

## BILL ANALYSIS

Senate Research Center  
79R5289 JJT-D

S.B. 836  
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As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 76th Legislature, Regular Session, 1999, adopted a renewable portfolio standard (RPS) mandating that 2,880 megawatts of renewable energy be installed in Texas by 2009. Over 96 percent of renewable energy in Texas comes from wind. Other sources include biogas or biomass, hydro, and solar. Currently, Texans get about 1.5 percent of their renewable energy from wind, and the number is expected to rise to two percent by the end of 2005. There are 14 wind farms in Texas and plans for four more have been announced. Wind power is clean, efficient, and renewable.

S.B. 836 extends the RPS to 10,880 megawatts (approximately eight percent of the total) by 2015 and designates 500 megawatts for other renewable technologies such as biomass or solar to promote energy diversity. S.B. 836 also provides direction to the Public Utility Commission of Texas to work with the industry on planning and constructing electric transmission lines to promote the development of renewable energy in Texas.

S.B. 836 creates a more functional process by which renewable energy developers and transmission owners will make the necessary investments to see more renewable energy used in Texas. The RPS sets a long term guide for that investment.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utilities Commission of Texas in SECTION 2 (Section 39.904, Utilities Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 36.053, Utilities Code, by adding Subsection (d), to require the Public Utility Commission of Texas (commission), if, in a proceeding in which transmission or transmission related facilities are certificated under Chapter 37, Utilities Code, the commission found that the facilities are needed to accommodate future development or future interconnection of renewable energy technology generation capacity, to find that the facilities are used by and useful to the utility in providing service, regardless of the extent of the actual use of the facilities.

SECTION 2. Amends Section 39.904, Utilities Code, by amending Subsection (a) and adding Subsections (c-1) and (c-2), as follows:

(a) Provides that it is the intent of the legislature that by January 1, 2015, rather than 2009, an additional 10,000, rather than 2,000, megawatts of generating capacity from renewable energy technologies will have been installed in this state. Deletes existing text requiring the cumulative installed renewable capacity in this state to total a certain number of megawatts by January 1, 2003, and January 1, 2005. Requires the cumulative installed renewable capacity in this state to total 2,280 megawatts by January 1, 2007, 2,880 megawatts by January 1, 2009, 4,880 megawatts by January 1, 2011, 7,880 megawatts by January 1, 2013, and 10,880 megawatts by January 1, 2015. Requires at least 500 megawatts of the generating capacity from renewable energy technologies installed in this state by January 1, 2015, to be from distributed renewable energy generation technologies.

(c-1) Requires the commission, by rule, to establish competitive renewable energy generation zones in appropriate areas of this state and annually consider designating new

competitive renewable energy generation zones. Authorizes the commission to designate as a competitive renewable energy generation zone certain defined geographic areas. Requires the initial competitive renewable energy generation zones designated by the commission to define a contiguous area of not more than four counties in which renewable energy technology generation capacity of at least 80 megawatts of nameplate capacity is available or under construction on December 31, 2005.

(c-2) Requires the commission, for the purposes of Section 39.101(b)(3), Utilities Code, and to promote the development of renewable energy technology, to take all necessary actions. Sets forth specific actions which are deemed necessary.

SECTION 3. Requires the Public Utility Commission of Texas to designate the initial competitive renewable energy generation zones under Section 39.904, Utilities Code, as amended by this Act, not later than January 1, 2006.

SECTION 4. Requires the Public Utility Commission of Texas to adopt rules to implement this Act as soon as practicable.

SECTION 5. Effective date: September 1, 2005.