

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 22, 2007

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

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

IN RE: HB1190 by King, Phil (relating to regulation of electric generation capacity ownership in the electric power market.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Utilities Code to modify the requirements for the Public Utility Commission (PUC) to certify a power region by prohibiting an individual from owning or controlling more than 20 percent of certain installed generation capacity, to require utilities owning or controlling more than 20 percent of certain installed generation capacity to auction additional entitlement, and to require the PUC to adopt rules pertaining to these auctions. The bill would prohibit utilities from implying that service reliability or restoration of service after outage depends on receiving service from a competitive affiliate of a utility. The bill would also prohibit a competitive affiliate of a utility from using that utility's name, trademark, brand, or logo, after January 1, 2008, if the PUC determines that this may be misleading to customers.

Based on the analysis of the Public Utility Commission and the Office of Public Utility Counsel, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

This bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or would otherwise take effect on September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JOB, JRO, MW, TGI