

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 24, 2005

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2245 by Cook, Robby (Relating to energy aggregation by political subdivisions.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize a political subdivision corporation and a political subdivision aggregator to negotiate on behalf of the citizens of member political subdivisions for the purchase of electricity, to make contracts for the purchase of electricity, and to take any other actions necessary to purchase electricity for use in public facilities or by citizens of the political subdivisions. The bill would also authorize a political subdivision with a population of less than 40,000 to adopt an ordinance or resolution providing for automatic enrollment of its citizens in aggregation services unless a citizen expressly requests not to be enrolled. The political subdivision would be required to notify each citizen by mail regarding automatic enrollment.

A political subdivision would be entitled to receive from an affiliated retail electric provider and the transmission and distribution utility any information requested for the purpose to solicit or administer an aggregation program, without the customers' consent. The political subdivision would be authorized to provide that information to a third party, but only for the purpose of bidding on, implementing, and administering the aggregation program.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

Local Government Impact

A political subdivision with a population of less than 40,000 would incur the costs of mailing written notices to each citizen regarding automatic enrollment in an aggregation program.

No significant fiscal implication to units of local government is anticipated from participating in negotiations for electricity or from notifying citizens of an automatic enrollment.

Source Agencies:

LBB Staff: JOB, JRO, DLBa