

By: Turner of Harris

H.B. No. 1620

A BILL TO BE ENTITLED

AN ACT

relating to the procedure by which prices are established in competitive wholesale electric energy and capacity markets.

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

SECTION 1. Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.1516 to read as follows:

Sec. 39.1516. PRICES IN WHOLESALE ELECTRICITY MARKETS. (a) The legislature finds that a wholesale market in which all sellers receive a price that is based on the highest price accepted by an independent organization certified under Section 39.151 is not in the public interest and is harmful to the availability of just and reasonable electric rates in areas with competitive energy markets. As a result, an independent organization certified under Section 39.151 may not establish the price paid to a seller in a wholesale market based on the highest bid accepted by the organization in order to meet the energy or capacity requirements of the market.

(b) The commission shall adopt rules establishing a wholesale market consistent with these findings. The rules must ensure that the price paid to a seller in a wholesale market reflects the average price of the cost of all forms of energy brought to the market.

SECTION 2. The Public Utility Commission of Texas shall adopt rules consistent with Section 39.1516, Utilities Code, as added by this Act, not later than July 1, 2010.

1 SECTION 3. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2009.