibit the
 2-40 installation under Sections 202.010(d)(1) through (7), Property
 2-41 Code; or

2-42 (2) the interconnection guidelines and
 2-43 interconnection agreement of a municipally owned utility serving
 2-44 the customer's service area, the rules of the Public Utility
 2-45 Commission of Texas, or the protocols of an independent
 2-46 organization certified under Section 39.151, Utilities Code, limit
 2-47 the installation of solar energy devices due to reliability, power
 2-48 quality, or safety of the distribution system.

2-49 SECTION 3. The changes in law made by this Act apply only to
 2-50 an agreement governing the sale or lease of distributed renewable
 2-51 generation, as defined by Section 39.916, Utilities Code, entered
 2-52 into on or after the effective date of this Act. An agreement
 2-53 entered into before the effective date of this Act is governed by
 2-54 the law as it existed immediately before the effective date of this
 2-55 Act, and that law is continued in effect for that purpose.

2-56 SECTION 4. This Act takes effect September 1, 2019.

2-57

* * * * *