

## **BILL ANALYSIS**

C.S.S.B. 566  
By: Buckingham  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Austin Energy, the municipally owned utility that serves the Capitol Complex and most state agency facilities, is run and has its rates set by the Austin City Council. Under current law, ratepayers inside the City of Austin do not have the right to seek review of those rates by the Public Utility Commission of Texas (PUC), in contrast to Austin Energy ratepayers who are outside the city boundaries and have that right. C.S.S.B. 566 seeks to give ratepayers in the City of Austin, including the State of Texas, the ability to have the rates set by the Austin City Council reviewed by the PUC.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.S.B. 566 amends the Utilities Code to authorize a retail customer or group of customers of a municipally owned utility that provides service in the Capitol Complex to file a petition for the Public Utility Commission of Texas (PUC) to review the utility's current or proposed rates that apply to the petitioning customer or group if the customer or group:

- has a non-demand metered total usage of more than 100,000 kilowatt hours per year; or
- is served through a demand meter at secondary or primary voltage.

C.S.S.B. 566 requires the PUC to initiate a proceeding not later than the 90th day after the petition is submitted to determine whether the utility's rates are consistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice and to deny the petition if it determines that the utility's rates are consistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice.

C.S.S.B. 566 requires a utility subject to a petition the PUC does not deny to file a rate application with the PUC that complies in all material respects with the PUC-prescribed rules and forms not later than the 90th day after the date of the determination and authorizes the PUC to extend the filing deadline for good cause.

C.S.S.B. 566 requires the PUC to conduct a full review of the rates applicable to the petitioning customer or group to determine whether those rates are just and reasonable using the standards prescribed by Utilities Code provisions relating to the setting of rates, notwithstanding the lack of consistency between those rates and rates available to similarly situated customers in areas of Texas that have access to customer choice, and requires the PUC to deny the petition if it

determines the rates are just and reasonable. If the PUC determines that the rates are not just and reasonable, it must set rates for the petitioning customer or group that are just, reasonable, and consistent with the rates available to similarly situated customers in areas of Texas that have access to customer choice.

**EFFECTIVE DATE**

September 1, 2021.

**COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 566 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute omits a provision from the engrossed limiting the duration of the period during which the PUC may review the applicable utility's rates until September 1, 2026, unless the utility did not initiate a base rate proceeding during the period beginning September 1, 2021, and ending September 1, 2026, and the rates being reviewed are proposed for or were adopted in the first base rate proceeding initiated by the utility after September 1, 2026, in which case the PUC may review the rates after September 1, 2026.