

By: Lucio

S.B. No. 1401

A BILL TO BE ENTITLED

AN ACT

relating to energy aggregation by political subdivisions.

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

SECTION 1. Subsection (d), Section 304.001, Local Government Code, is amended to read as follows:

(d) A political subdivision corporation may negotiate on behalf of its incorporating political subdivisions and the citizens of member political subdivisions that create citizen aggregation programs under Section 304.002 for the purchase of electricity, make contracts for the purchase of electricity, purchase electricity, and take any other action necessary to purchase electricity for use in the public facilities or by citizens of the political subdivision or subdivisions represented by the political subdivision corporation. In this subsection, "electricity" means electric energy, capacity, energy services, ancillary services, or other electric services for retail or wholesale consumption by the political subdivisions.

SECTION 2. Section 304.002, Local Government Code, is amended by amending Subsection (a) and adding Subsections (b-1), (d), (e), and (f) to read as follows:

(a) A political subdivision aggregator may negotiate for the purchase of electricity and energy services, contract for the purchase of electricity, purchase electricity, and take any other action necessary to purchase electricity on behalf of the citizens

1 of the political subdivision or subdivisions. [~~The citizens must~~
2 ~~affirmatively request to be included in the aggregation services by~~
3 ~~the political subdivision aggregator.~~]

4 (b-1) The governing body of a political subdivision with a
5 population of less than 50,000 that is a member of a political
6 subdivision corporation as of September 1, 2007, may adopt an
7 ordinance or resolution providing for the automatic enrollment in
8 aggregation services of citizens of the political subdivision and
9 providing for the enrollment, upon request, of citizens of
10 unincorporated areas residing within 20 miles of the geographic
11 boundaries of the political subdivision. If the governing body of
12 the political subdivision provides for automatic enrollment of the
13 citizens in aggregation services, the political subdivision shall
14 send to each citizen by mail 60 days' written notice that citizens
15 will be automatically enrolled unless a citizen expressly requests
16 not to be enrolled. Citizens residing in unincorporated areas
17 eligible for aggregation services must affirmatively request to be
18 included in the aggregation services offered by the political
19 subdivision aggregator.

20 (d) Each retail electric provider and the transmission and
21 distribution utility shall provide to a political subdivision any
22 information the political subdivision considers necessary to
23 solicit or administer an aggregation program under this section,
24 including the name, address, electric service identifier, and
25 monthly usage of each residential customer who resides in the
26 political subdivision. The retail electric provider or the utility
27 may not require the consent of a customer as a condition of

1 providing information to a political subdivision under this
2 subsection. The political subdivision may provide to a third party
3 or an aggregator information received under this subsection, but
4 only for the purpose of bidding on, implementing, or administering
5 the aggregation program.

6 (e) This section is not intended to abrogate an electric
7 service contract between a citizen of any political subdivision and
8 a competitive retail electric provider. The initial customer base
9 for a citizen aggregation program shall only consist of individuals
10 who remained on price to beat rates as of December 31, 2006, and who
11 continue to receive service from an affiliated retail electric
12 provider on the date that an ordinance or resolution creating the
13 citizen aggregation program is passed. Citizens who receive power
14 from competitive retail electric providers as of the date the
15 ordinance or resolution passes may not join the citizen aggregation
16 program until the expiration of their contract with the competitive
17 retail electric provider.

18 (f) Any savings attributable to the aggregation program
19 shall accrue to citizen participants, except that the political
20 subdivision may recover its actual administrative costs.

21 SECTION 3. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2007.