

By: Rogers

H.B. No. 3386

A BILL TO BE ENTITLED

AN ACT

relating to a statewide requirement for natural gas generating capacity.

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

SECTION 1. Section 39.9044, Utilities Code, is amended by amending Subsections (a) and (c) and adding Subsection (a-1) to read as follows:

(a) Of the total amount of generating capacity installed in this state, ~~[It is the intent of the legislature that]~~ 50 percent must ~~[of the megawatts of generating capacity installed in this state after January 1, 2000,]~~ use natural gas. To the extent permitted by law, the commission shall establish a program to encourage utilities to comply with this section by using natural gas produced in this state as the preferential fuel. This section does not apply to generating capacity for renewable energy technologies.

(a-1) If the commission determines that the market price for natural gas at the wellhead in this state averages at least \$6 per 1,000 cubic feet for at least one month, the requirement established by Subsection (a) does not apply until the price averages less than \$6 for at least one month.

(c) The ~~[Not later than January 1, 2000, the]~~ commission shall adopt rules necessary to administer and enforce this section and to perform any necessary studies in cooperation with the

1 Railroad Commission of Texas. At a minimum, the rules shall:

2 (1) establish the minimum annual natural gas  
3 generation requirement for each power generation company,  
4 municipally owned utility, and electric cooperative operating in  
5 this state in a manner reasonably calculated by the commission to  
6 produce, on a statewide basis, compliance with the requirement  
7 prescribed by Subsection (a); and

8 (2) specify reasonable performance standards that all  
9 natural gas capacity additions must meet to count against the  
10 requirement prescribed by Subsection (a) and that:

11 (A) are designed and operated so as to maximize  
12 the energy output from the capacity additions in accordance with  
13 then-current industry standards and best industry standards; and

14 (B) encourage the development, construction, and  
15 operation of new natural gas energy projects at those sites in this  
16 state that have the greatest economic potential for capture and  
17 development of this state's environmentally beneficial natural gas  
18 resources.

19 SECTION 2. As soon as practicable after the effective date  
20 of this Act, the Public Utility Commission of Texas shall adopt the  
21 rules necessary to administer and enforce Section 39.9044,  
22 Utilities Code, as amended by this Act.

23 SECTION 3. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2021.