

By: Patterson

H.B. No. 1503

A BILL TO BE ENTITLED

AN ACT

relating to regulation of mergers and consolidations of power generation companies.

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

SECTION 1. Section 39.158, Utilities Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) A power generation company [~~An owner of electric generation facilities~~] that offers electricity for sale in a power region open to customer choice [~~the state~~] and proposes a transaction to merge, consolidate, or otherwise become affiliated with another power generation company [~~owner of electric generation facilities~~] that offers electricity for sale in the same power region [~~this state~~] shall obtain the approval of the commission before closing if the merged, consolidated, or affiliated entity would own or control more than 10 [~~electricity offered for sale in the power region by the merged, consolidated, or affiliated entity will exceed one~~] percent of the total installed generation capacity located in, or capable of delivering electricity to, [~~electricity for sale in~~] the power region.

(a-1) An [~~The~~] approval required by Subsection (a) must [~~shall~~] be requested at least 120 days before the date of the proposed closing of the transaction.

(a-2) The commission shall approve a [~~the~~] transaction

1 described by Subsection (a) unless the commission finds that the
2 transaction results in a violation of Section 39.154. If the
3 commission finds that the transaction as proposed would violate
4 Section 39.154, the commission may condition approval of the
5 transaction on adoption of reasonable modifications to the
6 transaction as prescribed by the commission to mitigate potential
7 market power abuses.

8 SECTION 2. Section 39.158(a), Utilities Code, as amended by
9 this Act, and Sections 39.158(a-1) and (a-2), Utilities Code, as
10 added by this Act, apply only to a request for an approval of a
11 transaction received by the Public Utilities Commission of Texas on
12 or after the effective date of this Act. A request for an approval
13 received by that commission before the effective date of this Act is
14 governed by the law in effect immediately before the effective date
15 of this Act, and that law is continued in effect for that purpose.

16 SECTION 3. This Act takes effect September 1, 2019.