

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 5, 2013**

**TO:** Honorable John Carona, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1280** by Watson (Relating to attaining reserve capacity margins in power regions to meet expected peak demand.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Utilities Code relating to attaining reserve capacity margins in power regions to meet expected peak demand. The bill would require the independent organization certified under Section 39.151 of the Utilities Code to annually study the relationship between anticipated and installed generation capacity, expected peak demand, and the amount of reserve capacity necessary to maintain a 1 in 10 reliability standard in the power region. If the independent organization determines that available reserve capacity will not maintain the reliability standard relative to expected peak demand, the bill would require the independent organization to attain peak demand through voluntary load participation programs with at least 20 percent of the peak demand being attained from each of the following classes: (1) residential; (2) commercial; and (3) industrial.

Based on information provided by the Public Utility Commission, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 473 Public Utility Commission of Texas

**LBB Staff:** UP, RB, ED