

By: Paddie, Hernandez, et al.

H.B. No. 10

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the governance of the Public Utility Commission of  
3 Texas, the Office of Public Utility Counsel, and an independent  
4 organization certified to manage a power region.

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

6 SECTION 1. Section 12.052(a), Utilities Code, is amended to  
7 read as follows:

8 (a) The governor shall designate a commissioner as the  
9 presiding officer. The commissioner designated as the presiding  
10 officer must be a resident of this state.

11 SECTION 2. Section 13.022(a), Utilities Code, is amended to  
12 read as follows:

13 (a) The counsellor must:

14 (1) be licensed to practice law in this state and a  
15 resident of this state;

16 (2) have demonstrated a strong commitment to and  
17 involvement in efforts to safeguard the rights of the public; and

18 (3) possess the knowledge and experience necessary to  
19 practice effectively in utility proceedings.

20 SECTION 3. Section 39.151, Utilities Code, is amended by  
21 amending Subsections (g) and (g-1) and adding Subsections (g-2),  
22 (g-3), (g-4), and (g-5) to read as follows:

23 (g) To maintain certification as an independent  
24 organization under this section, an organization's governing body

1 must be composed of persons specified by this section and selected  
2 in accordance with formal bylaws or protocols of the organization.  
3 The bylaws or protocols must be approved by the commission and must  
4 reflect the input of the commission. The bylaws must specify the  
5 process by which appropriate stakeholders elect members [~~and, for~~  
6 ~~unaffiliated members, prescribe professional qualifications for~~  
7 ~~selection as a member. The bylaws must require the use of a~~  
8 ~~professional search firm to identify candidates for membership of~~  
9 ~~unaffiliated members~~]. The process must allow for commission input  
10 in identifying candidates. The governing body must be composed of:

11 (1) the chairman of the commission as an ex officio  
12 nonvoting member;

13 (2) the counsellor as an ex officio voting member  
14 representing residential and small commercial consumer interests;

15 (3) the chief executive officer of the independent  
16 organization as an ex officio voting member;

17 (4) six market participants elected by their  
18 respective market segments to serve one-year terms, with:

19 (A) one representing independent generators;

20 (B) one representing investor-owned utilities;

21 (C) one representing power marketers;

22 (D) one representing retail electric providers;

23 (E) one representing municipally owned  
24 utilities; and

25 (F) one representing electric cooperatives;

26 (5) one member representing industrial consumer  
27 interests and elected by the industrial consumer market segment to

1 serve a one-year term;

2 (6) one member representing large commercial consumer  
3 interests selected in accordance with the bylaws to serve a  
4 one-year term; ~~and~~

5 (7) three members appointed by the governor, at least  
6 one of whom must represent residential consumer interests;

7 (8) one member appointed by the lieutenant governor;  
8 and

9 (9) one member appointed by the speaker of the house of  
10 representatives ~~[five members unaffiliated with any market segment~~  
11 ~~and selected by the other members of the governing body to serve~~  
12 ~~three-year terms]~~.

13 (g-1) The governor shall designate the presiding officer of  
14 the independent organization's governing body ~~[must be one of the~~  
15 ~~members described by Subsection (g)(7)]~~.

16 (g-2) Members of the governing body of an independent  
17 organization certified under this section appointed under  
18 Subsections (g)(7), (8), and (9) serve staggered terms of two  
19 years, with three members' terms expiring February 1 of each  
20 odd-numbered year and two members' terms expiring February 1 of  
21 each even-numbered year. Not later than the 30th day after the date  
22 a member of the governing body's term expires, the appropriate  
23 appointing authority shall appoint a replacement in the same manner  
24 as the original appointment. If a vacancy occurs on the governing  
25 body, the appropriate appointing authority shall appoint a  
26 successor in the same manner as the original appointment to serve  
27 for the remainder of the unexpired term. The appropriate

1 appointing authority shall appoint the successor not later than the  
2 30th day after the date the vacancy occurs.

3 (g-3) To qualify as a member of the governing body under  
4 Subsection (g)(4), (5), (6), (7), (8), or (9), a person must be a  
5 resident of this state.

6 (g-4) To maintain certification as an independent  
7 organization under this section, an organization's chief executive  
8 officer must be a resident of this state.

9 (g-5) A member of the governing body is not entitled to  
10 compensation, but is entitled to reimbursement for travel and other  
11 necessary expenses related to the activities of the independent  
12 organization as provided by the General Appropriations Act.

13 SECTION 4. (a) As soon as practicable after the effective  
14 date of this Act, the governor, lieutenant governor, and speaker of  
15 the house of representatives shall comply with Section 39.151,  
16 Utilities Code, as amended by this Act, by appointing members to the  
17 governing body of an independent organization certified under  
18 Section 39.151, Utilities Code, by the Public Utility Commission of  
19 Texas before September 1, 2021. To establish staggered terms, the  
20 governor shall designate three initial appointees to serve terms  
21 expiring February 1 of the next odd-numbered year and two initial  
22 appointees to serve terms expiring February 1 of the next  
23 even-numbered year.

24 (b) An independent organization certified under Section  
25 39.151, Utilities Code, by the Public Utility Commission of Texas  
26 before September 1, 2021, shall ensure that the chief executive  
27 officer of the organization is a resident of this state as soon as

1 practicable, but not later than September 1, 2022.

2 (c) After September 1, 2022, the Public Utility Commission  
3 of Texas may decertify an independent organization whose governing  
4 body or chief executive officer does not comply with Section  
5 [39.151](#), Utilities Code, as amended by this Act.

6 SECTION 5. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section [39](#), Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2021.