

## **BILL ANALYSIS**

Senate Research Center

S.B. 1150  
By: Seliger  
Business & Commerce  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 1999, the legislature established electric utility energy efficiency goals, programs, and cost recovery in Section 39.905 (Goal for Energy Efficiency), Utilities Code. The Utilities Code is organized in such a way that Section 39.905 applies to every electric utility in the state except one, Xcel Energy. Through the years, Xcel Energy has worked voluntarily with the Public Utility Commission and local stakeholders to invest in energy efficiency, but considering the growing interest in this policy area, it is important to close the loophole in the statute and provide certainty for the company and its customers going forward. S.B. 1150 would correct this inconsistency and ensure that all parts of the law apply equally to all electric utilities.

S.B. 1150 amends current law relating to requiring certain non-ERCOT utilities to comply with energy efficiency goals.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 39.402(a), Utilities Code, as follows:

(a) Requires that, until the date on which an electric utility subject to this subchapter is authorized by the Public Utility Commission (PUC) to implement customer choice, rather than until the later of January 1, 2007, or the date on which an electric utility subject to this subchapter is authorized by PUC to implement customer choice, the rates of the utility be regulated under traditional cost of service regulation and that the utility is subject to all applicable regulatory authority prescribed by this subtitle and Subtitle A (Provisions Applicable to All Utilities), including Chapters 14 (Jurisdiction and Powers of Commission and Other Regulatory Authorities), 32 (Jurisdiction and Powers of Commission and Other Regulatory Authorities), 33 (Jurisdiction and Powers of Municipality), 36 (Rates), and 37 (Certificates of Convenience and Necessity). Provides that until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter, Sections 39.904 (Goal for Renewable Energy) and 39.905 (Goal for Energy Efficiency), and the provisions relating to the duty to obtain a permit from the Texas Commission on Environmental Quality for an electric generating facility, and to reduce emissions from an electric generating facility, rather than the provisions of this chapter, other than this subchapter, Section 39.904, and the provisions relating to the duty to obtain a permit from the Texas Natural Resource Conservation Commission for an electric generating facility and to reduce emissions from an electric generating facility, shall not apply to that utility.

SECTION 2. Effective date: upon passage or September 1, 2011.