

By: Solomons

H.B. No. 2421

A BILL TO BE ENTITLED

AN ACT

relating to the independent organization certified to perform certain functions for a power region.

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

SECTION 1. Section 12.005, Utilities Code, is amended to read as follows:

Sec. 12.005. APPLICATION OF SUNSET ACT. (a) The Public Utility Commission of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter or by Chapter 39, the commission is abolished and this title expires September 1, 2011.

(b) The Sunset Advisory Commission shall conduct a special-purpose review of the Electric Reliability Council of Texas as part of the commission's review of the Public Utility Commission of Texas for the 82nd Legislature. The sunset commission's report to the 82nd Legislature regarding the review must include an assessment of the governance, management, and operating structure of the council and the council's compliance with the duties and requirements placed on it by the legislature and the Public Utility Commission of Texas. The sunset commission's report under this subsection may include any recommendations it considers appropriate. This subsection expires September 1, 2011.

SECTION 2. Sections 39.151(g) and (g-1), Utilities Code, are amended to read as follows:

1 (g) To maintain certification as an independent
2 organization under this section, an organization must operate a
3 regional electrical network that is located entirely in this state.
4 The ~~[an]~~ organization's governing body must be composed of persons
5 specified by this section and selected in accordance with formal
6 bylaws or protocols of the organization. The bylaws or protocols
7 must be approved by the commission and must reflect the input of the
8 commission. The bylaws must ~~[specify the process by which~~
9 ~~appropriate stakeholders elect members and, for unaffiliated~~
10 ~~members,~~ prescribe the professional qualifications necessary for
11 selection as a member of the organization and ~~[. The bylaws must]~~
12 require the use of a professional search firm to identify
13 candidates for membership of unaffiliated members. The process
14 must allow for commission input in identifying candidates. The
15 governing body must be composed of:

16 (1) each commissioner ~~[the chairman of the commission]~~
17 as an ex officio nonvoting member;

18 (2) the counsellor as an ex officio voting member
19 representing residential and small commercial consumer interests;

20 (3) the chief executive officer of the independent
21 organization as an ex officio voting member;

22 (4) ~~[six market participants elected by their~~
23 ~~respective market segments to serve one-year terms, with:~~

24 ~~[(A) one representing independent generators,~~

25 ~~[(B) one representing investor-owned utilities,~~

26 ~~[(C) one representing power marketers,~~

27 ~~[(D) one representing retail electric providers,~~

1 [~~(E)~~ one representing municipally owned
2 utilities, and

3 [~~(F)~~ one representing electric cooperatives,

4 [~~(5)~~] one member representing industrial consumer
5 interests and elected by the industrial consumer market segment to
6 serve a one-year term;

7 (5) [~~(6)~~] one member representing large commercial
8 consumer interests selected in accordance with the bylaws to serve
9 a one-year term; and

10 (6) nine [~~(7)~~ five] members unaffiliated with any
11 market segment and selected by the other members of the governing
12 body to serve three-year terms.

13 (g-1) The presiding officer of the governing body must be
14 one of the members described by Subsection (g)(6) [~~(g)(7)~~].

15 SECTION 3. Not later than September 1, 2010, an independent
16 organization that is certified by the commission before September
17 1, 2009, shall modify the organization's governing body to comply
18 with Section 39.151(g), Utilities Code, as amended by this Act. The
19 commission may decertify an independent organization that does not
20 comply with that section by September 1, 2010.

21 SECTION 4. This Act takes effect September 1, 2009.