1-1 By: Moody (Senate Sponsor - Blanco)
1-2 (In the Senate - Received from the House April 9, 2025;
1-3 April 14, 2025, read first time and referred to Committee on
1-4 Business & Commerce; May 5, 2025, reported favorably by the
1-5 following vote: Yeas 11, Nays 0; May 5, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Schwertner	X	_		
1-9	King	X			
1-10	Blanco	X			
1-11	Campbell	X			
1-12	Creighton	X			
1-13	Johnson	X			
1-14	Kolkhorst	X			
1-15	Menéndez	X			
1-16	Middleton	Χ			
1-17	Nichols	Χ	•		
1-18	Zaffirini	Χ			

1-19 A BILL TO BE ENTITLED AN ACT

1-21

1-22 1-23

1-24 1-25

1-26

1-27 1-28

1-29

1-30 1-31

1-32

1-33

1**-**34 1**-**35

1-36

1-37

1**-**38 1**-**39

1-40

1-41 1-42 1-43

1**-**44 1**-**45

1-46

1-47 1-48 1-49

1-50

1-51

1**-**52 1**-**53

1-54

relating to the compensation of a distributed renewable generation owner in certain areas outside of ERCOT.

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

SECTION 1. Section 39.554, Utilities Code, is amended by amending Subsection (f) and adding Subsection (i) to read as follows:

- (f) Unless the commission approves an alternative method for compensating a distributed renewable generation owner for electricity generated by distributed renewable generation or a qualifying facility, for [For] a distributed renewable generation owner that chooses interconnection through a single meter under Subsection (e):
- (1) the amount of electricity the owner generates through distributed renewable generation or a qualifying facility for a given billing period offsets the owner's consumption for that billing period; and
- (2) any electricity the owner generates through distributed renewable generation or a qualifying facility that exceeds the owner's consumption for a given billing period shall be credited to the owner under Subsection (g).
- (i) Before approving an alternative method for compensating a distributed renewable generation owner for electricity generated by distributed renewable generation or a qualifying facility, the commission shall require the electric utility to conduct and submit to the commission a comprehensive cost-benefit analysis using established best practices to justify the rates of compensation and any associated fees. The commission must consider the comprehensive cost-benefit analysis before approving alternative rates for compensating distributed renewable generation owners or the continuation of net metering, including any rates or fees that apply only to distributed renewable generation owners and reflect the value provided by the distributed renewable generation or qualifying facility.

SECTION 2. This Act takes effect September 1, 2026.

1-55 \* \* \* \* \*