

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 1, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB395 by Hartnett (Relating to this state's goal for installed electric generating capacity from natural gas.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would repeal Section 39.9044 of the Utilities Code that (1) establishes the goal that 50 percent of all new electric generating capacity installed in the state after January 1, 2000 use natural gas; (2) requires the Public Utility Commission (PUC) to establish a natural gas energy credits trading program; (3) requires the PUC to adopt rules encouraging Retail Electric Providers to market electricity generated using natural gas as environmentally friendly; (4) requires the PUC to adopt rules to implement these provisions; and (5) defines "natural gas technology."

The bill would amend Section 40.004(6) of the Utilities Code to delete the PUC's jurisdiction over municipally owned utilities for the purpose of administering the natural gas energy credits program.

The PUC indicates that portions of the existing rules established by Section 39.9044, Utilities Code, including the natural gas energy credits program, have never been implemented because the state has exceeded the 50 percent target. The bill would require the PUC to conduct a rulemaking to align existing rules with the bill's provisions. The PUC anticipates any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, KJG, ES