

## **BILL ANALYSIS**

Senate Research Center  
84R9526 JXC-F

S.B. 775  
By: Fraser  
Natural Resources & Economic Development  
3/13/2015  
As Filed

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

Section 39.9044 (Goal for Natural Gas) of the Public Utility Regulatory Act (PURA) establishes natural gas as “the preferential fuel” in Texas for electricity generation and requires the Public Utility Commission to adopt rules to establish a system of natural gas energy trading credits. The majority of all new, non-renewable electricity generation constructed since 2000 has used natural gas as a primary fuel and this trend is expected to continue. As a result, the thresholds used to trigger the natural gas energy trading credit system in PURA Section 39.9044 have not been reached and they are not expected to be reached in the foreseeable future.

Because natural gas-fueled power plants have been the most commonly built new generation in Texas for many years and are expected to continue to be, there is no need to establish and maintain incentives for natural gas generation.

As proposed, S.B. 775 amends current law relating to the repeal of the goal for natural gas use.

### **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. Repealer: Section 39.9044 (Goal for Natural Gas), Utilities Code.

SECTION 2. Amends Section 40.004, Utilities Code, to delete a reference to the natural gas energy credits program under Section 39.9044(b) from the Public Utility Commission of Texas's jurisdiction over municipally owned utilities to administer the renewable energy credits program.

SECTION 3. Effective date: upon passage or September 1, 2015.