

1-1 By: Bonnen, et al. (Senate Sponsor - Averitt) H.B. No. 2713
1-2 (In the Senate - Received from the House April 27, 2007;
1-3 May 1, 2007, read first time and referred to Committee on Natural
1-4 Resources; May 18, 2007, reported favorably by the following vote:
1-5 Yeas 11, Nays 0; May 18, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to studies, plans, and projects concerning electric
1-9 generation capacity or electric energy storage, transmission, or
1-10 distribution.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 ARTICLE 1. INTERIM SPECIAL COMMITTEE ON ELECTRIC ENERGY GENERATION
1-13 CAPACITY AND ENVIRONMENTAL IMPACT

1-14 SECTION 1.01. COMPOSITION OF COMMITTEE. (a) The Interim
1-15 Special Committee on Electric Energy Generation Capacity and
1-16 Environmental Impact is composed of:

1-17 (1) the chair of the House Environmental Regulation
1-18 Committee;

1-19 (2) the chair of the House Energy Resources Committee;

1-20 (3) the chair of the House Committee on Regulated
1-21 Industries;

1-22 (4) the chair of the Senate Natural Resources
1-23 Committee;

1-24 (5) the chair of the Senate Business and Commerce
1-25 Committee;

1-26 (6) four members of the house of representatives,
1-27 appointed by the speaker of the house of representatives;

1-28 (7) five members of the senate, appointed by the
1-29 lieutenant governor;

1-30 (8) one member representing the electric generation
1-31 industry, appointed by the governor;

1-32 (9) one member representing the academic community in
1-33 the area of energy and environmental studies, appointed by the
1-34 governor; and

1-35 (10) one member representing a public interest
1-36 organization, appointed by the governor.

1-37 (b) The speaker of the house of representatives and the
1-38 lieutenant governor shall each designate a co-chair from among the
1-39 committee members.

1-40 (c) Not later than the 60th day after the effective date of
1-41 this Act, the speaker of the house of representatives and the
1-42 lieutenant governor shall appoint the members of the interim
1-43 committee.

1-44 SECTION 1.02. STUDY; PLAN. (a) The committee shall:

1-45 (1) study the state's demand for electric generation
1-46 capacity for the next 50 years and the infrastructure and
1-47 technology available for meeting that demand;

1-48 (2) study the environmental effects of existing
1-49 electric generating facilities, including the effects on global
1-50 warming or climate change; and

1-51 (3) prepare a long-term electric energy and
1-52 environmental impact plan for the 80th Legislature that includes:

1-53 (A) an estimate of the demand for electric
1-54 generation capacity by this state for each of the next 50 years;

1-55 (B) an inventory of all existing electric
1-56 generating facilities operating in this state;

1-57 (C) an assessment of the types of, and amount of
1-58 electric generation capacity from, electric generation technology
1-59 available to be used to meet the demand for generation capacity,
1-60 including:

1-61 (i) coal;

1-62 (ii) renewable energy;

1-63 (iii) liquefied natural gas;

1-64 (iv) nuclear energy;

