

BILL ANALYSIS

Senate Research Center

S.B. 533
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Public Utility Regulatory Act provides for an additional 2,000 megawatts (MW) of generation capacity installed in the state to derive from renewable resources. The goal of an additional 2,000 MW was to be achieved by 2009. However, taking into account the current interconnection requests, the goal has been achieved. Recently, the Texas Energy Planning Council, as part of a strategic energy plan, recommended that the legislature consider increasing the goal for renewable energy. As proposed, S.B. 533 increases the renewable goal to an additional 5,000 MW by 2015 and sets a target of a total of 10,000 MW by 2025. The bill provides that 500 MW of generating capacity be derived from non-wind renewable sources and provides that the Public Utility Commission (PUC) identify competitive renewable zones throughout the state. S.B. 533 requires PUC to report to the legislature on progress toward implementing the renewable goals.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission in SECTION 1 (Section 39.904, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.904, Utilities Code, by amending Subsection (a) and adding Subsections (a-1), (g), (h), and (i), as follows:

(a) Provides that it is the intent of the legislature that by January 1, 2015, rather than January 1, 2009, an additional 5,000 rather than 2,000, megawatts of generating capacity from renewable energy technology will have been installed within Texas. Requires that the cumulative installed renewable capacity in the state total 5,880, rather than 1,280, megawatts by January 1, 2015. Sets a target that a total of 10,000 megawatts of generating capacity from renewable energy technologies be installed by January 1, 2025. Deletes existing text setting a previous schedule for renewable energy goals.

(a-1) Provide that it is the legislature's intent that a minimum of 500 megawatts of generating capacity installed in Texas after September 1, 2005, derive from non-wind renewable energy resources.

(g) Requires the Public Utility Commission (commission) to identify competitive renewable zones throughout the state. Defines "competitive renewable zone." Requires that transmission service to a competitive renewable zone to be consistent with Subchapter A, Chapter 35. Authorizes the commission to establish rules for managing the cost of transmission congestion that enable a competitive renewable zone to achieve the goals established by this section.

(h) Requires the commission to file a report with the legislature no later than January 1, 2007, and sets forth the items to be included in the report.

(i) Authorizes the commission to adopt rules requiring renewable power facilities to have reactive power control capabilities or any other feasible technology designed to reduce the facilities' impact on the system reliability.

SECTION 2. Effective date: September 1, 2005.