

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 13, 2011

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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

IN RE: HB2134 by Solomons (Relating to the continuation and functions of the Electric Reliability Council of Texas, the Office of Public Utility Counsel, and the Public Utility Commission of Texas; imposing an administrative penalty.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code relating to the continuation and operation of the Public Utility Commission (PUC) and the Office of Public Utility Counsel (OPUC). PUC and OPUC are subject to the Sunset Act and will be abolished on September 1, 2011, unless continued by the Legislature. The bill would continue PUC and OPUC for 12 years and would take effect September 1, 2011.

The bill would require the PUC to adopt rules to implement the provisions of the bill. The bill would increase PUC's administrative penalty authority for certain violations of reliability protocols and rules and would require PUC to provide for the renewal of registrations for certain telecommunications providers. The bill would remove the requirement that the PUC approve certain customer specific contracts.

The bill would require the PUC to review and approve the budget, performance measures, and proposals for obtaining debt financing or re-financing of debt of an entity certified under section 39.151 of the Utilities Code. The Electric Reliability Council of Texas (ERCOT) is certified under this section. The bill would also allow the PUC to set a fee range for the system administration fee and review the fee quarterly to ensure that the revenues generated closely match the revenue necessary to fund ERCOT's budget. The bill would restructure ERCOT's Board of Directors to increase representation by independent members and require that the board establish and implement a formal process for adopting new protocols or revisions to existing protocols.

Based on the analysis of the PUC, OPUC, and the Sunset Advisory Commission, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 116 Sunset Advisory Commission, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

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