

The Public Utility Commission of Texas (commission) proposes an amendment to §25.173, relating to Goal for Renewable Energy. The proposed amendment will restore statutory language inadvertently omitted from the definition of the term "renewable energy technology" and will change an incorrect reference listed within the rule. Project Number 21232 has been assigned to this proceeding.

Gillan Taddune, senior economist, Office of Policy Development, has determined that for each year of the first five-year period the proposed section is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the section.

Ms. Taddune has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be to encourage the development of renewable resources in a clear and understandable manner that is consistent with law. There will be no effect on small businesses or micro-businesses as a result of enforcing this section. There is no anticipated economic cost to persons who are required to comply with the section as proposed.

Ms. Taddune has also determined that for each year of the first five years the proposed section is in effect there should be no affect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act §2001.022.

Comments on the proposed amendment (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, PO Box 13326, Austin, Texas 78711-3326, within 30 days after publication. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the section. All comments should refer to Project Number 21232.

This amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically, PURA §39.904, which requires the commission to promote the development of renewable energy technologies.

Cross Reference to Statutes: Public Utility Regulatory Act §14.002 and §39.904.

**§25.173. Goal for Renewable Energy.**

(a) – (b) (No change.)

(c) **Definitions.**

(1) – (14) (No change.)

(15) **Renewable energy technology**—Any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, or from moving water or other natural movements and mechanisms of the environment. Renewable energy technologies include those that rely on energy derived directly from the sun, on wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. A renewable energy technology does not rely on energy resources derived from fossil fuels, [waste products from fossil fuels](#), or waste products from inorganic sources.

(16) – (18) (No change.)

(d) – (g) (No change.)

(h) **Allocation of REC purchase requirement to competitive retailers.** The program administrator shall allocate REC requirements among competitive retailers. Any renewable capacity that is retired before January 1, 2009 or any capacity shortfalls that arise due to purchases of RECs from out-of-state facilities shall be replaced and incorporated into the allocation methodology set forth in this subsection. Any changes to the allocation methodology to reflect replacement capacity shall occur two

compliance periods after which the facility was retired or capacity shortfall occurred.

The program administrator shall use the following methodology to determine the total annual REC requirement for a given year and the final REC requirement for individual competitive retailers:

- (1) The total statewide REC requirement for each compliance period shall be calculated in terms of MWh and shall be equal to the renewable capacity target multiplied by 8,760 hours per year, multiplied by the appropriate capacity conversion factor set forth in [subsection \(j\) of this section](#) ~~subsection (i) of this section~~. The renewable energy capacity targets for the compliance period beginning January 1, of the year indicated shall be:

(A) – (H) (No change.)

- (2) (No change.)

(i) – (q) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 28th DAY OF JANUARY 2000 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
RHONDA G. DEMPSEY**