

BILL ANALYSIS

Senate Research Center

H.B. 1572
By: Craddick et al. (Springer)
Business & Commerce
5/6/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding the ability of an electric generator rental service to rent generators on a per megawatt hour, as opposed to a flat fee only. The current statutory constraints prohibit any per megawatt hour billing except by licensed retail electric providers. H.B. 1572 seeks to address this issue by clarifying a retail electric provider includes a business that rents electric generation equipment and allowing such a business to lease on a per megawatt hour rather than solely a flat fee.

H.B. 1572 amends current law relating to the rental and operation of electric generation equipment.

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-b) and amending Subdivision (6), as follows:

(4-b) Defines, for purposes of Subtitle B (Electric Utilities), "electric generation equipment lessor or operator" to mean a person who rents to or operates for compensation on behalf of a third party electric generation equipment that is used on a site of the third party until the third party is able to obtain sufficient electricity service, that produces electricity on site to be consumed by the third party and not resold, and that does not interconnect with the electric transmission or distribution system.

(6) Provides that, for purposes of Subtitle B, the term "electric utility" does not include a person not otherwise an electric utility who is an electric generation equipment lessor or operator. Makes nonsubstantive changes.

SECTION 2. Amends Section 37.001(3), Utilities Code, to provide that, for purposes of Chapter 37 (Certificates of Convenience and Necessity), a person who is an electric generation equipment lessor or operator is not for that reason considered to be a retail electric utility.

SECTION 3. Effective date: September 1, 2021.