

By: Davis, Wendy

S.B. No. 1481

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. Section 304.001(d), 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 who 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), (b-2), (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 may
5 adopt an ordinance or resolution that provides for:

6 (1) automatic enrollment in aggregation services for
7 citizens of the political subdivision; and

8 (2) enrollment in aggregation services on request by
9 citizens of unincorporated areas residing within 20 miles of the
10 geographic boundaries of the political subdivision.

11 (b-2) If the governing body of the political subdivision
12 provides for automatic enrollment of the citizens in aggregation
13 services, the political subdivision shall send by mail to each
14 citizen who will be automatically enrolled a 60-day written notice
15 that citizens will be automatically enrolled unless a citizen
16 expressly requests to not be enrolled.

17 (d) Each retail electric provider and transmission and
18 distribution utility shall provide to a political subdivision any
19 information the political subdivision considers necessary to
20 solicit or administer an aggregation program under this section,
21 including the name, address, electric service identifier, and
22 monthly usage of each residential customer who resides in the
23 political subdivision. The consent of a customer may not be
24 required as a condition of providing information to a political
25 subdivision under this subsection. The political subdivision may
26 provide to a third party or an aggregator information received
27 under this subsection, but only for the purpose of bidding on,

1 implementing, or administering the aggregation program.

2 (e) This section is not intended to abrogate an electric
3 service contract between a citizen of any political subdivision and
4 a competitive retail electric provider. A citizen who takes power
5 from retail electric providers under a contract as of the date the
6 ordinance or resolution passes may not join the citizen aggregation
7 program until expiration of the contract.

8 (f) Any savings attributable to the aggregation program
9 shall be directed to citizen participants, except that the
10 political subdivision may recover its actual administrative costs.

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