

By: Hancock

S.B. No. 1211

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), (a-2), and (a-3) to read as follows:

(a) A power generation company [~~An owner of electric generation facilities~~] that offers electricity for sale in this [~~the~~] state in a power region open to customer choice 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 this state in the same power region shall obtain the approval of the commission before closing if the merged, consolidated, or affiliated entity would own and 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 (a-3) If the commission does not issue an order consistent
9 with Subsection (a-2) before the 121st day after the date the
10 commission receives a request for approval under Subsection (a),
11 the request is considered approved by the commission.

12 SECTION 2. Section 39.158(a), Utilities Code, as amended by
13 this Act, and Sections 39.158(a-1), (a-2), and (a-3), Utilities
14 Code, as added by this Act, apply only to a request for an approval
15 of a transaction received by the Public Utility Commission of Texas
16 on or after the effective date of this Act. A request for an
17 approval received by that commission before the effective date of
18 this Act is governed by the law in effect immediately before the
19 effective date of this Act, and that law is continued in effect for
20 that purpose.

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