Amend CSHB 3693 (house committee printing) as follows:

- (1) On page 2, strike lines 7-9 and substitute:
 - (1) is compatible with the light fixture;
- (2) uses the fewest watts for the necessary luminous flux or light output; and
- (3) is the most cost-effective, considering the factors described by Subdivisions (1) and (2).
 - (2) On page 6, line 5, strike "federal".
- (3) On page 8, strike lines 1-3 and substitute: nonattainment area or in an affected county other than:
 - (A) a school district; or
 - (B) a district as defined by Section 36.001 or
 - (4) On page 9, between lines 7 and 8, insert:
- (f) This section does not apply to a state agency or an institution of higher education that the State Energy Conservation Office determines that, before September 1, 2007, adopted a plan for conserving energy under which the agency or institution established a percentage goal for reducing the consumption of electricity. The exemption provided by this section applies only while the agency or institution has an energy conservation plan in effect and only if the agency or institution submits reports on the conservation plan each calendar quarter to the governor, the Legislative Budget Board, and the State Energy Conservation Office.
 - (5) On page 11, strike lines 21-23 and substitute:
- (f) During a state fiscal year the total amount of money that may be transferred by all nonprofit cooperative corporations under this section may not exceed \$1 million. No more than 20
 - (6) On page 13, strike line 14 and substitute:
- (i) It is the intent of the legislature that net metering and advanced meter
 - (7) On page 13, strike lines 20-27.
 - (8) On page 14, strike lines 1-3 and substitute:
- Sec. 39.9025. HOME ELECTRIC ENERGY REPORTS. The commission may encourage retail electric providers to deliver individualized home electric energy reports to educate consumers about electric energy use and energy efficiency to assist consumers to use energy more efficiently.

- (9) On page 14, strike line 20 and substitute:

 acquire additional cost-effective energy efficiency <u>for</u>

 <u>residential and commercial customers</u> equivalent to
- (10) On page 14, strike line 23 and substitute:

 growth in demand of residential and commercial customers by

 December 31, 2007;
- (11) On page 14, strike line 25 and substitute:

 growth in demand of residential and commercial customers by

 December 31, 2008, provided that the electric
- (12) On page 14, strike line 27 and substitute:

 than 75 percent above the utility's program budget for 2007 for residential and commercial customers, as
- (13) On page 15, strike line 3 and substitute:

 growth in demand of residential and commercial customers by

 December 31, 2009, provided that the electric
- (14) On page 15, strike line 5 and substitute:

 than 150 percent above the utility's program budget for 2007 for residential and commercial customers, as
- (15) On page 15, line 19, strike ", as necessary," and substitute "[, as necessary,]".
- (16) On page 15, lines 24-25, strike "<u>a financial incentive</u> or performance bonus" and substitute "<u>an incentive under Section</u> 36.204".
 - (17) On page 16, strike line 8 and substitute:
 - (4) ensuring that
 - (18) On page 16, line 10, strike "are eligible to".
 - (19) On page 16, strike line 15 and substitute:
- Subsection (b)(1) may not result in an over-recovery of costs but may be adjusted each year to change rates to
 - (20) On page 16, strike line 20 and substitute:
- (b-2) The commission shall conduct a study, to be funded by electric utilities, regarding cost-effective energy
- (21) On page 19, strike line 21 and substitute:

 residents of single-family or multifamily residences and for small

 commercial customers;
- (22) On page 25, line 26, following the semicolon, add "and".

(23) On page 26, strike lines 3-6 and substitute: Section 39.9051(e).

SECTION 21A. Section 41.055, Utilities Code, is amended to read as follows:

Sec. 41.055. JURISDICTION OF BOARD OF DIRECTORS. A board of directors has exclusive jurisdiction to:

- applicable to services provided by the electric cooperative, except as provided by Sections 41.054 and 41.056, including nondiscriminatory and comparable rates for distribution but excluding wholesale transmission rates, terms of access, and conditions for wholesale transmission service set by the commission under Subchapter A, Chapter 35, provided that the rates for distribution established by the electric cooperative shall be comparable to the distribution rates that apply to the electric cooperative and its subsidiaries;
- (2) determine whether to unbundle any energy-related activities and, if the board of directors chooses to unbundle, whether to do so structurally or functionally;
- (3) reasonably determine the amount of the electric cooperative's stranded investment;
- (4) establish nondiscriminatory transition charges reasonably designed to recover the stranded investment over an appropriate period of time;
- (5) determine the extent to which the electric cooperative will provide various customer services, including nonelectric services, or accept the services from other providers;
- (6) manage and operate the electric cooperative's utility systems, including exercise of control over resource acquisition and any related expansion programs;
- (7) establish and enforce service quality standards, reliability standards, and consumer safeguards designed to protect retail electric customers;
- (8) determine whether a base rate reduction is appropriate for the electric cooperative;
- (9) determine any other utility matters that the board of directors believes should be included;

- (10) sell electric energy and capacity at wholesale, regardless of whether the electric cooperative participates in customer choice;
- (11) determine the extent to which the electric cooperative offers energy efficiency programs and how the programs are administered by the electric cooperative; and
- (12) [(11)] make any other decisions affecting the electric cooperative's method of conducting business that are not inconsistent with the provisions of this chapter.
 - (24) On page 26, line 7, strike "(a)".
 - (25) On page 26, strike lines 12-15.