

BILL ANALYSIS

Senate Research Center
82R29795 JXC-F

C.S.H.B. 3595
By: Chisum, Strama (Carona)
Business & Commerce
5/18/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Energy efficiency programs are designed to improve the use of electricity to reduce demand for or consumption of electricity while maintaining or enhancing existing levels of comfort, convenience, and productivity. Texas adopted energy efficiency goals as a component of restructuring the electric utility industry and these programs, which are required to be cost-effective, have been saving the state's residents and businesses money on their electric bills for years. C.S.H.B. 3595 seeks to amend program options available to achieve the state's goals of additional energy efficiency, as well as create an Energy Efficiency Coordination Council to facilitate coordination among state agencies that administer energy efficiency programs.

Section 39.905 of the Utilities Code establishes a legislative goal that electric utilities will administer energy efficiency incentive programs in a market-neutral, nondiscriminatory manner, and that all customers will have a choice of and access to energy efficiency alternatives and other choices from the market that allow each customer to reduce energy consumption, peak demand, or energy costs. Current law also provides that each electric utility will provide, through market-based standard offer programs or limited, targeted, market-transformation programs, incentives sufficient for retail electric providers and competitive energy service providers to acquire additional cost-effective energy efficiency for residential and commercial customers. There are no current requirements for state agency coordination of energy efficiency programs.

C.S.H.B. 3595 maintains the current availability of standard offer and market-transformation program, and also removes "air conditioning systems" so that no specific speed of air conditioning systems, in this case - variable, is mentioned since similar provisions are not codified for single speed units. Furthermore, the substitute creates an Energy Efficiency Coordination Council to facilitate coordination among state agencies that administer energy efficiency programs and ensure that all such programs are designed and implemented effectively.

C.S.H.B. 3595 amends current law relating to the energy efficiency goals and energy efficiency programs.

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 Subtitle E, Title 4, Government Code, by adding Chapter 470, as follows:

CHAPTER 470. ENERGY EFFICIENCY COUNCIL

Sec. 470.001. DEFINITIONS. Defines, in this chapter, "council," "energy efficiency program," and "program administrator."

Sec. 470.002. PURPOSE. Provides that the energy efficiency council (council) is a council established in the office of the comptroller of public accounts (comptroller) to:

- (1) monitor energy efficiency programs in this state;

(2) make recommendations for improving energy efficiency programs in this state; and

(3) provide a central repository for information on energy efficiency programs in this state.

Sec. 470.003. ENERGY EFFICIENCY PROGRAM POLICIES. Requires a program administrator to consider any applicable recommendations of the council when creating or implementing the energy efficiency program.

Sec. 470.004. COUNCIL MEMBERSHIP. (a) Provides that the council is composed of the following 16 members:

(1) 12 ex officio members as follows:

(A) the presiding officer of the Texas Commission on Environmental Quality;

(B) the chief executive officer of the Electric Reliability Council of Texas;

(C) the presiding officer of the Public Utility Commission of Texas (PUC);

(D) the presiding officer of the Railroad Commission of Texas;

(E) the comptroller or an employee of the State Energy Conservation Office (SECO) designated by the comptroller;

(F) the director of the Texas Department of Housing and Community Affairs;

(G) the executive director of the Texas Facilities Commission;

(H) the executive administrator of the Texas Water Development Board;

(I) the presiding officer of the Water Conservation Advisory Council;

(J) the executive director of the Texas Department of Rural Affairs;

(K) the director the Energy Systems Laboratory at the Texas Engineering Experiment Station of the Texas A&M University System; and

(L) the chief executive of the Office of the Public Utility Counsel; and

(4) four public members appointed by the governor as follows:

(A) one member to represent low-income ratepayers;

(B) one member to represent commercial or industrial ratepayers;

(C) one member to represent an environmental organization; and

(D) one member to represent the taxpayers of this state.

(b) Requires the four public members to be appointed with the advice and consent of the senate.

(c) Provides that the ex officio members and the appointed members serve as voting members of the council.

(d) Requires the comptroller or the employee designated under Subsection (a)(1)(E) to serve as presiding officer of the council.

(e) Requires the council to meet at least two times per year at the call of the presiding officer.

(f) Prohibits council members from receiving compensation for services, but subject to the availability of funding, authorizes council members to receive reimbursement for actual and necessary expenses incurred while performing council business.

(g) Requires that appointments to council positions be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

Sec. 470.005. TERMS; VACANCY. (a) Provides that appointed council members serve staggered two-year terms, with the terms of one or two members, as applicable, expiring on February 1.

(b) Requires that a vacancy on the council in the position of an appointed council member be filled in the same manner as the original appointment. Provides that the person appointed serves for the remainder of the unexpired term.

Sec. 470.006. GROUNDS FOR REMOVAL. (a) Provides that it is grounds for removal from the council that a member:

(1) does not maintain during service on the council the qualifications required by Section 470.004(a)(1);

(2) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(3) is absent for more than half of the regularly scheduled council meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the council.

