

By: Davis of Dallas

H.B. No. 2222

A BILL TO BE ENTITLED

AN ACT

relating to regulation of electric services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 39, Utilities Code, is amended by adding Sections 39.207, 39.208, and 39.209 to read as follows:

Sec. 39.207. PRICE CEILING FOR RETAIL ELECTRIC PROVIDERS.

Notwithstanding any other provision of this chapter, the commission by rule shall establish a mechanism to ensure that the price for electric service charged by retail electric providers does not exceed a fair price that allows for a reasonable profit for the retail electric provider, considering relevant market prices for electricity purchased for resale.

Sec. 39.208. RELIABILITY OF RETAIL ELECTRIC PROVIDERS.

Notwithstanding any other provision of this chapter, the commission by rule shall establish a mechanism to ensure that each retail electric provider is financially and organizationally reliable to provide services the retail electric provider offers. The commission may require a retail electric provider to disclose financial and business organization information as necessary for the commission to evaluate and ensure the provider's reliability.

Sec. 39.209. FORMATION AND REGULATION OF INTEGRATED

UTILITIES IN COMPETITIVE AREAS. (a) Notwithstanding any other provision of this chapter, the commission by rule shall establish a

1 mechanism to allow transmission and distribution utilities or power
2 generation companies to acquire transmission, distribution, or
3 generation assets and subsequently offer electric services to
4 retail customers as an integrated utility.

5 (b) The commission shall provide for an integrated utility
6 formed in a competitive area to offer electric service to retail
7 customers as a market competitor at a rate regulated by the
8 commission that does not exceed a fair price that allows for a
9 reasonable profit for the integrated utility.

10 SECTION 2. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2011.