

## **BILL ANALYSIS**

Senate Research Center

S.B. 1373  
By: Patterson  
State Affairs  
3-26-97  
As Filed

### **DIGEST**

Currently, in Texas a company that cogenerates power is prohibited from selling the power to a company that borders the plant site or is located across the road. S.B. 1373 would allow a qualified cogenerator to sell the power generated at the plant site to a neighboring company, as long as the company is within a five-mile radius. The power could be transmitted over the existing lines of the utility company servicing the area, provided the fees for transmission are reasonable as determined by the Public Utility Commission.

### **PURPOSE**

As proposed, S.B. 1373 outlines provisions regarding the sale of electric energy by qualifying cogenerators.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title IIB, Article 1446c-0, V.T.C.S. (Public Utility Regulatory Act of 1995) by adding Section 2.058, as follows:

Sec. 2.058. SALE OF ELECTRIC ENERGY BY QUALIFYING COGENERATOR. Authorizes a qualifying cogenerator to sell electric energy to any person without becoming subject to any rate or licensing regulatory requirements if the person to whom the sale is made is located within five miles of the cogenerator and is not an individual, notwithstanding any law to the contrary. Sets forth certain rates, terms, and conditions under which the qualifying cogenerator is entitled to delivery of the electric energy sold under Subsection (a) of this section by an electric utility to the cogenerator's customers over the utility's transmission and distribution lines.

SECTION 2. Emergency clause.  
Effective date: upon passage.