

By: Paddie, Hernandez, et al.

H.B. No. 10

Substitute the following for H.B. No. 10:

By: Hunter

C.S.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.