

1-1 By: Fraser S.B. No. 931
 1-2 (In the Senate - Filed March 4, 2015; March 9, 2015, read
 1-3 first time and referred to Committee on Natural Resources and
 1-4 Economic Development; March 30, 2015, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 8,
 1-6 Nays 2; March 30, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17	X			
1-18		X		
1-19		X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 931 By: Fraser

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the goal for renewable energy and competitive renewable
 1-24 energy zones.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 39.904, Utilities Code, is amended by
 1-27 amending Subsections (a), (b), (c), (h), (j), and (o) and adding
 1-28 Subsections (h-1) and (h-2) to read as follows:

1-29 (a) It is the intent of the legislature that by January 1,
 1-30 2015, an additional 5,000 megawatts of generating capacity from
 1-31 renewable energy technologies will have been installed in this
 1-32 state. The cumulative installed renewable capacity in this state
 1-33 shall total 5,880 megawatts by January 1, 2015, and the commission
 1-34 shall establish a target of 10,000 megawatts of installed renewable
 1-35 capacity by January 1, 2025. The cumulative installed renewable
 1-36 capacity in this state shall total 2,280 megawatts by January 1,
 1-37 2007, 3,272 megawatts by January 1, 2009, 4,264 megawatts by
 1-38 January 1, 2011, 5,256 megawatts by January 1, 2013, and 5,880
 1-39 megawatts by January 1, 2015. Of the renewable energy technology
 1-40 generating capacity installed to meet the goal of this subsection
 1-41 after September 1, 2005, the commission shall establish a target of
 1-42 having at least 500 megawatts of capacity from a renewable energy
 1-43 technology other than a source using wind energy. The goal and
 1-44 targets established under this subsection terminate on December 31,
 1-45 2015.

1-46 (b) The commission shall establish a renewable energy
 1-47 credits trading program. Before December 31, 2015, a [Any] retail
 1-48 electric provider, municipally owned utility, or electric
 1-49 cooperative that does not satisfy the requirements of Subsection
 1-50 (a) by directly owning or purchasing capacity using renewable
 1-51 energy technologies shall purchase sufficient renewable energy
 1-52 credits to satisfy the requirements by holding renewable energy
 1-53 credits in lieu of capacity from renewable energy technologies. On
 1-54 or after December 31, 2015, a retail electric provider shall
 1-55 purchase sufficient renewable energy credits to verify any
 1-56 marketing claims the provider makes related to the content of
 1-57 renewable energy, as determined by the commission.

1-58 (c) Not later than January 1, 2000, the commission shall
 1-59 adopt rules necessary to administer and enforce this section. At a
 1-60 minimum, the rules shall:

2-1 (1) establish the minimum annual renewable energy
 2-2 requirement for each retail electric provider, municipally owned
 2-3 utility, and electric cooperative operating in this state in a
 2-4 manner reasonably calculated by the commission to produce, on a
 2-5 statewide basis, compliance with the requirement prescribed by
 2-6 Subsection (a); and

2-7 (2) specify reasonable performance standards that all
 2-8 renewable capacity additions must meet to earn renewable energy
 2-9 credits [~~count against the requirement prescribed by Subsection~~
 2-10 ~~(a)] and that:~~

2-11 (A) are designed and operated so as to maximize
 2-12 the energy output from the capacity additions in accordance with
 2-13 then-current industry standards; and

2-14 (B) encourage the development, construction, and
 2-15 operation of new renewable energy projects at those sites in this
 2-16 state that have the greatest economic potential for capture and
 2-17 development of this state's environmentally beneficial renewable
 2-18 resources.

2-19 (h) The commission, in consultation with the independent
 2-20 organization certified for ERCOT, shall plan for transmission needs
 2-21 related to the incorporation of renewable energy in a manner
 2-22 consistent with the planning process for other types of generation
 2-23 resources, including by considering in the planning process [~~In~~
 2-24 ~~considering an application for a certificate of public convenience~~
 2-25 ~~and necessity for a transmission project intended to serve a~~
 2-26 ~~competitive renewable energy zone, the commission is not required~~
 2-27 ~~to consider] the factors provided by Section 37.056 [~~Sections~~
 2-28 ~~37.056(c)(1) and (2)].~~~~

2-29 (h-1) The commission may not designate a new competitive
 2-30 renewable energy zone after January 1, 2015.

2-31 (h-2) After January 1, 2015, the commission may not approve
 2-32 additional transmission facilities in a previously approved
 2-33 competitive renewable energy zone unless:

2-34 (1) the facilities have been evaluated through the
 2-35 planning process described by Subsection (h); or

2-36 (2) the addition of the facilities:

2-37 (A) will cost not more than \$130 million; and

2-38 (B) involves adding a second circuit to existing
 2-39 single circuit lines and associated electrical equipment
 2-40 identified as necessary by the independent organization certified
 2-41 for ERCOT in a system planning report issued before May 1, 2014.

2-42 (j) The commission, after consultation with each
 2-43 appropriate independent organization, electric reliability
 2-44 council, or regional transmission organization, shall file a report
 2-45 with the legislature not later than December 31 of each
 2-46 even-numbered year. The report must include[+]

2-47 [~~(1) an evaluation of the commission's implementation~~
 2-48 ~~of competitive renewable energy zones;~~

2-49 [~~(2) the estimated cost of transmission service~~
 2-50 ~~improvements needed for each competitive renewable energy zone; and~~

2-51 [~~(3)] an evaluation of the effects that additional~~
 2-52 renewable generation has on system reliability and on the cost of
 2-53 alternatives to mitigate the effects.

2-54 (o) The commission may establish an alternative compliance
 2-55 payment to meet the goal established by Subsection (a) before its
 2-56 termination. An entity that has a renewable energy purchase
 2-57 requirement under this section may elect to pay the alternative
 2-58 compliance payment instead of applying renewable energy credits
 2-59 toward the satisfaction of the entity's obligation under this
 2-60 section. The commission may establish a separate alternative
 2-61 compliance payment for the goal of 500 megawatts of capacity from
 2-62 renewable energy technologies other than wind energy that an entity
 2-63 may use until January 1, 2016, to meet that goal. The alternative
 2-64 compliance payment for a renewable energy purchase requirement that
 2-65 could be satisfied with a renewable energy credit from wind energy
 2-66 may not be less than \$2.50 per credit or greater than \$20 per
 2-67 credit. Prior to September 1, 2009, an alternative compliance
 2-68 payment under this subsection may not be set above \$5 per credit.
 2-69 In implementing this subsection, the commission shall consider:

3-1 (1) the effect of renewable energy credit prices on
3-2 retail competition;
3-3 (2) the effect of renewable energy credit prices on
3-4 electric rates;
3-5 (3) the effect of the alternative compliance payment
3-6 level on the renewable energy credit market; and
3-7 (4) any other factors necessary to ensure the
3-8 continued development of the renewable energy industry in this
3-9 state while protecting ratepayers from unnecessary rate increases.
3-10 SECTION 2. The recovery of a transmission facility
3-11 investment made by an electric utility to serve a competitive
3-12 renewable energy zone is governed by the law in effect on the date
3-13 the facility is placed in service, regardless of whether the
3-14 facility is completed before, on, or after the effective date of
3-15 this Act, and that law is continued in effect for that purpose.
3-16 SECTION 3. This Act takes effect immediately if it receives
3-17 a vote of two-thirds of all the members elected to each house, as
3-18 provided by Section 39, Article III, Texas Constitution. If this
3-19 Act does not receive the vote necessary for immediate effect, this
3-20 Act takes effect September 1, 2015.

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