

- SUBJECT:** Providing energy security technologies for critical governmental facilities
- COMMITTEE:** Energy Resources — committee substitute recommended
- VOTE:** 6 ayes — Keffer, Crabb, Farabee, Gonzalez Toureilles, Hardcastle, Strama
0 nays
3 absent — Crownover, Craddick, Rios Ybarra
- WITNESSES:** *(On original bill)*
For — Luke Metzger, Environment Texas; Loy Sneary, Gulf Coast Green Energy; *(Registered, but did not testify:* Mark Borskey, General Electric; Karen Hadden, Sustainable Energy and Economic Development Coalition; Rich Herweck, Tommy John, Texas Combined Heating and Power Initiative; Greg Herzog, Texas Medical Association; Matthew Johnson, Public Citizen; Carl Richie, TXU Energy); *(On committee substitute:)* Cliff Braddock, Texas Combined Heating and Power Initiative; Yvonne Castillo, Texas Society of Architects; Margaret Keliher, Texas Business for Clean Air

Against — None

On — *(Registered, but did not testify:* Barry Smitherman, Public Utility Commission of Texas)
- BACKGROUND:** Combined heat and power (CHP) systems, also known as cogeneration systems, generate electricity and thermal energy in a single, integrated system. CHP systems use on-site generators to produce electricity and heat recovery technologies to collect and utilize waste heat from the generator. CHP systems capture the heat that would otherwise be lost in traditional generation of electricity. The thermal energy recovered in a CHP system can be used for heating or cooling in industry or buildings.
- DIGEST:** CSHB 1993 would require a critical governmental facility, when constructing or renovating extensively or replacing major heating, ventilation, and air-conditioning equipment, to evaluate whether equipping the facility with a combined heating and power system would result in expected energy savings that would exceed the expected costs of the

system over a 20-year period. If the expected energy savings exceeded the expected costs, the entity could equip the facility with a combined heating and power system.

A critical government facility would mean a building owned by the state or a political subdivision that is expected to be continuously occupied; maintain operations for at least 6,000 hours each year; have a peak electricity demand exceeding 500 kilowatts; and serve a critical public health or public safety function during a natural disaster or other emergency that could result in a widespread power outage.

The State Energy Conservation Office (SECO) would be required to adopt rules governing responsibility for payment with the required evaluation, including having the evaluation conducted by a third party at no cost to the entity when possible.

CSHB 1993 would take effect September 1, 2009.

NOTES:

According to the fiscal note, the cost for a consultant to perform the evaluation of a system is estimated to be \$10,000 per facility.

The committee substitute differs from the bill as filed by requiring the SECO to adopt rules.

The companion bill, SB 1102 by Watson, has been referred to the Senate Natural Resources Committee.