

## Distributed Generation Programs and Requirements

**SB 427 by Sen. Shapiro**  
**SB 600 by Sen. Van de Putte**

**SB 545 by Sen. Fraser**  
**SB 1420 by Sen. Lucio**

### Proposal

- SB 427 would establish a goal of 2,000 MW of distributed renewable energy to be installed by 2020, with an interim goal of 1,000 MW by 2015. Electric utilities would administer programs to provide incentives for related programs, including integrated solar and geothermal generation. The Public Utility Commission of Texas (PUC) would provide oversight and adopt rules and procedures to foster cost-recovery for the program.
- SB 545 would require the PUC to administer incentive programs for residential and commercial customers to increase distributed solar generation through a distributed solar generation incentive program. Electric utility cost recovery may not exceed 10¢/month for residential customers, \$1/month for commercial customers, or \$10/month for industrial customers. The program would be required for five years after established by PUC rule.
- SB 600 would require electric utilities to administer standard offer programs (or similar) to create incentives for solar generation. The programs cost would be at least one percent of the electric utility's annual gross receipts from retail sales to residential and commercial customers, provided that the expenditures for each subsequent year is not more than 150 percent of the utility's program budget set by its most recent PUC filing. The bill sets a legislative intent of 3,000 MW of installed solar capacity by 2019, with interim steps.
- SB 1420 would require an electric utility or retail electric provider to provide for net metering to an independent school district upon request. In addition, SB 1420 would require utilities and REPs to include line-items on the electric bill of any distributed renewable generation customer listing the customer's capacity, amount generated and price paid for that electricity. The bill would also require the PUC to administer a study by an independent organization to determine if there is a viable market within the Electric Reliability Council of Texas (ERCOT) grid for the sale of excess energy from distributed renewable generation, and, should the study find the market is not viable, require all REPs to offer net metering services and advanced meter information to all customers.

### AECT Position

- AECT member companies support the implementation of alternative energy technologies as they become economically viable and in demand by customers. Allowing market participants the flexibility to meet customer demand is the best process for supporting new technologies.
- Customers who seek to use these technologies should be allowed the opportunity to weigh the benefits versus the costs and choose accordingly, but those customers should not be able to shift costs to other customers.
- Alternative energy resource development must be closely coordinated with the utilities whose job it is to provide electric service to customers. This is particularly important with new technologies designed to interconnect with the current electric system.
- Mandates of experimental or developing technologies can add costs to the market, which are ultimately borne by customers.
- AECT remains committed to a long-term transition to future energy solutions, but our state must do so in a manner that is rational, measured and does not impose an unreasonable financial burden on customers or market participants.