

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 6, 2009

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

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

IN RE: HB2782 by Keffer (Relating to regulation of electric generation capacity ownership in the electric power market.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend various sections of Chapter 39 of the Utilities Code to add "control" of generation facilities as a factor to be considered under various regulatory practices. The bill would require any electric utility with ownership or control of more than 20 percent of installed capacity in an ERCOT zonal boundary or functional market to sell excess capacity at auction no later than September 30, 2010. The Public Utility Commission (PUC) would be required to adopt rules that define the scope of the auctions. The bill would repeal Section 39.153(b) that limits the duration of capacity auctions and 39.154 (e) that establishes special rules for calculating generation capacity.

The bill would require the PUC to adopt rules to implement the provisions of the bill. The PUC anticipates that 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