

By: Craddick, Harless, et al.

H.B. No. 1572

A BILL TO BE ENTITLED

AN ACT

relating to the rental and operation of electric generation equipment.

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

SECTION 1. Section 31.002, Utilities Code, is amended by adding Subdivision (4-b) and amending Subdivision (6) to read as follows:

(4-b) "Electric generation equipment lessor or operator" means a person who rents to or operates for compensation on behalf of a third party electric generation equipment that:

(A) is used on a site of the third party until the third party is able to obtain sufficient electricity service;

(B) produces electricity on site to be consumed by the third party and not resold; and

(C) does not interconnect with the electric transmission or distribution system.

(6) "Electric utility" means a person or river authority that owns or operates for compensation in this state equipment or facilities to produce, generate, transmit, distribute, sell, or furnish electricity in this state. The term includes a lessee, trustee, or receiver of an electric utility and a recreational vehicle park owner who does not comply with Subchapter C, Chapter 184, with regard to the metered sale of electricity at the recreational vehicle park. The term does not include:

- 1 (A) a municipal corporation;
- 2 (B) a qualifying facility;
- 3 (C) a power generation company;
- 4 (D) an exempt wholesale generator;
- 5 (E) a power marketer;
- 6 (F) a corporation described by Section 32.053 to
- 7 the extent the corporation sells electricity exclusively at
- 8 wholesale and not to the ultimate consumer;
- 9 (G) an electric cooperative;
- 10 (H) a retail electric provider;
- 11 (I) this state or an agency of this state; or
- 12 (J) a person not otherwise an electric utility

13 who:

14 (i) furnishes an electric service or  
15 commodity only to itself, its employees, or its tenants as an  
16 incident of employment or tenancy, if that service or commodity is  
17 not resold to or used by others;

18 (ii) owns or operates in this state  
19 equipment or facilities to produce, generate, transmit,  
20 distribute, sell, or furnish electric energy to an electric  
21 utility, if the equipment or facilities are used primarily to  
22 produce and generate electric energy for consumption by that  
23 person; ~~or~~

24 (iii) owns or operates in this state a  
25 recreational vehicle park that provides metered electric service in  
26 accordance with Subchapter C, Chapter 184; or

27 (iv) is an electric generation equipment

1 lessor or operator.

2 SECTION 2. Section 37.001(3), Utilities Code, is amended to  
3 read as follows:

4 (3) "Retail electric utility" means a person,  
5 political subdivision, electric cooperative, or agency that  
6 operates, maintains, or controls in this state a facility to  
7 provide retail electric utility service. The term does not include  
8 a corporation described by Section 32.053 to the extent that the  
9 corporation sells electricity exclusively at wholesale and not to  
10 the ultimate consumer. A qualifying cogenerator that sells electric  
11 energy at retail to the sole purchaser of the cogenerator's thermal  
12 output under Sections 35.061 and 36.007 is not for that reason  
13 considered to be a retail electric utility. The owner or operator of  
14 a qualifying cogeneration facility who was issued the necessary  
15 environmental permits from the Texas Natural Resource Conservation  
16 Commission after January 1, 1998, and who commenced construction of  
17 such qualifying facility before July 1, 1998, may provide  
18 electricity to the purchasers of the thermal output of that  
19 qualifying facility and shall not for that reason be considered an  
20 electric utility or a retail electric utility, provided that the  
21 purchasers of the thermal output are owners of manufacturing or  
22 process operation facilities that are located on a site entirely  
23 owned before September, 1987, by one owner who retained ownership  
24 after September, 1987, of some portion of the facilities and that  
25 those facilities now share some integrated operations, such as the  
26 provision of services and raw materials. A person who is an electric  
27 generation equipment lessor or operator is not for that reason

1 considered to be a retail electric utility.

2 SECTION 3. This Act takes effect September 1, 2021.