

## **BILL ANALYSIS**

Senate Research Center  
81R26788 TRH-F

C.S.S.B. 2349  
By: Ogden  
Business & Commerce  
4/22/2009  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, significant amounts of natural gas are wasted, stranded, or underutilized for a number of reasons.

C.S.S.B. 2349 amends current law relating to distributed generation of electric power by natural gas powered generation facilities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 31.002, Utilities Code, by adding Subdivision (4-a) and amending Subdivision (10), to define "distributed natural gas generation facility" and redefine "power generation company."

SECTION 2. Amends the heading to Subchapter B, Chapter 35, Utilities Code, to read as follows:

#### **SUBCHAPTER B. EXEMPT WHOLESALE GENERATORS, DISTRIBUTED NATURAL GAS GENERATION FACILITIES, AND POWER MARKETERS**

SECTION 3. Amends Subchapter B, Chapter 35, Utilities Code, by adding Section 35.036, as follows:

Sec. 35.036. **DISTRIBUTED NATURAL GAS GENERATION FACILITIES.** (a) Authorizes a person who owns or operates a distributed natural gas generation facility to sell electric power generated by the facility. Requires the electric utility, electric cooperative, or retail electric provider that provides retail electricity service to the facility to purchase electric power tendered to it by the owner or operator of the facility at a fair market value price or allow the owner or operator of the facility to use the transmission and distribution facilities to transmit the electric power to another market that is acceptable to the owner or operator in accordance with Public Utility Commission (PUC) rules.

(b) Requires a distributed natural gas generation facility to comply with emission limitations established by the Texas Commission on Environmental Quality for a standard emissions permit for an electric generation facility unit installed after January 1, 1995.

SECTION 4. Amends Section 39.351(c), Utilities Code, to authorize PUC to establish simplified filing requirements for distributed natural gas generation facilities, rather than authorize a power generation company to register any time after September 1, 2000.

SECTION 5. Effective date: September 1, 2009.