

BILL ANALYSIS

Senate Research Center
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S.B. 898
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The statutory requirement for certain state and political subdivisions in air quality non-attainment areas to report energy efficiency goals will expire in 2012. Energy efficiency reporting is beneficial for verification and more accurate load forecasting. Consequently, S.B. 898 requires that the 41 municipalities and counties in non-attainment areas continue to report their energy efficiency goal process through 2020, as well as standardizes this reporting to the State Energy Conservation Office (SECO).

To reduce electricity consumption, Chapter 388 (Texas Building Energy Performance Standards), Health and Safety Code, currently mandates that each political subdivision, institution of higher education, or state agency, must implement all energy efficiency measures that meet energy conservation standards established under Section 302.004(b) (relating to requiring an energy savings performance contract to contain provisions requiring the provider of the energy or water conservation or usage measures to provide a guarantee), Local Government Code. Furthermore, each entity must establish a goal to reduce electric consumption by five percent; but this goal expires in 2012. Lastly, each entity must submit annual reports to SECO documenting efforts and progress towards energy efficiency. SECO reports the effectiveness of these energy efficiency programs to the Texas Commission on Environmental Quality (TCEQ) for inclusion in the state's air quality plans.

S.B. 898 extends the five percent goal progress reporting requirement of 2020. To provide consistent reporting on energy efficiency efforts, the bill eliminates a reporting exemption should entities not meet the goal. In addition, SECO is required to evaluate the effectiveness of these programs, and using that evaluation and program data, the Energy System Laboratory (ESL) must calculate energy savings and pollution reduction estimates. The calculations ESL produces will be shared with the Electricity Reliability Council of Texas, the Environmental Protection Agency, and TCEQ to facilitate long-term forecasting.

As proposed, S.B. 898 amends current law relating to energy efficiency programs in institutions of higher education and certain governmental entities.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

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 Sections 388.005(c), (d), and (e), Health and Safety Code, as follows:

- (c) Requires each political subdivision, institution of higher education, or state agency to establish a goal to reduce the electric consumption by the entity by at least five percent, rather than by five percent, each state fiscal year for 10, rather than six, years, beginning September 1, 2011, rather than 2007.

(d) Requires a political subdivision, institution of higher education, or state agency that does not attain the goals established under Subsection (c) to include in the report required by Subsection (e) justification that the entity has already implemented all available measures. Deletes existing text providing that an entity that submits a report under this subsection indicating it has already implemented all available measures is exempt from the annual reporting requirement of Subsection (e) if a subsequent report would indicate no change in status. Deletes existing text providing that an entity may be required to provide notice that it is exempt to the State Energy Conservation Office (SECO).

(e) Requires a political subdivision, institution of higher learning, or state agency annually to report to SECO, on forms provided by that office, regarding that entity's goal, the entity's efforts to meet the goal, and progress the entity has made under this section. Requires SECO to provide assistance and information to the entity to help the entity meet goals established under this section. Requires SECO to develop and make available a standardized form for reporting purposes. Makes nonsubstantive changes.

SECTION 2. Amends Section 388.006, Health and Safety Code, as follows:

Sec. 388.006. STATE ENERGY CONSERVATION OFFICE EVALUATION. Requires SECO annually to provide the Texas Natural Resource Conversation Commission (TNRCC) and the Energy Systems Laboratory at the Texas Engineering Experiment Station of The Texas A&M University System (laboratory) with an evaluation of the effectiveness of state and political subdivision energy efficiency programs, including programs under this chapter. Requires the laboratory to calculate, based on the evaluation and the forms submitted to SECO, the amount of energy savings and estimated reduction in pollution achieved as a result of the implementation of programs. Requires the laboratory to share the information with TNRCC, the United States Environmental Protection Agency, and the Electric Reliability Council of Texas to help with long-term forecasting in estimating pollution reduction.

SECTION 3. Effective date: September 1, 2011.