

Distributed Renewable Generation Requirements

HB 1655 by Rep. Anchia

AECT Position: Amend

Proposal

- HB 1655 would classify any distributed renewable generation owner or person with whom a retail electric customer contracts to install or maintain distributed renewable generation on the customer's side of the meter as not being an electric utility.
- The Public Utility Commission of Texas (PUC) would be required to establish a minimum rate at which an electric utility or retail electric provider shall purchase surplus electricity produced by distributed renewable generation

Background

- When an individual or business has a distributed renewable generation system – such as solar panels on a home – that produces more electricity at a given moment than the individual or business is using, surplus power may flow from the premise onto the electric grid.
- A REP is responsible for procuring sufficient power to meet the needs of its customers. As with the wholesale power market as a whole, the value of surplus energy delivered to the grid has different values to a REP based on a variety of factors, including the time of day it is provided to the grid and the extent to which the REP has purchased power through the bilateral market to meet its anticipated needs.
- Current law allows a REP to determine the extent to which it will position itself in the competitive market to purchase surplus generation. Some REPs already have established programs to meet the needs of this particular market segment. In the competitive market, a consumer has the power to choose the REP who will best serve their needs.
- In its recent rulemaking on REP disclosures to customers, the Commission required each REP to clearly indicate in each Electricity Facts Label whether the REP purchases surplus power from distributed renewable generation. By already ensuring the disclosure of this information, an individual or business interested in selling surplus power to a REP will be able to more readily shop among REPs who will meet the customers' objectives, eliminating the need for the Commission to impose on every REP an obligation to purchase surplus power.

AECT Position on HB 1655

- HB 1655 should be amended by striking subsection (i) as proposed in SECTION 4 of the bill.