Review of the 84th Texas Legislature

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8/8/15
The Texas Solar Power Association (TSPA) is a statewide industry trade association that promotes the development of solar electric generation in Texas.

Member companies are investing in Texas, cost-competitively serving customers in both wholesale and retail markets.

Our membership includes manufacturers, large-scale power plant developers, residential and commercial rooftop integrators, and other companies in Texas participating across the full solar photovoltaic supply chain.

TSPA aims to be a resource for information on the Texas solar industry.
Solar’s history of engagement
  – Public Policy created and manages/regulates clean tech markets, and energy markets in general
  – But clean tech has not been as engaged as the incumbents

“Price Parity” is changing the conversation
  – Evolution from mandates/incentives to traditional market competition
  – Allows solar to engage as a more traditional market participant

As solar advances, it is critical to act like a mature participant
  – Market still heavily regulated by government
  – Incumbents often have a history of their own market supports

Normalize clean tech!!
84th Legislative Priorities

• Educate legislators and staff on the status of the Texas solar industry and promote its continued growth
• Build relationships and credibility
• “Do no harm” – oppose new fees, taxes, or other barriers to solar market growth
• Advance priority bills on identified solar market issues:
  – HB 706 (Farrar/Huffman) re: residential property tax form
  – SB 1626 (Rodriguez) / HB 3539 (Dukes) re: builder/developer restrictions on solar
  – HB 4023 (Nevarez) re: title accommodations
• Support other pro-solar bills
TSPA Efforts

• Tracked over 140 bills, with particular attention or engagement in ~ 45

• Continuous daily internal coordination with lobby teams supporting TSPA member companies: First Solar, SunPower, Recurrent Energy, E.ON

• Strong external coordination with the Wind Coalition, environmental organizations, and other stakeholders to ensure alignment on strategy and message

• Testified 8 times at bill hearings, reaching important committees with key solar industry facts along with our specific bill testimony:
  – Senate: Natural Resources & Economic Development; Finance; Agriculture, Water, and Rural Affairs; Business & Commerce
  – House: Energy Resources; Ways & Means; Land & Resource Management; Business & Industry

• Flawless committee record: TSPA testified in support of 4 bills a total of 6 times – in each instance the bill passed unanimously out of committee and was recommended for the local & consent/uncontested calendar
Solar Industry Lobby Day
March 27, 2015

- 25 individuals from 15 participating solar companies visited ~50 legislative offices
- Shared about solar company activities in each office’s district, reinforcing the solar industry as a valued constituent
- Delivered key solar messages and left behind relevant materials
Scorecard – how did solar do?

- Supported HB 706
  - Residential property tax forms
  Passed!
- Supported HB 3539 / SB 1626
  - Builder restrictions on solar
  Passed!
- Supported HB 4023
  - Title accommodations
  Did not pass
- Supported SB 991
  - Solar/wind-powered water desalination study
  Passed!
- Supported HB 745
  - HOA restrictions on solar-powered stop signs
  Passed!
- Opposed SB 931
  - Eliminating RPS & CREZ
  Did not pass!
- Opposed SB 1987
  - Creating more bureaucracy for tax abatements
  Did not pass!
- Opposed HB 2561 / 3288
  - Restructuring congestion charges in the nodal market
  Did not pass!
HB 706 (Farrar)
Simplifies property tax form filing

• Currently, a home or business owner must reapply for the existing (and longstanding) property tax exemption for solar devices
• With the passage of HB 706, those owners are only required to apply a single time - effective 1/1/2016
• This issue was brought to TSPA by our members, who stated that the existing process is confusing for their customers, sometimes resulting in lost sales
• The Association of Tax Assessors publicly registered their support, and the Harris County Tax Assessor testified in two separate hearings that the bill will save them tens of thousands of dollars each year
SB 1626 (Rodriguez)
HB 3539 (Dukes)
Reduces builder restrictions on solar

- Currently, a housing developer or builder may block the installation of solar on any homes in their development during the “development phase”, which in some neighborhoods has lasted for decades
- With the passage of SB 1626 (identical to HB 3539), the developer may only block solar installations during the development phase if the development is 50 homes or fewer, a size that should be built out fairly rapidly – effective 9/1/2015
- Bill language was developed in coordination with Texas Association of Builders; we worked in partnership with them in committee hearings and throughout the process, establishing a good relationship that should serve TSPA and our members well in the years ahead
Looking ahead

• Title accommodations
  – HB 4023 was filed to allow developers of power plants and entities controlling mineral rights to work out co-development planning at the Railroad Commission. The bill did not move forward, as not all stakeholders felt comfortable with the process under consideration
  – The House Speaker and House Energy Resources Chairman have expressed their support in studying the issue over the interim with a goal to have new legislation ready for the next session

• EPA 111d - Clean Power Plan
  – Several bills heard in committee to explicitly authorize or forbid the TCEQ from developing a compliance plan - none passed
  – Final rule and federal implementation plan released August 2015
  – TSPA expects the legislature to weigh in on compliance either during the interim or during the next session
Looking ahead – stay engaged!

- TSPA will continue policymaker education and outreach throughout the interim, along with other efforts to promote the Texas solar industry
- We will also stay active at the PUC and use the interim to identify subsequent policy priorities – let us know what issues you encounter that may need state-level attention.
“Cheapest Solar Ever”

- 600 MW Austin Energy RFP in April 2015 nets record low bids
- Utility received offers for 1,295 MW of solar projects priced below 4 cents / kWh

Source: Greentech Media “Cheapest Solar Ever: Austin Energy Gets 1.2 Gigawatts of Solar Bids for Less Than 4 Cents” 6/30/15
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