

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

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

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

IN RE: SB2588 by Davis, Wendy (Relating to certain protections for customers in the restructured electric services market.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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The bill would establish the definition of an extreme weather emergency and the conditions under which an electric utility cannot disconnect service to residential customers.

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

LBB Staff: JOB, JRO, ES, KJG