

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 12, 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.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB743, Committee Report 2nd House, Substituted: 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:**

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

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from System Benefit Account 5100</b>
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:** 473 Public Utility Commission of Texas, 302 Office of the Attorney General, 475 Office of Public Utility Counsel

**LBB Staff:** JOB, JRO, MW, RB