

By: Krause

H.B. No. 962

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of the amount of installed electric generation capacity.

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

SECTION 1. Section 39.001, Utilities Code, is amended by amending Subsection (a) and adding Subsection (d-1) to read as follows:

(a) The legislature finds that the production and sale of electricity is not a monopoly warranting regulation of rates, operations, and services and that the public interest in competitive electric markets requires that, except for transmission and distribution services and for the recovery of stranded costs, generation capacity and electric services and their prices should be determined by customer choices and the normal forces of competition. As a result, this chapter is enacted to protect the public interest during the transition to and in the establishment of a fully competitive electric power industry.

(d-1) The legislature finds that the amount of installed generation capacity is best determined by investor, generator, and customer choices through the normal forces of competition. As a result, regulatory authorities may not mandate or otherwise regulate the amount of installed generation capacity or require a surplus or reserve of installed generation capacity above actual or forecasted levels of load.

1 SECTION 2. Section 39.152(a), Utilities Code, is amended to  
2 read as follows:

3 (a) The commission shall certify a power region if:

4 (1) a sufficient number of interconnected utilities in  
5 the power region fall under the operational control of an  
6 independent organization as described by Section 39.151; and

7 (2) the power region has a generally applicable tariff  
8 that guarantees open and nondiscriminatory access for all users to  
9 transmission and distribution facilities in the power region as  
10 provided by Section 39.203[~~, and~~

11 ~~[(3) no person owns and controls more than 20 percent~~  
12 ~~of the installed generation capacity located in or capable of~~  
13 ~~delivering electricity to a power region, as determined according~~  
14 ~~to Section 39.154].~~

15 SECTION 3. Section 39.262(d), Utilities Code, is amended to  
16 read as follows:

17 (d) The affiliated power generation company shall  
18 reconcile, and either credit or bill to the transmission and  
19 distribution utility, the net sum of:

20 (1) the former electric utility's final fuel balance  
21 determined under Section 39.202(c); and

22 (2) any difference between the price of power obtained  
23 through the capacity auctions under Section [~~Sections~~] 39.153 and  
24 former Section 39.156 and the power cost projections that were  
25 employed for the same time period in the ECOM model to estimate  
26 stranded costs in the proceeding under Section 39.201.

27 SECTION 4. Sections 39.152(d), 39.153(d), 39.154, 39.156,

1 39.157(c), and 39.158(a), Utilities Code, are repealed.

2 SECTION 5. This Act takes effect September 1, 2015.