

## **BILL ANALYSIS**

S.B. 2066  
By: Menéndez  
State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been suggested that purchase, lease, or power purchase agreements for distributed renewable generation resources should be more transparent. S.B. 2066 seeks to provide for increased transparency by setting out certain disclosure requirements.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 2066 amends the Business & Commerce Code to require a seller or lessor of distributed renewable generation resources who enters into a purchase, lease, or power purchase agreement with a residential or small commercial customer for the operation of an on-site distributed generation resource to disclose certain specified information to the customer in writing. The bill sets out additional required disclosures for lease agreements and for power purchase agreements. These provisions do not apply to the following:

- a transaction involving the sale or transfer of the real property on which a distributed renewable generation resource is located;
- a person, including a person acting through the person's officers, employees, brokers, or agents, who markets, sells, solicits, negotiates, or enters into an agreement for the sale or financing of a distributed renewable generation resource as part of a transaction involving the sale or transfer of the real property on which the distributed renewable generation resource is or will be affixed; or
- a third party that enters into an agreement for the financing of a distributed renewable generation resource.

S.B. 2066 amends the Local Government Code to prohibit a municipality from prohibiting or restricting a residential or small commercial customer from installing a solar energy device except to the extent that a property owners' association may prohibit the installation under applicable Property Code provisions or to the extent that the following conditions limit the installation of solar energy devices due to reliability, power quality, or safety of the distribution system:

- the interconnection guidelines and interconnection agreement of a municipally owned utility serving the customer's service area;

- the rules of the Public Utility Commission of Texas (PUC); or
- the protocols of an independent organization certified by the PUC to perform certain functions related to the market structure of the electric utility industry under the Public Utility Regulatory Act.

**EFFECTIVE DATE**

September 1, 2019.