

PROJECT NUMBER 33492
RULEMAKING RELATING TO THE TARGET FOR RENEWABLE ENERGY
RESOURCES OTHER THAN WIND POWER

PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST FOR COMMENTS

The Public Utility Commission of Texas (commission) is conducting a rulemaking to implement the provisions of Senate Bill 20 (79th Legislature, 1st Called Session) relating to the requirement that the commission establish a target of having at least 500 megawatts (MW) of capacity from a renewable energy technology other than a source using wind energy. Project Number 33492, *Rulemaking Relating to the Target for Renewable Energy Resources Other Than Wind Power*, has been assigned to this rulemaking.

The commission staff requests that interested persons file comments in response to the following questions:

1. The Public Utility Regulatory Act (PURA) §39.904(a) states that “[o]f the renewable energy technology generating capacity installed to meet the goal of this subsection after September 1, 2005, the commission shall establish a target of having at least 500 megawatts of capacity from a renewable energy technology other than a source using wind energy.” What authority does this provision provide the commission to achieve the non-wind target? Does this provision require that the Commission take specific actions to ensure that at least 500 MW of capacity from a renewable energy technology other than a source using wind energy are constructed?
2. Texas currently has a single mandatory renewable portfolio standard (RPS) requirement that encompasses all renewable energy technologies. Would a separate RPS requirement

for non-wind renewable energy technology, or the modification of the current single RPS requirement proposed in the Staff Strawman released April 19, 2006 (Project No. 31852, *Rulemaking Relating to Renewable Energy Amendments*), be a more effective mechanism to meet the non-wind target? Please explain the expected benefits and costs of each mechanism in responding to this question. Please provide draft language on suggested modifications to the current single RPS requirement and on the separate RPS requirement for non-wind renewable energy technologies.

3. Is there a more appropriate mechanism than the two described in question 2 above for achieving the non-wind target? If so, please provide draft language that details how the recommended mechanism would work.
4. If the commission creates a separate RPS for non-wind renewable energy technology, should the commission use the original RPS to encourage retail electric providers (REPs) to increase the amount of voluntary “green power” electricity services they sell to retail customers, and if so, how? For example, should the rule exempt any individual REP from its obligation under the wind RPS for a particular year if during the previous year the number of renewable energy credits (RECs) it retired voluntarily exceeded 25% of its retail sales; and should the rule make the exemption permanent if the REP meets this requirement for five consecutive years?

Responses may be filed by submitting 16 copies to the commission's Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, PO Box 13326, Austin, Texas 78711-3326 by Tuesday, January 2, 2007. All responses should reference Project Number 33492. This notice is not a formal notice of a proposed rulemaking; however, the parties' responses to the

questions will assist the commission staff in developing the proposal for publication of amendments to PUC SUBST. R. 25.173, *Goal for Renewable Energy*.

Questions concerning this notice should be referred to Lauren Damen, Senior Retail Market Analyst, Electric Industry Oversight Division, lauren.damen@puc.state.tx.us, 512-936-7401, or Annette Mass, Attorney, Legal Division, annette.mass@puc.state.tx.us, 512-936-7271. Hearing and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136.