

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2460
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As communities are continuing to expand in rural areas, local governments find themselves tasked with approving transmission and distribution infrastructure projects to bring electricity to the new communities.

There is a lengthy process involved in the planning of infrastructure buildout that includes holding public meetings, working with property owners, and for line projects longer than three miles, going through the approval process with the Public Utility Commission.

However, in some cases, even after this lengthy approval process, local governments impose numerous additional requirements that delay the construction of these projects.

C.S.S.B. 2460 would require municipalities to respond within 90 days to an electric utility who has submitted a request for an infrastructure project. If the proposed plan that was submitted is not agreeable to the municipality, the municipality would be required to notify the electric utility of the conditions required to satisfy the requirements within the 90-day timeframe. If the municipality does not respond, the electric utility may exercise its statutory authority to proceed with the project if the project meets all state statutory and regulatory requirements.

C.S.S.B. 2460 provides needed structure to a process that can vary greatly between municipalities and add unnecessary costs to the electric utility, but ultimately to consumers.

The committee substitute adds that the municipality must provide a list of conditions that it is requesting be met before the construction of the transmission line project and also clarifies that "sitting infrastructure" includes substations.

C.S.S.B. 2460 amends current law relating to the provision of certain electricity services.

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 31.002(20), Utilities Code, to redefine "transmission service."

SECTION 2. Amends Section 37.052, Utilities Code, by adding Subsection (d), as follows:

(d) Provides that a municipality that receives a request from an electric utility for written consent under Subsection (c)(2) (relating to providing that an electric utility is not required to amend the utility's certificate of public convenience and necessity to construct a transmission line that connect the utility's existing transmission facilities to a substation or metering point if written consent is obtained from affected landowners) for the construction of a transmission line:

- (1) is required to send written notice to the electric utility that includes the municipal conditions that the electric utility is required to meet before construction of the transmission line is authorized to proceed; and
- (2) is considered to have consented to the construction of the transmission line if the municipality does not respond in writing to the request before the 90th day after the date the electric utility submitted the request.

SECTION 3. Amends Section 41.005, Utilities Code, as follows:

Sec. 41.005. **LIMITATION ON MUNICIPAL AUTHORITY.** Prohibits a municipality, notwithstanding any other provision of Title 2 (Public Utility Regulatory Act), from directly or indirectly regulating the rates, operations, and services, including transmission services, of an electric cooperative, except, with respect to operations, a municipality is authorized to impose conditions reasonably necessary, rather than to the extent necessary, to protect the public health, safety, or welfare. Provides that this section does not prohibit a municipality from making a lawful charge for the use of public rights-of-way within the municipality as provided by Section 182.025 (Charges by a City), Tax Code, and Section 33.008 (Franchise Charges) of this code. Requires an electric cooperative to be an electric utility for the purposes of Section 182.025, Tax Code, and Section 33.008 of this code.

SECTION 4. Amends Section 181.042, Utilities Code, as follows:

Sec. 181.042. **New heading: AUTHORITY TO CONSTRUCT, MAINTAIN, AND OPERATE LINES AND RELATED FACILITIES.** Provides that an electric utility has the right to construct, maintain, and operate lines and related facilities over, under, across, on, or along a state highway, a county road, a municipal street or alley, or other public property in a municipality.

SECTION 5. Amends Section 181.043, Utilities Code, by adding Subsection (c), as follows:

- (c) Provides that a municipality that receives a request from an electric utility for the municipality's consent to an activity described by Section 181.042:
 - (1) is required to send written notice to the electric utility that includes the municipal conditions that the electric utility is required to meet before the activity is authorized to proceed; and
 - (2) is considered to have consented to the activity if the municipality does not respond in writing to the request before the 90th day after the date the electric utility submitted the request.

SECTION 6. Effective date: September 1, 2023.