

- SUBJECT:** Requiring interconnection of distributed renewable electric generation
- COMMITTEE:** State Affairs — favorable, without amendment
- VOTE:** 14 ayes — Solomons, Menendez, Cook, Craddick, Farabee, Gallego, Geren, Harless, Hilderbran, Jones, Lucio, Maldonado, Swinford, S. Turner
- 1 present not voting — Oliveira
- 0 nays
- WITNESSES:** For — Mark Bruce, Southwest Wind Power, Entegrity Wind Systems, Bergey Wind Power; Andrew Kruse, Southwest Windpower/Small Wind; Kathy Jack Lambert; Luke Metzger, Environment Texas; Cyrus Reed, Lone Star Chapter, Sierra Club; Mike Renner; Tom “Smitty” Smith, Public Citizen; Phil Warren, Shallowater Independent School District; (*Registered, but did not testify:* Luke Bellsnyder, Texas Association of Manufacturers; John Berger, Standard Renewable Energy; James Brannen, Northern Power Systems; Kristen Doyle, Cities Aggregation Power Project, South Texas Aggregation Project, Texas Coalition of Cities for Utility Issues, OncorCities; John W. Fainter, Jr., Association of Electric Companies of Texas, Inc; Karen Hadden, SEED Coalition; Sandra Haverlah, Environmental Defense Fund; Bret Raymis, Alamo Solar Manufacturing; Carl Richie, TXU Energy; David W. Smith, Wind Eagle Corporation Burkburnett)
- Against — None
- On — David Hedrick, Texas Electric Cooperatives; Steve Wiese, Texas Renewable Energy Industries Association; (*Registered, but did not testify:* David Smithson, Public Utility Commission; Jess Totten, Public Utility Commission)
- BACKGROUND:** Distributed renewable generation is electric generation with a capacity of not more than 2,000 kilowatts provided by a renewable energy technology that is installed on a retail electric customer’s side of a meter.

DIGEST: HB 1866 would amend the customer protection chapter of the Utilities Code to entitle all buyers of retail electric service the opportunity to interconnect distributed renewable generation, according to Public Utility Commission (PUC) rule.

The bill also would place electric cooperatives under the PUC rules for standards governing the interconnection of distributed renewable generation. The PUC would have jurisdiction to establish conditions for co-op customers to interconnect distributed renewable generation. The PUC, rather than the co-op board of directors, would have exclusive jurisdiction to set all terms of access, conditions, and rates concerning interconnection of distributed renewable generation, and a co-op would be deemed a service provider for the purposes of enforcement of the distributed renewable generation interconnection requirements.

The bill would take effect September 1, 2009.

SUPPORTERS SAY: Technology is now available to allow consumers to generate their own electric power for personal use with distributed renewable generation, such as solar panels and small wind energy generation systems. If a consumer generates more power than needed, the consumer can sell the excess power to the electric company. However, some providers do not allow consumers to sell the power back to the grid without a penalty. HB 1866 would entitle all buyers of retail electric service, including electric co-op customers, to interconnect their distributed renewable generation systems.

HB 1866 would apply interconnection standards for distributed renewable generation on a system-wide basis by allowing the PUC to adopt rules and have oversight over the process. This would eliminate some longstanding barriers that have prevented small generators from interconnecting to the grid. The PUC would have the discretion to establish regulations and technical standards to ensure the safety and integrity of the grid.

OPPONENTS SAY: While interconnection of distributed renewable generation of electric power by electric customers should be encouraged, the bill should specify the standards for interconnection in order to ensure the technical integrity of the grid.

NOTES: A related bill, HB 1243 by Gallego, addressing net metering and fair payment for excess electricity generated by a customer's on-site generator,

HB 1866
House Research Organization
page 3

has been referred to a subcommittee of the House State Affairs
Committee.