

BILL ANALYSIS

H.B. 2335
By: Turner
Regulated Industries
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Legislation passed by the 76th Legislative session restructured the competitive retail electric market to permit each retail customer to choose the customer's provider of electricity. Current legislation prohibits any power generation company from owning more than 20 percent of installed generation capacity within the Electric Reliability Council of Texas (ERCOT). This bill amends the Utilities Code to prohibit the ownership by any power generation company of more than 50 percent of the installed generation capacity within any ERCOT zonal boundaries as created by ERCOT during its annual commercially significant constraints determination process.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 39.153, Utilities Code) of this bill.

ANALYSIS

This bill amends Section 39.153 of the Utilities Code by amending subsections (b) and (e) and adding Subsection (a-1) to require that no later than September 30, 2004, each electric utility subject to Section 39.153 shall sell at auction additional entitlements to the utility's Texas jurisdictional installed generation capacity so that no utility will control more than 20 percent of the installed generation capacity in ERCOT or 50 percent of the installed generation capacity in an ERCOT zonal boundary. Subsection (b) is amended to remove the 60 month deadline to end the obligation to auction power under this section. Subsection (e) is amended to require the Commission to amend its rules no later than December 31, 2003, to provide for the auction of additional requirements.

EFFECTIVE DATE

September 1, 2003.