

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 17, 2009

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

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

IN RE: HB1463 by Kolkhorst (Relating to the authority of the Public Utility Commission of Texas to order certain electric providers to provide power to other electric providers during a natural disaster or declared emergency.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

This bill would authorize the Public Utility Commission (PUC) to require an electric utility, municipally owned utility, electric cooperative, qualifying facility, power generation company, exempt wholesale generator, power marketer, or retail electric provider to sell electricity and provide interconnection service to another electric utility, municipally owned utility, electric cooperative, or retail electric provider that is unable to supply power to meet customer demand due to a natural disaster or other emergency. The bill would require the PUC to submit to the legislature a report describing the reasons that it did not issue an order in the case that the commission does not order the sale of electricity during a declared emergency.

The bill would also require the PUC to conduct and complete a study no later than November 1, 2009 to evaluate locations most likely to experience a natural disaster or other emergency, the ability of electric entities to comply with the provisions of the bill, and the steps an entity should take in order to comply. The bill would require the PUC to prepare a report based upon the findings of the study, including recommendations.

Based on the analysis of the PUC, the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing 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, ES, KJG, MW