

1-1 By: Buckingham S.B. No. 566
 1-2 (In the Senate - Filed February 2, 2021; March 11, 2021,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 April 19, 2021, reported favorably by the following vote: Yeas 6,
 1-5 Nays 3; April 19, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12		X		
1-13		X		
1-14	X			
1-15	X			
1-16		X		

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to electricity service provided by certain municipally
 1-20 owned utilities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Chapter 32, Utilities Code, is amended by adding
 1-23 Subchapter D to read as follows:

1-24 SUBCHAPTER D. REVIEW OF RATES OF CERTAIN MUNICIPAL UTILITIES

1-25 Sec. 32.151. APPLICABILITY. This subchapter applies only
 1-26 to a municipally owned utility that provides service in the Capitol
 1-27 complex, as defined by Section 443.0071, Government Code.

1-28 Sec. 32.152. REVIEW OF RATES; CUSTOMER CHOICE. (a)
 1-29 Notwithstanding any other law, a retail customer or group of
 1-30 customers may file a petition for commission review of current or
 1-31 proposed rates of a municipally owned utility that apply to the
 1-32 petitioning customer or group if the customer or group:

1-33 (1) has a non-demand metered total usage of more than
 1-34 100,000 kilowatt hours per year; or

1-35 (2) is served through a demand meter at secondary or
 1-36 primary voltage.

1-37 (b) The commission shall initiate a proceeding not later
 1-38 than the 90th day after the petition is submitted to determine
 1-39 whether the rates of the municipally owned utility are consistent
 1-40 with the rates available to similarly situated customers in areas
 1-41 of the state that have access to customer choice. If the commission
 1-42 determines that the rates of the municipally owned utility are
 1-43 consistent with the rates available to similarly situated customers
 1-44 in areas of the state that have access to customer choice, the
 1-45 commission shall deny the petition.

1-46 (c) If the commission does not deny the petition under
 1-47 Subsection (b), not later than the 90th day after the date of the
 1-48 determination described by Subsection (b), the municipally owned
 1-49 utility shall file a rate application with the commission that
 1-50 complies in all material respects with the rules and forms
 1-51 prescribed by the commission. The commission for good cause may
 1-52 extend the deadline for filing the rate application.

1-53 (d) The commission shall conduct a full review of the rates
 1-54 applicable to the petitioning customer or group to determine
 1-55 whether those rates are just and reasonable using the standards
 1-56 prescribed by Chapter 36, notwithstanding the lack of consistency
 1-57 between those rates and rates available to similarly situated
 1-58 customers in areas of the state that have access to customer choice.
 1-59 If the commission determines that the rates are just and
 1-60 reasonable, the commission shall deny the petition. If the
 1-61 commission determines that the rates are not just and reasonable,

2-1 the commission shall set rates for the petitioning customer or
2-2 group that are just, reasonable, and consistent with the rates
2-3 available to similarly situated customers in areas of the state
2-4 that have access to customer choice.

2-5 SECTION 2. Section 40.004, Utilities Code, is amended to
2-6 read as follows:

2-7 Sec. 40.004. JURISDICTION OF COMMISSION. Except as
2-8 specifically otherwise provided in this chapter, the commission has
2-9 jurisdiction over municipally owned utilities only for the
2-10 following purposes:

2-11 (1) to regulate wholesale transmission rates and
2-12 service, including terms of access, to the extent provided by
2-13 Subchapter A, Chapter 35;

2-14 (2) to regulate certification of retail service areas
2-15 to the extent provided by Chapter 37;

2-16 (3) to regulate rates:

2-17 (A) under Subchapter D, Chapter 32, subject to
2-18 Section 40.051(c); and

2-19 (B) on appeal under Subchapters D and E, Chapter
2-20 33, subject to Section 40.051(c);

2-21 (4) to establish a code of conduct as provided by
2-22 Section 39.157(e) applicable to anticompetitive activities and to
2-23 affiliate activities limited to structurally unbundled affiliates
2-24 of municipally owned utilities, subject to Section 40.054;

2-25 (5) to establish terms and conditions for open access
2-26 to transmission and distribution facilities for municipally owned
2-27 utilities providing customer choice, as provided by Section 39.203;

2-28 (6) to administer the renewable energy credits program
2-29 under Section 39.904(b) and the natural gas energy credits program
2-30 under Section 39.9044(b);

2-31 (7) to require reports of municipally owned utility
2-32 operations only to the extent necessary to:

2-33 (A) enable the commission to determine the
2-34 aggregate load and energy requirements of the state and the
2-35 resources available to serve that load; or

2-36 (B) enable the commission to determine
2-37 information relating to market power as provided by Section 39.155;
2-38 and

2-39 (8) to evaluate and monitor the cybersecurity
2-40 preparedness of a municipally owned utility described by Section
2-41 39.1516(a)(3) or (4).

2-42 SECTION 3. Section 40.051(c), Utilities Code, is amended to
2-43 read as follows:

2-44 (c) After a decision to offer customer choice has been made,
2-45 Subchapter D, Chapter 32, and Subchapters D and E, Chapter 33, do
2-46 not apply to any action taken under this chapter.

2-47 SECTION 4. This Act takes effect September 1, 2021.

2-48 * * * * *