

BILL ANALYSIS

S.B. 484
By: Fraser
Regulated Industries
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Electric Utility Restructuring Legislative Oversight Committee (committee) is composed of three members of the Texas House of Representatives and three members of the Texas Senate. The committee is co-chaired by the chairman of the House Committee on Regulated Industries and a senator appointed by the lieutenant governor.

S.B. 484 provides that the chair of the House Committee on Regulated Industries and the chair of the Senate Committee on Business and Commerce are the co-chairs of the committee. Additionally, this bill authorizes the committee to study the reliability, economic viability, and environmental impact of new fuels on generation technology. Finally, this bill requires the committee to meet at least twice annually to encourage cooperation and coordination with certain entities and to report on the committee's activities, not later than November 15 of each even-numbered year, to certain persons.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 39.907, Utilities Code, by amending Subsections (b), (e), and (h) and adding Subsections (i), (j), and (k), as follows:

(b) Adds the chair of the Senate Committee on Business and Commerce and the Chair of the Senate Committee on Natural Resources to the list that sets forth the six-person membership of the Electric Utility Restructuring Legislative Oversight Committee (committee) and decreases the number of other senators appointed to the committee by the lieutenant governor from three to one. Makes conforming changes.

(e) Adds to the committee requirements the provision that the committee is mandated to study and seek policies to ensure that fuel resources available to the state are used in a balanced and efficient manner, and consider the reliability, economic viability, and environmental impact of new fuels and generation technologies. Makes conforming changes.

(h) Requires that the joint chairs of the committee are the chair of the Senate Committee on Business and Commerce and the chair of the House Committee on Regulated Industries. Strikes the language that required the joint chair from the senate be a senator on the committee that the lieutenant governor appointed as the joint chair.

(i) In addition to the duties under Subsection (e), requires the committee to meet at least twice annually to encourage cooperation and coordination with the following entities: the Public Utility Commission; the Texas Commission on Environmental Quality; the Railroad Commission of Texas; the Electric Reliability Council of Texas; and the office of the comptroller of public accounts.

(j) Requires the committee to consider and discuss policies and strategies to ensure that fuel resources available to the state are used in a balanced and efficient manner while taking into consideration the reliability, economic viability, and environmental impact of

fuels and technologies, including, but not limited to, the following: (1) strategies which protect and preserve the environment of the state while allowing for access to safe, economical, and reliable sources of energy; (2) strategies to ensure that customers of this state have access to reliable energy; (3) transmission, congestion, and transportation constraints and cost, and study strategies to alleviate or prevent those constraints, for the following sources of energy: (A) oil and natural gas; (B) coal and lignite; and (C) electricity; (4) capacity needs, reserve margins, market impact, environmental impact, and reliability of generation, and recommend strategies to ensure continued investment in generation; (5) cost-effective, renewable energy, conservation, and energy-efficient technologies; (6) policies to ensure that fuel resources available to the state are used in a balanced and efficient manner; and (7) the reliability, economic viability, and environmental impact of new fuels and technologies.

(k) Requires the committee to report, not later than November 15 of each even-numbered year, to the governor, lieutenant governor, and speaker of the house of representatives on the committee's activities under Subsection (j).

SECTION 2. Effective date: Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.