

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

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

**April 11, 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.), **Committee Report 1st House, Substituted**

<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 reliability standard set by the Public Utility Commission (PUC) for the power region. If the independent organization determines that available reserve capacity will not maintain the reliability standard relative to expected peak demand and a capacity deficit may occur, the bill would require the independent organization to acquire incremental capacity through opt-in load participation programs with at least 20 percent of the incremental capacity being attained from each of the following classes: (1) residential; (2) commercial; and (3) industrial.

Based on information provided by the PUC, 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