

BILL ANALYSIS

H.B. 994
By: Bonnen, Dennis
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law provides a mechanism for funding nuclear decommissioning trusts that places the obligation to pay decommissioning costs on owners of certain newly constructed commercial nuclear-powered electric generating facilities, with negligible risk to ratepayers. Interested parties assert that, while this mechanism requires construction of an applicable nuclear generating unit to begin before January 1, 2015, no proposed projects can meet this construction commencement deadline due to international industry events, the current economic environment, and low natural gas prices. These parties further assert that this mechanism was intended to encourage the development of nuclear power in Texas and that the deadline should therefore be extended.

H.B. 994 seeks to preserve the option for new nuclear power generation by extending the construction deadline contained in the decommissioning cost funding mechanism.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 994 amends the Utilities Code to redefine "nuclear generating unit" by removing a specification that a unit be under construction in Texas after January 1, 2007, but before January 1, 2015. The bill applies provisions relating to a nuclear generating unit decommissioning cost plan and an associated decommissioning funding mechanism to the first six of certain nuclear generating units that become subject to such a decommissioning mechanism by an election of their ownership, the construction of which nuclear generating units begins on or after January 1, 2013, and before January 1, 2033, rather than to the first six such nuclear generation units under construction by January 1, 2015.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.