

BILL ANALYSIS

Senate Research Center
82R10030 RWG-F

S.B. 1501
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas law currently allows electric utilities to administer energy efficient incentive programs in a market-neutral and nondiscriminatory manner. Texas law allows utilities to choose to implement any program option approved by the Texas Public Utility Commission.

S.B. 1501 would add to the list of programs that may be considered by utilities programs that inform commercial or residential consumers about energy efficient materials or about methods to reduce energy consumption through behavioral changes so long as those programs lead to reductions in energy use that are measurable and verifiable. S.B. 1501 does not require that utilities use these programs, but allows utilities the option if they determine that these programs would be beneficial to their customers.

As proposed, S.B. 1501 amends current law relating to energy and efficiency conservation programs administered by the Texas Public Utility Commission.

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 36.204, Utilities Code, as follows:

Sec. 36.204. COST RECOVERY AND INCENTIVES. Authorizes the Public Utility Commission of Texas (PUC), in establishing rates for an electric utility, to:

- (1) allow timely recovery of the reasonable costs of conservation, load management, and purchased power, notwithstanding Section 36.201 (Automatic Adjustment for Changes in Costs); and
- (2) authorize additional incentives for conservation, load management, purchased power, and renewable resources, or programs with measurable and verifiable results that inform commercial or residential consumers about energy efficient materials, or methods to reduce energy consumption through behavior changes that lead to efficient use patterns and practices.

SECTION 2. Amends Section 39.905(d), Utilities Code, as follows:

(d) Requires PUC to establish a procedure for reviewing and evaluating market-transformation program options described by this subsection and other options. Authorizes PUC, in evaluating program options, to consider the ability of a program option to reduce costs to customers through reduced demand, energy savings, and relief of congestion. Authorizes utilities to choose to implement any program option approved by PUC after its evaluation in order to satisfy the goal in Subsection (a) (relating to goals of the legislature relating to electric utilities) including, among certain programs, energy use programs with measurable and verifiable results that inform commercial or residential consumers about energy efficient materials, or methods to reduce energy

consumption through behavioral changes that lead to efficient use patterns and practices.
Makes a nonsubstantive change.

SECTION 3. Effective date: upon passage or September 1, 2011.