

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 17, 2009

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: SB1492 by Williams (Relating to the delay of retail electric competition in the areas of the state covered by the Southeastern Electric Reliability Council and to the recovery of certain transmission costs by electric utilities in those areas.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Utilities Code to subject electric utilities operating in areas in Texas in the Southeastern Electric Reliability Council (SERC) to the provisions in Section 36.209 that allow a utility to recover certain transmission costs on an annual basis through a competitive generation tariff. The bill would require the Public Utility Commission (PUC) to ensure that a competitive generation tariff is not implemented in a manner that harms the sustainability or competitiveness of manufacturers that choose not to take advantage of competitive generation. The bill would prohibit the PUC from issuing a decision relating to a competitive generation tariff that is contrary to an applicable decision, rule, or policy statement of a federal regulatory agency having jurisdiction.

The bill would require an electric utility operating in SERC that has a transition to competition plan on file with the PUC to withdraw its plan. The bill would require the PUC to conduct a minor rulemaking to align existing rules with the provisions of the bill. 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

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