

By: Turner

H.B. No. 2745

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the review and approval by the General Land Office of  
3 energy acquisition contracts entered into by certain public retail  
4 customers.

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

6 SECTION 1. Sections 31.401 and 31.402, Natural Resources  
7 Code, are amended to read as follows:

8 Sec. 31.401. ENERGY [~~NATURAL GAS~~] ACQUISITION CONTRACTS.

9 (a) The land office shall review and must approve any contract  
10 entered into by a public retail customer [~~state agency~~] for the  
11 acquisition of an annual average of 100 MCF per day or more of  
12 natural gas, or an annual average of 500 kilowatts of peak demand  
13 electricity, used to meet its energy requirements.

14 (b) Before approving a contract described by Subsection (a)  
15 of this section, the land office shall ensure that the public retail  
16 customer [~~agency~~], to meet its energy requirements, is using, to  
17 the greatest extent practical, natural gas produced from, or  
18 electricity produced using in-kind royalty gas produced from, land  
19 leased from:

20 (1) the school land board;

21 (2) a board for lease other than the Board for Lease of  
22 University Lands; or

23 (3) the surface owner of Relinquishment Act land.

24 (c) A public retail customer may not enter into a contract

1 to which this section applies until the land office reviews and  
2 approves the contract as provided by this section. If the land  
3 office is able to substitute a contract using in-kind royalty gas  
4 from state-owned lands or using other gas, or using electricity  
5 produced using in-kind royalty gas produced from state-owned lands  
6 or using other electricity, for a contract under which a public  
7 retail customer [~~state agency~~] acquires or proposes to acquire its  
8 energy [~~natural gas~~] supplies, the commissioner shall maintain a  
9 record [~~inform the comptroller each month~~] of the amount of savings  
10 attributable to the substitution.

11 (d) In this section, "public retail customer" [~~"state~~  
12 ~~agency"~~] has the meaning assigned by Section 35.101, Utilities  
13 [~~Subchapter A, Chapter 572, Government~~] Code, except that the term  
14 does not include a county or municipality.

15 Sec. 31.402. RULES. The commissioner shall adopt any rules  
16 necessary to carry out this subchapter, including rules regarding  
17 review and approval of energy [~~natural gas~~] acquisition contracts  
18 under Section 31.401 [~~of this code~~].

19 SECTION 2. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2003.