

BILL ANALYSIS

Senate Research Center
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S.B. 648
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Concerns have been raised regarding the ability for an electric generator rental service to rent generators on a per megawatt hour, as opposed to a flat fee only. The current statute constraints prohibit any per megawatt hour billing except by licensed retail electric providers. S.B. 648 seeks to address this issue by clarifying a retail electric provider includes a business that rents electric generation equipment and allows for such a business to lease on a per megawatt hour rather than solely a flat fee.

As proposed, S.B. 648 amends current law relating to electric service equipment.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 17.002, Utilities Code, to redefine "retail electric provider" in Chapter 17 (Customer Protection) to provide that a person engaged in a business whereby under contract it either (a) rents electric service equipment to a third-party or (b) operates its own electric service equipment on behalf of a third-party, in either instance for a fixed fee or based on use or consumption, if the energy produced by that electric service equipment is entirely consumed by the third-party under contract and not resold is not a retail electric provider.

SECTION 2. Amends Section 31.002, Utilities Code, as follows:

Sec. 31.002. DEFINITIONS. Provides that, in Subtitle B (Electric Utilities):

(1)-(5) Makes no changes to these subdivisions.

(6) Redefines "electric utility" to provide that the term does not include a person not otherwise an electric utility who meets certain criteria, including a person who is engaged in a business whereby under contract it either (a) rents electric service equipment to a third-party or (b) operates its own electric service equipment on behalf of a third-party, in either instance for a fixed fee or based on use or consumption, if the energy produced by that electric service equipment is entirely consumed by the third-party under contract and not resold. Prohibits an entity that meets these requirements from being classified as a retail electric provider solely for providing said service or because of how fees or payments are calculated and billed. Makes nonsubstantive changes.

(7)-(16) Makes no changes to these subdivisions.

(17) Redefines "retail electric provider" to provide that a person engaged in a business whereby under contract it either (a) rents electric service equipment to a third-party or (b) operates its own electric service equipment on behalf of a third-party, in either instance for a fixed fee or based on use or consumption, if the

energy produced by that electric service equipment is entirely consumed by the third-party under contract and not resold is not a retail electric provider.

(18)-(20) Makes no changes to these subdivisions.

SECTION 3. Effective date: September 1, 2021.