

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 24, 2009**

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

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

**IN RE: HB3245** by Solomons (Relating to certain protections for customers in the restructured electric services market.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would establish the definition of an extreme weather emergency and the conditions under which an electric utility cannot disconnect service to certain customers. The bill would prohibit retail electric service providers from disconnecting service to a low income residential customer, a low income residential customer who is 65 years of age or older, or a critical care customer who requests and complies with a deferred payment plan during the period beginning July 1 and ending September 30 of each year. The bill would require the Public Utility Commission (PUC) to adopt rules for uniform standards for designating critical care customers and special protections and procedures that apply to such customers when their service is disconnected.

The bill would require an independent organization certified under Section 39.151 of the Utilities Code to contract with an entity selected by the Commission to act as a retail electric market monitor to detect and prevent market manipulation strategies, unfair, misleading, or deceptive practices, and to recommend measures to enhance the efficiency of the retail market. The bill would require the independent organization to use money from the rate authorized by Section 39.151(e) to pay for the retail market monitor's activities. The PUC would be required to adopt rules regarding oversight of the retail market monitor, and to define the monitoring responsibilities, standards of funding, personnel qualifications, and ethical standards of the retail market monitor.

The bill would amend the options the PUC has to address violations and market power to include ordering refunds to affected parties. The bill would also require the PUC to permit the Office of Public Utility Counsel to participate in enforcement proceedings regarding alleged market power abuses or manipulation.

The bill would require the PUC to post on its Power-to-Choose website the prices of natural gas, real-time balancing energy, and retail electricity, and to update this information daily.

The PUC would be required to adopt rules to implement the provisions of the bill. The PUC indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

**Local Government Impact**

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

**Source Agencies:** 473 Public Utility Commission of Texas

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