

## **BILL ANALYSIS**

Senate Research Center

S.B. 1586  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law limits distributed renewable generation systems installed on any retail electric customer's side of the meter to 2,000 kilowatts regardless of the type of property the system is installed on. This size limit is fine for residential and small commercial operations, but can present problems for public entities like school districts, municipalities, and military installations that need systems that can meet their needs in a cost-effective manner.

Increasing pressure on school district and local government budgets dictates that local officials have as many options as possible to reduce costs. Reducing the cost of electricity is one of the most tangible ways for local governments to control costs. There are a number of distributed energy options available in the market, but limits on their size can prove problematic for public entities that want to maximize their cost savings. By allowing larger systems on public property, public entities can reduce their energy costs and free up valuable electric capacity needed to maintain the reliability of electric supply for the rest of the market.

As proposed, S.B. 1586 amends current law relating to the definition of distributed renewable generation for certain generation systems installed on publicly owned land.

### **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 39.916(a), Utilities Code, to redefine, in this section, "distributed renewable generation" to mean electric generation provided by a renewable energy technology as defined by Section 39.904 (Goal for Renewable Energy), with a capacity of not more than 2,000 kilowatts that is installed on a retail electric customer's side of the meter or with a capacity of not more than 10 megawatts that is installed on a retail electric customer's side of the meter and on land or buildings owned by the United States, or on land or buildings owned by this state or a political subdivision of this state.

SECTION 2. Effective date: upon passage or September 1, 2013.