

By: Fraser

S.B. No. 1494

A BILL TO BE ENTITLED

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AN ACT

relating to the unbundling of electric utilities in the transition to competitive retail electric markets in the Electric Reliability Council of Texas.

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

SECTION 1. Subsection (c), Section 39.051, Utilities Code, is amended to read as follows:

(c) An electric utility may accomplish the separation required by Subsection (b) either through the creation of separate nonaffiliated companies or separate affiliated companies owned by a common holding company or through the sale of assets to a third party. An electric utility may create separate transmission and distribution utilities. An electric utility has also met the requirements of Subsection (b) for its generation business activities if it meets the following requirements:

(1) the electric utility has no more than 400 megawatts of Texas jurisdictional capacity from generating units within the Electric Reliability Council of Texas that have not been mothballed or retired;

(2) the electric utility has a separate division within the electric utility for its generation business activities;
and

(3) the electric utility has a contract or contracts with separate nonaffiliated companies or separate affiliated

1 companies for the sale of all of the output from its generating
2 units that have not been mothballed or retired with a contract term
3 that is no shorter than 20 years or the life of the generating
4 units, whichever is shorter.

5 SECTION 2. This Act takes effect September 1, 2005.