

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 29, 2005

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

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

IN RE: SB743 by Fraser (Relating to independent organizations in ERCOT and their regulation and certification by the Public Utility Commission of Texas; providing an administrative penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB743, As Engrossed: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from System Benefit Account 5100
2006	\$1,500,000
2007	\$1,500,000
2008	\$1,500,000
2009	\$1,500,000
2010	\$1,500,000

Fiscal Analysis

The bill would clarify the Public Utility Commission's (PUC) oversight authority over an independent organization certified by the PUC, such as the Electric Reliability Council of Texas (ERCOT).

The bill would require the ERCOT to perform wholesale market monitoring through a contract with a private company selected by the PUC.

The bill would take effect September 1, 2005.

Methodology

It is anticipated that requiring the Electric Reliability Council of Texas (ERCOT) to perform wholesale market monitoring through a contract with a private company selected by the Public Utility Commission (PUC) would eliminate the need for the PUC to contract with a private company to perform wholesale market monitoring at a rate of \$1.5 million each fiscal year from the General Revenue - Dedicated System Benefit Account No. 5100, which is appropriated in the current General Appropriations Act.

The PUC indicates that all other costs associated with the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JOB, JRO, MW, RB