By: Tepper H.B. No. 2663

A BILL TO BE ENTITLED

AN ACT

relating to the initiation of customer choice by municipally owned utilities that provide electric service.

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

SECTION 1. Sections 40.053(c), (d), and (e), Utilities Code, are amended to read as follows:

(c) On its initiation of customer choice, a municipally owned utility may [~~shall~~] designate itself or one or more other entities [~~another entity~~] as the provider or providers of last resort for customers within the municipally owned utility's certificated service area as that area existed on the date of the utility's initiation of customer choice. The municipally owned utility shall fulfill the role of default provider of last resort in the event no other entity is available to act in that capacity if the municipally owned utility continues to sell electric energy to retail customers after the initiation of customer choice. The municipally owned utility may delegate the authority to designate the provider or providers of last resort to the commission.

(d) If a customer is unable to obtain service from a retail electric provider or a municipally owned utility or electric cooperative offering customer choice, on request by the customer, the applicable provider of last resort shall offer the customer the standard retail service package for the appropriate customer class, with no interruption of service, at a fixed, nondiscountable rate

that is at least sufficient to cover the reasonable costs of providing that service, as approved by the governing body of the municipally owned utility that has the authority to set rates. If a provider of last resort is designated by the commission, the commission may set the rate each provider of last resort may charge.

(e) The governing body of a municipally owned utility may establish the procedures and criteria for designating a [~~the~~] provider of last resort and may redesignate a [~~the~~] provider of last resort according to a schedule it considers appropriate. If the municipally owned utility delegates authority to the commission under Subsection (c), the commission is not required to comply with procedures or criteria adopted by the municipally owned utility.

SECTION 2. Section 40.057(c), Utilities Code, is amended to read as follows:

(c) A municipally owned utility that opts for customer choice and does not sell electric energy to retail customers is not required to bill directly for distribution, transmission, and generation services provided to retail electric customers located in its certificated service area. A retail electric provider may provide billing services for distribution, transmission, and generation services provided to those customers. [~~A customer that is being provided wires service by a municipally owned utility at distribution or transmission voltage and that is served by a retail electric provider for retail service has the option of being billed directly by each service provider or to receive a single bill for distribution, transmission, and generation services from the municipally owned utility.~~]

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.