2-1 (v) integrated gasification combined cycle
2-2 technology; and
2-3 (vi) hydrogen gas;
2-4 (D) an assessment of the environmental effects of
2-5 existing and potential electric generating facilities and energy
2-6 generation technology, including the effects on:
2-7 (i) the emission of pollutants regulated by
2-8 the federal Clean Air Act (42 U.S.C. Section 7412);
2-9 (ii) the emission of carbon dioxide and
2-10 other greenhouse gasses;
2-11 (iii) the cumulative effect on air quality
2-12 in nonattainment areas;
2-13 (iv) whether an increase in emissions would
2-14 cause an area to become a nonattainment area; and
2-15 (v) global warming or climate change;
2-16 (E) an assessment of the reliability of existing
2-17 electric generating facilities to meet the demand for electric
2-18 generation capacity;
2-19 (F) an estimate of the costs associated with
2-20 meeting the demand for electric generation capacity; and
2-21 (G) recommendations for reducing demand through
2-22 the use of energy efficiency programs.
2-23 (b) In preparing the plan required by Subsection (a), the
2-24 committee may consult with:
2-25 (1) the Texas Commission on Environmental Quality;
2-26 (2) the Public Utility Commission of Texas;
2-27 (3) the Railroad Commission of Texas; and
2-28 (4) the Electric Reliability Council of Texas.
2-29 (c) Each agency named by Subsection (b) shall designate an
2-30 individual as the point of contact for the committee.
2-31 (d) The committee shall file with the legislature the
2-32 long-term electric energy and environmental impact plan required by
2-33 Subsection (a) not later than January 15, 2009.
2-34 SECTION 1.03. COMMITTEE MEETINGS. The joint interim
2-35 committee shall meet initially at the joint call of the co-chairs,
2-36 and the committee shall subsequently hold meetings and public
2-37 hearings at the call of the co-chairs.
2-38 SECTION 1.04. COMMITTEE POWERS AND DUTIES. The committee
2-39 has all powers and duties provided to special committees by the
2-40 senate and house of representatives rules of procedure, by
2-41 Subchapter B, Chapter 301, Government Code, and by policies of the
2-42 committees on administration.
2-43 SECTION 1.05. COMMITTEE FUNDING. (a) From the contingent
2-44 expense fund of the senate and the contingent expense fund of the
2-45 house of representatives equally, the members of the committee
2-46 shall be reimbursed for expenses incurred in carrying out the
2-47 provisions of this article in accordance with the senate and house
2-48 of representatives rules of procedure and the policies of the
2-49 committees on administration.
2-50 (b) Other necessary expenses of operation shall be paid from
2-51 the contingent expense fund of the senate and the contingent
2-52 expense fund of the house of representatives equally.
2-53 SECTION 1.06. EFFECTIVE DATE. This article takes effect
2-54 September 1, 2007.
2-55 ARTICLE 2. ELECTRIC ENERGY STORAGE DEVICES
2-56 SECTION 2.01. DEFINITION. In this article, "commission"
2-57 means the Public Utility Commission of Texas.
2-58 SECTION 2.02. STUDY. (a) The commission shall conduct a
2-59 study on the potential of electric energy storage devices to
2-60 benefit the operation of transmission and distribution systems. In
2-61 conducting the study, the commission shall consider any relevant
2-62 issues, including:
2-63 (1) the effect of the devices on system reliability;
2-64 (2) the advantages and disadvantages of transmission
2-65 and distribution utilities owning and operating those devices as
2-66 transmission and distribution facilities;
2-67 (3) the manner in which the devices may be integrated
2-68 into the ERCOT operating system, if applicable;
2-69 (4) the manner in which the devices may benefit power

3-1 generation companies, retail electric providers, electric
3-2 utilities, and transmission and distribution utilities; and

3-3 (5) the appropriate methods to bill and account for
3-4 any costs and revenue associated with the electric energy that is
3-5 used to charge, and that is later discharged from, a device.

3-6 (b) The commission shall prepare a report on the results of
3-7 the study. The report must include the commission's conclusions on
3-8 the potential of electric energy storage devices and, as
3-9 appropriate, recommendations to the legislature on legislation or
3-10 other action necessary to realize that potential. The commission
3-11 shall include the report in the electric market scope of
3-12 competition report required by Section 31.003, Utilities Code, that
3-13 the commission submits to the 81st Legislature.

3-14 (c) The commission shall conduct the study and prepare the
3-15 report as required by this section:

3-16 (1) with input from the ERCOT independent system
3-17 operator; and

3-18 (2) after requesting comments and input from all
3-19 interested parties.

3-20 SECTION 2.03. DEMONSTRATION PROJECTS. (a) The commission
3-21 may authorize one or more electric utilities or transmission or
3-22 distribution utilities to operate demonstration projects that
3-23 involve facilities capable of not more than two megawatts of
3-24 electric energy storage for the purpose of obtaining a better
3-25 understanding of the facilities':

3-26 (1) cost;

3-27 (2) value; and

3-28 (3) operational characteristics, including the
3-29 efficient use of the transmission system and the facilities' effect
3-30 on removing transmission constraints.

3-31 (b) The operation of a demonstration project under this
3-32 section does not prejudice the study required by Section 2.02 of
3-33 this article or any future determination relating to the
3-34 appropriateness of an electric utility or transmission and
3-35 distribution utility owning and operating electric energy storage
3-36 facilities.

3-37 (c) This section may not be interpreted to require an
3-38 electric utility or transmission and distribution utility to
3-39 install an electric energy storage facility.

3-40 SECTION 2.04. EFFECTIVE DATE. This article takes effect
3-41 immediately if this Act receives a vote of two-thirds of all the
3-42 members elected to each house, as provided by Section 39, Article
3-43 III, Texas Constitution. If this Act does not receive the vote
3-44 necessary for immediate effect, this article takes effect September
3-45 1, 2007.

3-46 ARTICLE 3. EFFECTIVE DATE

3-47 SECTION 3.01. Except as otherwise provided by this Act,
3-48 this Act takes effect September 1, 2007.

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