

BILL ANALYSIS

Senate Research Center

S.B. 541
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Texas is a world leader in wind energy production. However, Texas has not realized manufacturing jobs from the production of wind turbines and other renewable energy equipment. Additionally, current law provides no renewable energy credit incentive for electric generation equipment manufactured in Texas and sets the goals for renewable electricity generated from sources other than wind at 500 megawatts.

As proposed, S.B. 541 requires the Public Utility Commission (PUC) to adopt rules to provide a "Made in Texas" incentive for renewable electricity generation equipment that is manufactured in Texas. S.B. 541 increases the state's current goal for renewable electricity generated from sources other than wind from 500 megawatts to 3,000 megawatts, by the year 2020, and requires PUC to establish renewable energy credits trading programs to meet the goal.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission in SECTION 2 (Section 39.904, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. PURPOSE. Provides that the purpose of this Act is to continue promoting clean, renewable energy in Texas in a manner that creates manufacturing jobs and bolsters the Texas economy.

SECTION 2. Amends Section 39.904, Utilities Code, by amending Subsections (a), (b), (m-3), and (o), and adding Subsection (c-1), as follows:

Sec. 39.904. GOAL FOR RENEWABLE ENERGY. (a) Deletes existing text requiring the Public Utility Commission of Texas (PUC) to establish a target for cumulative installed renewable capacity. Requires that, of the renewable energy technology generating capacity installed to meet the goal of this subsection, the cumulative installed renewable energy technology generating capacity in this state from a renewable energy technology other than a source using wind energy to total 3,000, rather than 500, megawatts by January 1, 2020.

(b) Requires PUC to establish renewable energy credits trading programs, rather than program, to meet the goals provided by Subsection (a).

(c-1) Requires PUC, not later than January 1, 2011, to adopt rules necessary to provide a "Made in Texas" incentive for renewable energy credits generated by generation equipment that is wholly produced or substantially transformed by a Texas workforce, as determined by PUC. Requires that the incentive under this subsection be available for the first three years after the renewable energy equipment first produces electricity on a commercial basis.

(m-3) Makes a conforming change.

(o) Authorizes PUC to establish a separate alternative compliance payment for the goal of 3,000 megawatts, rather than 500 megawatts, of installed capacity from renewable energy technologies other than wind energy by January 1, 2020.

SECTION 3. Effective date: September 1, 2009.