

## **BILL ANALYSIS**

C.S.H.B. 3624  
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State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Winter Storm Uri, which struck Texas in February and crippled the state's power grid for upwards of a week, demonstrated an enormous failure of power generation assets to withstand the storm. It has been suggested that allowing the owner or operator of distributed renewable generation or distributed energy storage that is installed on the retail electric customer's side of the meter to sell electricity or ancillary services at wholesale on the electric market would be one way to help ensure that there remains an adequate power supply during the next crisis. C.S.H.B. 3624 seeks to entitle an owner or operator to do so while ensuring that the retail customer does not have to register as a power generation company.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3624 amends the Utilities Code to entitle an owner or operator of distributed renewable generation or distributed energy storage that is installed on the retail electric customer's side of the meter to use the generation or storage to sell electricity or ancillary services at wholesale in a manner consistent with the Public Utility Regulatory Act. The bill establishes that a retail electric customer is not required to register as a power generation company.

C.S.H.B. 3624 requires an electric utility to allow the following persons, who are designated by the bill as "owners," to use an owner-supplied, UL-certified device designed to isolate and disconnect household loads on the retail electric customer's side of the meter:

- an owner of distributed renewable generation, distributed energy storage, or both;
- a retail electric customer on whose side of the meter distributed renewable generation or distributed energy storage is installed and operated, regardless of whether the customer takes ownership of the generation or storage; or
- a person who by contract is assigned ownership rights to energy produced from distributed renewable generation or distributed energy storage located at the premises of the customer on the customer's side of the meter.

The bill provides for the meaning of "distributed renewable generation" by reference to the act as electric generation with a capacity of not more than 2,000 kilowatts provided by a renewable energy technology that is installed on a retail electric customer's side of the meter and defines "distributed energy storage" as electric energy storage with a capacity of not more than 2,000 kilowatts that is so installed.

**EFFECTIVE DATE**

September 1, 2021.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3624 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision that did not appear in the original establishing that a retail electric customer is not required to register as a power generation company.