(b) Provides that the validity of an action of the council is not affected by the fact that it is taken when a ground for removal of a council member exists.

(c) Requires the presiding officer, if the presiding officer has knowledge that a ground for removal exists, to notify the appointing authority and the attorney general that a potential ground for removal exists.

Sec. 470.007. ADMINISTRATIVE SUPPORT. Requires SECO, to the extent resources are available, to provide the council with administrative support, including meeting space and staff necessary to assist the council in carrying out the council's duties under this chapter.

Sec. 470.008. ACCEPTANCE OF GIFTS, GRANTS, OR DONATIONS. Authorizes the council to solicit and the comptroller to accept for the council gifts, grants, and donations from any public or private source for the purposes of this chapter.

Sec. 470.009. ENERGY EFFICIENCY PROGRAM MONITORING AND RECOMMENDATIONS. (a) Requires the council to monitor energy efficiency programs in the state.

(b) Authorizes the council to submit to a program administrator recommendations on means to encourage greater energy efficiency on a regular basis.

Sec. 470.010. OFFICIAL INTERNET WEBSITES. Requires the council to use the following official Internet websites for the publication of information required by this chapter:

(1) the Internet website of SECO; and

(2) the Internet website of PUC.

Sec. 470.011. LIST OF EMERGENCY EFFICIENCY PROGRAMS. (a) Requires the council to:

(1) develop a list of currently operating energy efficiency programs in this state and publish the list on the official Internet websites under Section 470.010; and

(2) work with SECO and PUC to develop and publish on the official Internet websites under Section 470.010 a user-friendly page that allows a consumer to search by the consumer's address energy efficiency programs available in the consumer's service area.

(b) Requires SECO and PUC to each provide a link on their Internet websites to the page described by Subsection (a)(2).

Sec. 470.012. BIENNIAL PROGRAMS REPORT. (a) Requires the council biennially to prepare a report on energy efficiency programs in this state. Requires the council to submit the report to the legislature not later than October 1 of each even-numbered year.

(b) Requires that the report include:

(1) a comprehensive review of the energy efficiency programs on the list required by Section 470.011, including information on the goals, costs, and benefits of the programs, the results of each program, the energy savings and emissions reductions that each program achieves, and the jobs that each program creates;

(2) a study comparing energy efficiency programs in this state to certain similar programs in other states; and

(3) recommendations for improving energy efficiency programs in this state.

(c) Authorizes the report to include recommendations for creating new energy efficiency programs in this state.

(d) Requires the council to publish the report on the official Internet websites under Section 470.010.

Sec. 470.013. APPLICABILITY OF ADVISORY COMMITTEE LAW. Provides that Chapter 2110 (State Agency Advisory Committees) does not apply to the council.

SECTION 2. Amends Section 39.905, Utilities Code, by amending Subsection (d) and adding Subsection (h), as follows:

(d) Authorizes utilities to choose to implement any program option approved by the Public Utility Commission of Texas after its evaluation in order to satisfy the goal in Subsection (a), including:

- (1)-(3) Makes no changes to these subdivisions;
- (4) the installation of variable speed air conditioning systems, motors, and drives;
- (5) Redesignates existing Subdivision (4) as Subdivision (5). Makes no further changes;
- (6) Redesignates existing Subdivision (5) as Subdivision (6). Makes no further changes;
- (7) Redesignates existing Subdivision (6) as Subdivision (7). Makes no further changes;
- (8) commissioning services for commercial and institutional buildings that result in operational and maintenance practices that reduce the buildings' energy consumption;
- (9) Redesignates existing Subdivision (7) as Subdivision (9). Makes no further changes;
- (10) Redesignates existing Subdivision (8) as Subdivision (10). Makes no further changes;
- (11) Redesignates existing Subdivision (9) as Subdivision (11). Makes no further changes;
- (12) Redesignates existing Subdivision (10) as Subdivision (12). Makes no further changes;
- (13) Redesignates existing Subdivision (11) as Subdivision (13). Makes a nonsubstantive change;
- (14) Redesignates existing Subdivision (12) as Subdivision (14). Makes no further changes;
- (15) data center efficiency programs; and
- (16) energy use programs with measurable and verifiable results that reduce energy consumption through behavioral changes that lead to efficient use patterns and practices.

(h) Requires an entity that conducts an energy efficiency audit for a residential, commercial, or nongovernmental nonprofit customer and provides a report of the audit to include in the audit report a list of any energy efficiency products or alternate energy service providers the entity is recommending that the customer use, and a written disclosure of any financial benefit the entity receives from recommending the use of each particular energy efficiency product or particular alternate energy service provider.

SECTION 3. Requires the governor, as soon as practicable after the effective date of this Act, to appoint members to the council in accordance with Section 470.004, Government Code, as added by this Act.

SECTION 4. Effective date: upon passage or September 1, 2011.