

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1945 by Fraser (Relating to establishing competitive retail electricity options for customers served by certain municipally owned utilities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

This bill would amend the Utilities Code relating to establishing competitive retail electricity options for customers served by certain municipally owned utilities. Based on information provided by the Public Utility Commission and the Office of Public Utility Counsel, 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

There would be a significant cost to certain municipality owned utilities to comply with the provisions of the bill. Austin Energy reported that there would be total cost of \$194,825,000, including additional staff, replacement meters, software, system upgrades, and training in fiscal year 2016. In fiscal year 2017, there would be a total cost of \$42,340,000. Austin Energy also anticipates a revenue loss of \$80,000,000 annually due to customers switching retail providers. According to Austin Energy, the City of Austin would lose \$9,600,000 in revenue annually.

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

LBB Staff: UP, SZ, NV, JLi, KVe