

By: Elkins

H.B. No. 3546

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a study of the provision of retail electric service and
3 the regulation of components of the electric utilities industry.

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

5 SECTION 1. (a) The Public Utility Commission of Texas shall
6 conduct a study of the conditions under which electric service is
7 provided to retail customers in this state.

8 (b) The state energy conservation office shall assist the
9 commission as requested.

10 (c) The study must examine:

11 (1) prices and reliability of retail electric service
12 in this state, including a comparison of prices and degrees of
13 reliability of service in:

14 (A) urban and rural areas of this state;

15 (B) different geographic regions of this state;

16 and

17 (C) regulated and deregulated retail electric
18 service areas of this state;

19 (2) prices and degrees of reliability of retail
20 electric service in this state as compared to the prices and degrees
21 of reliability of service in other states with regulated,
22 deregulated, or mixed regulated and deregulated retail electric
23 service; and

24 (3) factors related to differences in prices and

1 degrees of reliability of retail electric service shown by
2 comparisons made under Subdivisions (1) and (2) of this subsection,
3 including:

4 (A) differences in the generation and
5 transmission of electric power among various urban, rural,
6 regulated, and deregulated areas, including:

7 (i) differences in the ages of generating
8 and transmission facilities prevalent in the areas considered;

9 (ii) differences in the types of generation
10 and transmission technologies prevalent in the areas considered;

11 (iii) differences in fuel types used for
12 generation of electric power in the areas considered; and

13 (iv) other factors the commission considers
14 relevant, including economies of scale, power transmission
15 distances, rates of adoption of distributed generation
16 technologies and renewable energy technologies for electric power
17 generation, rates of adoption of demand response, load management,
18 and energy efficiency measures; and

19 (B) differences in the structure of retail
20 electric service markets among various urban, rural, regulated, and
21 deregulated areas.

22 SECTION 2. The Public Utility Commission of Texas, as part
23 of the study conducted under this Act, shall examine and compare the
24 history of retail electric service prices and degrees of
25 reliability in the following states:

26 (1) Arizona;

27 (2) Arkansas;

- 1 (3) California;
2 (4) Illinois;
3 (5) Montana;
4 (6) Nevada;
5 (7) New Mexico;
6 (8) Ohio;
7 (9) Oregon;
8 (10) Pennsylvania;
9 (11) Virginia; and
10 (12) any other state that has pursued retail electric
11 service restructuring to provide for customer choice but that
12 subsequently has significantly amended its laws on the subject.

13 SECTION 3. (a) The Public Utility Commission of Texas,
14 based on information collected and conclusions drawn from the study
15 conducted under Sections 1 and 2 of this Act, shall develop
16 alternative retail electric service market restructuring plans
17 under which retail electric service in this state or in certain
18 areas of this state may be made the most affordable and reliable. A
19 plan developed under this section must include specific legislative
20 or rulemaking proposals necessary or convenient to implement the
21 plan.

22 (b) A plan developed under Subsection (a) of this section
23 may provide for re-regulation of one or more components of the
24 retail electric service market in one or more areas of this state in
25 which customer choice has been implemented.

26 (c) The Public Utility Commission of Texas, based on
27 information collected and conclusions drawn from the study

1 conducted under Sections 1 and 2 of this Act, shall determine
2 whether retail electric service in those areas of this state in
3 which customer choice has not been implemented will likely be more
4 affordable and reliable if customer choice is delayed or not
5 implemented. The commission shall make recommendations for any
6 necessary legislative or rulemaking action the commission
7 determines would make retail electric service the most affordable
8 and reliable in those areas.

9 SECTION 4. (a) The Public Utility Commission of Texas shall
10 prepare a report on the information collected and conclusions drawn
11 as a result of the study conducted under Sections 1 and 2 of this Act
12 and the recommendations made under Section 3 of this Act as a result
13 of the study.

14 (b) The Public Utility Commission of Texas shall:

15 (1) present the report prepared under this section to:

16 (A) the governor;

17 (B) the lieutenant governor;

18 (C) the speaker of the house of representatives;

19 and

20 (D) each standing or interim committee of the
21 legislature that has jurisdiction over the commission or a
22 component of retail electric service provision in this state; and

23 (2) publish the report on the commission's Internet
24 website for public access.

25 SECTION 5. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this
2 Act takes effect September 1, 2009.