

**S.B. No. 398 (citing small portion only of Bill)**

AN ACT relating to certain resources and facilities for distributed generation.

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

....SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 113 to read as follows:

CHAPTER 113. SALES AND LEASING OF DISTRIBUTED RENEWABLE GENERATION RESOURCES....

SUBCHAPTER C. REGULATION OF SOLAR ENERGY DEVICES

Sec. 229.101. **REGULATION OF SOLAR ENERGY DEVICES.** (a) In this section:

(1) “Municipally owned utility” has the meaning assigned by Section 11.003, Utilities Code.

(2) “Small commercial customer” has the meaning assigned by Section 9.202(o), Utilities Code.

(3) “Solar energy device” has the meaning assigned by Section 171.107, Tax Code.

(b) A municipality may not prohibit or restrict the installation of a solar energy device by a residential or small commercial customer except to the extent:

(1) a property owner’s association may prohibit the installation under Sections 202.010(d)(1) through (7), Property Code; or

(2) the interconnection guidelines and interconnection agreement of a municipally owned utility serving the customer's service area, the rules of the Public Utility Commission of Texas, or the protocols of an independent organization certified under Section 39.151, Utilities Code, limit the installation of solar energy devices due to reliability, power quality, or safety of the distribution system....