

1-1 By: Craddick, et al. (Senate Sponsor - Springer) H.B. No. 1572  
 1-2 (In the Senate - Received from the House April 20, 2021;  
 1-3 May 3, 2021, read first time and referred to Committee on Business  
 1-4 & Commerce; May 10, 2021, reported favorably by the following vote:  
 1-5 Yeas 7, Nays 0; May 10, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the rental and operation of electric generation  
 1-20 equipment.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 31.002, Utilities Code, is amended by  
 1-23 adding Subdivision (4-b) and amending Subdivision (6) to read as  
 1-24 follows:

1-25 (4-b) "Electric generation equipment lessor or  
 1-26 operator" means a person who rents to or operates for compensation  
 1-27 on behalf of a third party electric generation equipment that:

1-28 (A) is used on a site of the third party until the  
 1-29 third party is able to obtain sufficient electricity service;

1-30 (B) produces electricity on site to be consumed  
 1-31 by the third party and not resold; and

1-32 (C) does not interconnect with the electric  
 1-33 transmission or distribution system.

1-34 (6) "Electric utility" means a person or river  
 1-35 authority that owns or operates for compensation in this state  
 1-36 equipment or facilities to produce, generate, transmit,  
 1-37 distribute, sell, or furnish electricity in this state. The term  
 1-38 includes a lessee, trustee, or receiver of an electric utility and a  
 1-39 recreational vehicle park owner who does not comply with Subchapter  
 1-40 C, Chapter 184, with regard to the metered sale of electricity at  
 1-41 the recreational vehicle park. The term does not include:

1-42 (A) a municipal corporation;

1-43 (B) a qualifying facility;

1-44 (C) a power generation company;

1-45 (D) an exempt wholesale generator;

1-46 (E) a power marketer;

1-47 (F) a corporation described by Section 32.053 to  
 1-48 the extent the corporation sells electricity exclusively at  
 1-49 wholesale and not to the ultimate consumer;

1-50 (G) an electric cooperative;

1-51 (H) a retail electric provider;

1-52 (I) this state or an agency of this state; or

1-53 (J) a person not otherwise an electric utility

1-54 who:

1-55 (i) furnishes an electric service or  
 1-56 commodity only to itself, its employees, or its tenants as an  
 1-57 incident of employment or tenancy, if that service or commodity is  
 1-58 not resold to or used by others;

1-59 (ii) owns or operates in this state  
 1-60 equipment or facilities to produce, generate, transmit,  
 1-61 distribute, sell, or furnish electric energy to an electric

2-1 utility, if the equipment or facilities are used primarily to  
2-2 produce and generate electric energy for consumption by that  
2-3 person; ~~or~~

2-4 (iii) owns or operates in this state a  
2-5 recreational vehicle park that provides metered electric service in  
2-6 accordance with Subchapter C, Chapter 184; or

2-7 (iv) is an electric generation equipment  
2-8 lessor or operator.

2-9 SECTION 2. Section 37.001(3), Utilities Code, is amended to  
2-10 read as follows:

2-11 (3) "Retail electric utility" means a person,  
2-12 political subdivision, electric cooperative, or agency that  
2-13 operates, maintains, or controls in this state a facility to  
2-14 provide retail electric utility service. The term does not include  
2-15 a corporation described by Section 32.053 to the extent that the  
2-16 corporation sells electricity exclusively at wholesale and not to  
2-17 the ultimate consumer. A qualifying cogenerator that sells electric  
2-18 energy at retail to the sole purchaser of the cogenerator's thermal  
2-19 output under Sections 35.061 and 36.007 is not for that reason  
2-20 considered to be a retail electric utility. The owner or operator of  
2-21 a qualifying cogeneration facility who was issued the necessary  
2-22 environmental permits from the Texas Natural Resource Conservation  
2-23 Commission after January 1, 1998, and who commenced construction of  
2-24 such qualifying facility before July 1, 1998, may provide  
2-25 electricity to the purchasers of the thermal output of that  
2-26 qualifying facility and shall not for that reason be considered an  
2-27 electric utility or a retail electric utility, provided that the  
2-28 purchasers of the thermal output are owners of manufacturing or  
2-29 process operation facilities that are located on a site entirely  
2-30 owned before September, 1987, by one owner who retained ownership  
2-31 after September, 1987, of some portion of the facilities and that  
2-32 those facilities now share some integrated operations, such as the  
2-33 provision of services and raw materials. A person who is an electric  
2-34 generation equipment lessor or operator is not for that reason  
2-35 considered to be a retail electric utility.

2-36 SECTION 3. This Act takes effect September 1, 2021.

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