

By: Reynolds

H.B. No. 3175

A BILL TO BE ENTITLED

AN ACT

relating to the funding through greenhouse gas emissions fees of energy efficiency programs administered by certain utilities; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 382.0621(f), Health and Safety Code, is amended to read as follows:

(f) The commission may impose operating fees for emissions of greenhouse gas only:

(1) to the extent the fees are necessary to cover the commission's additional reasonably necessary direct costs of implementing Section 382.05102; or

(2) as authorized under Section 382.0623.

SECTION 2. Subchapter C, Chapter 382, Health and Safety Code, is amended by adding Section 382.0623 to read as follows:

Sec. 382.0623. GREENHOUSE GAS EMISSIONS FEE. (a) In this section, "carbon dioxide equivalent" means the amount of carbon dioxide by weight that would produce the same global warming impact as a given weight of another greenhouse gas, based on the best available science.

(b) The commission shall adopt, charge, and collect an annual fee on each facility permitted under Section 382.05185 that is subject to federal greenhouse gas reporting requirements. Except as provided by Subsection (d), the fee is in the amount of \$5

1 per ton of carbon dioxide equivalent emitted from the facility each
2 year.

3 (c) Not later than April 15 of each year, a facility
4 described by Subsection (b) shall submit to the commission each
5 annual report required by federal greenhouse gas reporting
6 requirements. The commission shall use a report received under
7 this section to compute the total amount of the fee to be imposed on
8 the reporting facility.

9 (d) The commission by rule may provide for an automatic
10 annual increase in the amount of the fee imposed under this section
11 in the manner provided for increasing operating permit fees by
12 Section 382.0621(c).

13 (e) The commission shall deposit fees collected under this
14 section to the credit of a greenhouse gas emissions fee account
15 established in the general revenue fund. The fees collected may be
16 appropriated only for the purposes of Section 39.9053, Utilities
17 Code.

18 SECTION 3. Section 39.905, Utilities Code, is amended by
19 amending Subsection (f) and adding Subsection (f-1) to read as
20 follows:

21 (f) Each [~~Unless funding is provided under Section 39.903,~~
22 ~~each~~] unbundled transmission and distribution utility shall
23 include in its energy efficiency plan a targeted low-income energy
24 efficiency program [~~as described by Section 39.903(f)(2)~~], and the
25 savings achieved by the program shall count toward the transmission
26 and distribution utility's energy efficiency goal. The commission
27 shall determine the appropriate level of funding to be allocated to

1 both targeted and standard offer low-income energy efficiency
2 programs in each unbundled transmission and distribution utility
3 service area. The level of funding for low-income energy
4 efficiency programs shall be provided from money approved by the
5 commission for the transmission and distribution utility's energy
6 efficiency programs. The commission shall ensure that annual
7 expenditures for the targeted low-income energy efficiency
8 programs of each unbundled transmission and distribution utility
9 are not less than 10 percent of the transmission and distribution
10 utility's energy efficiency budget for the year. A grant received
11 by an unbundled transmission and distribution utility under Section
12 39.9053 may be considered as part of the utility's energy
13 efficiency budget. A targeted low-income energy efficiency program
14 must comply with the same audit requirements that apply to federal
15 weatherization subrecipients. In an energy efficiency cost
16 recovery factor proceeding related to expenditures under this
17 subsection, the commission shall make findings of fact regarding
18 whether the utility meets requirements imposed under this
19 subsection. The state agency that administers the federal
20 weatherization assistance program shall participate in energy
21 efficiency cost recovery factor proceedings related to
22 expenditures under this subsection to ensure that targeted
23 low-income weatherization programs are consistent with federal
24 weatherization programs and adequately funded.

25 (f-1) For the purposes of Subsection (f), a "low-income
26 energy efficiency program" is a program that offers assistance to
27 an electric customer:

1 (1) whose household income is not more than 125
2 percent of the federal poverty guidelines; or

3 (2) who receives benefits under the supplemental
4 nutrition assistance program established under Chapter 33, Human
5 Resources Code.

6 SECTION 4. Subchapter Z, Chapter 39, Utilities Code, is
7 amended by adding Section 39.9053 to read as follows:

8 Sec. 39.9053. ENERGY EFFICIENCY FUNDING. (a) The
9 commission by rule shall establish a grant program through which
10 electric utilities, municipally owned utilities, and electric
11 cooperatives may receive money from the greenhouse gas emissions
12 fee account to assist those utilities with meeting goals
13 established under and implementing programs under Sections 39.905,
14 39.9051, and 39.9052.

15 (b) Except as provided by Subsection (c), the commission
16 shall make grant money available to an electric utility,
17 municipally owned utility, or electric cooperative in proportion to
18 the percentage of electric energy consumed by the retail customers
19 in this state that are served by the electric utility, municipally
20 owned utility, or electric cooperative.

21 (c) The commission shall allocate at least 50 percent of the
22 money provided under Subsection (a) each year for programs
23 described by Section 39.905(f).

24 SECTION 5. The Texas Commission on Environmental Quality
25 may not provide for an increase in the amount of the fee established
26 by Section 382.0623, Health and Safety Code, as added by this Act,
27 to occur before August 31, 2018.

1 SECTION 6. This Act takes effect September 1, 2017.