

By: Hancock

S.B. No. 736

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the General Land Office to sell retail electric power.

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

SECTION 1. Section 35.102, Utilities Code, is transferred to Subchapter A, Chapter 101, Utilities Code, redesignated as Section 101.009, Utilities Code, and amended to read as follows:

Sec. 101.009 [35.102]. STATE AUTHORITY TO SELL OR CONVEY ~~[POWER OR]~~ NATURAL GAS. (a) In this section:

(1) "Commissioner" means the commissioner of the General Land Office.

(2) "Public retail customer" means a retail customer that is an agency of this state, a state institution of higher education, a public school district, a political subdivision of this state, a military installation of the United States, or a United States Department of Veterans Affairs facility.

(b) The commissioner, acting on behalf of the state, may sell or otherwise convey ~~[power or]~~ natural gas generated from royalties taken in kind as provided by Sections 52.133(f), 53.026, and 53.077, Natural Resources Code, directly to a public retail customer ~~[regardless of whether the public retail customer is also classified as a wholesale customer under other provisions of this title]~~.

(c) ~~[(b)]~~ To ensure that the state receives the maximum

1 benefit from the sale of [~~power or~~] natural gas generated from
2 royalties taken in kind, the commissioner shall use all feasible
3 means to sell that [~~power or~~] natural gas first to public retail
4 customers that are military installations of the United States,
5 agencies of this state, institutions of higher education, or public
6 school districts. The remainder of the [~~power or~~] natural gas, if
7 any, may be sold to public retail customers that are political
8 subdivisions of this state or to a United States Department of
9 Veterans Affairs facility.

10 SECTION 2. Section 104.2545(d), Utilities Code, is amended
11 to read as follows:

12 (d) In this section, "public retail customer" has the
13 meaning assigned by Section 101.009 [~~35.101~~].

14 SECTION 3. (a) The heading to Subchapter D, Chapter 35,
15 Utilities Code, is repealed.

16 (b) Sections 35.101, 35.103, 35.104, 35.105, and 35.106,
17 Utilities Code, are repealed.

18 SECTION 4. The General Land Office or an entity operating
19 under a contract with the General Land Office may continue to
20 provide retail electric service in accordance with Subchapter D,
21 Chapter 35, Utilities Code, as that subchapter existed before the
22 effective date of this Act, under the terms of an agreement with a
23 customer entered into before the effective date of this Act, only
24 until the date the agreement expires.

25 SECTION 5. This Act takes effect September 1, 2017.