

BILL ANALYSIS

Senate Research Center

H.B. 3595
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Energy efficiency programs are designed to improve the use of electricity to reduce demand for or consumption of electricity while maintaining or enhancing existing levels of comfort, convenience, and productivity. Texas adopted energy efficiency goals as a component of restructuring the electric utility industry and these programs, which are required to be cost-effective, have been saving the state's resident and businesses money on their electric bills for years. H.B. 3595 seeks to update the annual goals of the state's energy efficiency programs.

Section 39.905 (Goal for Energy Efficiency), Utilities Code, establishes a legislative goal that electric utilities will administer energy efficiency incentive programs in a market-neutral, nondiscriminatory manner, and that all customers will have a choice of and access to energy efficiency alternatives and other choices from the market that allow each customer to reduce energy consumption, peak demand, or energy costs. Current law also provides that each electric utility will provide, through market-based standard offer programs or limited, targeted, market-transformation programs, incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency for residential and commercial customers.

H.B. 3595 amends current law relating to energy efficiency goals and energy efficiency programs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 39.905(a) and (d), Utilities Code, as follows:

(a) Provides that it is the goal of the legislature that:

(1)-(2) Makes no changes to these subdivisions;

(3) each electric utility will provide, through market-based standard offer programs or through targeted market-transformation programs, rather than limited, targeted market-transformation programs, incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency for residential and commercial customers equivalent to at least:

(A) 10 percent of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2007;

(B) 15 percent of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2008, provided that the electric utility's program expenditures for 2008 funding may not be greater than 75 percent above the utility's program budget for 2007 for

residential and commercial customers, as included in the April 1, 2006, filing; and

(C) 20 percent of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009, provided that the electric utility's program expenditures for 2009 funding may not be greater than 150 percent above the utility's program budget for 2007 for residential and commercial customers, as included in the April 1, 2006, filing; and

(4)-(6) Makes no changes to these subdivisions.

(d) Authorizes utilities to choose to implement any program option approved by the Public Utility Commission of Texas after its evaluation in order to satisfy the goal in Subsection (a), including:

(1)-(3) Makes no changes to these subdivisions;

(4) the installation of variable speed air conditioning systems, motors, and drives;

(5) Redesignates existing Subdivision (4) as Subdivision (5). Makes no further changes;

(6) Redesignates existing Subdivision (5) as Subdivision (6). Makes no further changes;

(7) Redesignates existing Subdivision (6) as Subdivision (7). Makes no further changes;

(8) commissioning services for commercial and institutional buildings that result in operational and maintenance practices that reduce the buildings' energy consumption;

(9) Redesignates existing Subdivision (7) as Subdivision (9). Makes no further changes;

(10) Redesignates existing Subdivision (8) as Subdivision (10). Makes no further changes;

(11) Redesignates existing Subdivision (9) as Subdivision (11). Makes no further changes;

(12) Redesignates existing Subdivision (10) as Subdivision (12). Makes no further changes;

(13) Redesignates existing Subdivision (11) as Subdivision (13). Makes a nonsubstantive change;

(14) Redesignates existing Subdivision (12) as Subdivision (14). Makes no further changes;

(15) data center efficiency programs; and

(16) energy use programs with measurable and verifiable results that reduce energy consumption through behavioral changes that lead to efficient use patterns and practices.

SECTION 2. Effective date: upon passage or September 1, 2011.