

- SUBJECT:** State energy plan on future electric generation and environment effects
- COMMITTEE:** Environmental Regulation — committee substitute recommended
- VOTE:** 7 ayes — Bonnen, Hancock, Lucio, Driver, T. King, Kuempel, West  
0 nays
- WITNESSES:** For — Ramon Alvarez, Environmental Defense; Cyrus Reed, Lone Star Chapter of Sierra Club; Tom “Smitty” Smith, Public Citizen; (*Registered, but did not testify*: Rita Beving, Dallas Sierra Club; Becky Bornhorst, Downwinders at Risk; Colin Leyden, Texas League of Conservation Voters; Scott Lipsett, CORE (Citizens Organizing for Resources and Environment); Bee Moorhead, Texas Impact; Paul Rolke, Robertson County: Our Land, Our Lives; Robin Schneider, Texas Campaign for the Environment; Roy Waley, Sierra Club, Austin Regional Group; Christina Wisdom, Texas Chemical Council; Jo Cervenka; Donna Hoffman; Scott Johnson; Susan Pantell; Jim Schermbeck; Faye Wedell)
- Against — None
- On — Karen Hadden, Sustainable Energy & Economic Development (SEED); (*Registered, but did not testify*: Richard Hyde and David Schanbacher, Texas Commission on Environmental Quality)
- BACKGROUND:** In 1999, the 76th Legislature enacted SB 7 by Sibley, which mandated restructuring the electric utility industry within the Electric Reliability Council of Texas (ERCOT), which includes most of the state. Among its provisions, the bill established the renewable portfolio standard (RPS), which requires installation of additional electric generating capacity from renewable energy technologies such as wind energy. During its first called session in 2005, the 79th Legislature enacted SB 20 by Fraser, which increased the RPS from the original requirement of 2,000 megawatts (MW).
- In 2001, the 77th Legislature enacted SB 5 by Brown, or the Texas Emissions Reduction Plan, that required changes in energy use to help the state comply with federal Clean Air Act standards.

DIGEST:

CSHB 2713 would create a legislative interim study to develop a long-term state energy plan, including a determination of the state's need for electricity generation capacity and the effect of that additional electric generation capacity on the environment.

The committee would consist of:

- the House committee chairs of Environmental Regulation, Energy Resources, and Regulated Industries;
- the Senate committee chairs of Natural Resources and Business and Commerce;
- four House members appointed by the speaker; and
- five Senators appointed by the lieutenant governor.

The speaker of the House and the lieutenant governor would designate the co-chairs of the study committee, which would have to be appointed by October 31, 2007.

The committee would be required to study the state's demand for electric generation capacity for the next 50 years and to study available technology and infrastructure, as well as potential environmental effects of existing electric generation facilities. The committee also would be required to assess the types and amount of electric capacity from:

- coal;
- renewable energy;
- liquefied natural gas;
- nuclear energy; and
- integrated gasification combined cycle technology.

The assessment of environmental effects also would include reviews of

- compliance with the federal Clean Air Act standards;
- emissions of carbon dioxide and other greenhouse gases;
- effects of emissions in nonattainment areas; and
- possible increases in emissions that would cause other portions of the state to become nonattainment areas.

The committee could consult with the Texas Commission on Environmental Quality, the Public Utility Commission, and the Texas Railroad Commission to develop its study. Committee proceedings would

be governed by Senate and House rules, Government Code, ch. 301, and policies established by the administration committees of both chambers. Committee expenses would be funded equally through the contingent expense funds of both the House and Senate. The committee's report would be sent to all members of the Legislature by January 15, 2009.

The bill would take effect September 1, 2007.

**NOTES:**

Unlike the bill as introduced, the committee substitute would require study of the state's generation capacity needs for 50 years, rather than 25 years, and would require a study of the potential effects of carbon dioxide and other greenhouse gas emissions from existing and future generation facilities.