

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 2, 2021

TO: Honorable Joan Huffman, Chair, Senate Committee on Jurisprudence

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB11 by Paddie (Relating to the preparedness for extreme weather emergencies of facilities that provide electricity service; providing an administrative penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB11, As Engrossed : a negative impact of (\$676,896) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$338,448)
2023	(\$338,448)
2024	(\$338,448)
2025	(\$338,448)
2026	(\$338,448)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$338,448)	2.0
2023	(\$338,448)	2.0
2024	(\$338,448)	2.0
2025	(\$338,448)	2.0
2026	(\$338,448)	2.0

Fiscal Analysis

The bill would require the PUC to adopt rules relating to power generating and transmission/distribution facilities preparedness to provide service during extreme weather emergencies. The bill would also require the PUC to analyze emergency operations plans developed by ERCOT and prepare a report for submission to the lieutenant governor, speaker of the house, and member of the legislature. The bill would require the PUC to coordinate with utilities to identify certain critical care customers, as well as require the PUC to adopt rules that develop an audit procedure for emergency operations plans. The PUC would also have to determine if the entities submitting the plans can provide service during an emergency and meet NERC reliability standards.

Methodology

The PUC anticipates it would have to hire 2.0 engineers to implement the provisions of this bill. Both engineers would need to be professional engineers (Engineer V), at a cost of \$120,000 per employee per year. Other operating costs would total 3,000 and travel would total \$10,000 per year. Therefore, the total cost to the State, including indirect benefits costs and technology costs, would be \$338,448 each year.

Technology

The PUC cannot absorb the additional technology costs associated with new laptops for 2 additional employees. Each additional laptop on the agency's lease costs \$1,900, creating \$3,800 in annual technological costs.

Local Government Impact

The PUC anticipates that the bill would have a fiscal impact on municipally-owned utilities.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SLE, MB, RRE