

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a distributed solar generation incentive program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.9155 to read as follows:

Sec. 39.9155. DISTRIBUTED SOLAR GENERATION INCENTIVE PROGRAM. (a) It is the goal of the legislature that electric utilities administer incentive programs for residential and commercial customers to increase the amount of distributed solar generation installed within the state in a cost-effective, market-neutral, and nondiscriminatory manner.

(b) The commission by rule shall:

(1) establish a distributed solar generation incentive program, to be implemented by electric utilities;

(2) oversee the implementation of the program required by Subdivision (1); and

(3) establish procedures to achieve the goal described by Subsection (a).

(c) The rules adopted under Subsection (b) must include provisions for:

(1) a distributed solar generation cost recovery factor to ensure timely and reasonable cost recovery for electric utility expenditures under this section;

1 (2) recovery of the cost of electric utility programs
2 through nonbypassable fees, which may not exceed:

3 (A) 10 cents per month for residential customers;

4 (B) \$1 per month for commercial customers; or

5 (C) \$10 per month for industrial customers; and

6 (3) adjusting or eliminating the incentives provided
7 by electric utilities to the extent that the cost of energy from
8 distributed solar generation becomes more competitive with the cost
9 of grid-supplied energy.

10 (d) Electric utilities may not provide incentives under
11 this section for distributed solar generation that is installed
12 after the fifth anniversary of the date the program required by this
13 section is established by commission rule.

14 SECTION 2. The Public Utility Commission of Texas shall
15 adopt rules establishing the distributed solar generation
16 incentive program required under Section 39.9155, Utilities Code,
17 as added by this Act, as soon as practicable.

18 SECTION 3. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2009.