

BILL ANALYSIS

H.B. 4668
By: King
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Public Utility Commission of Texas (PUC) frequently holds regional transmission proceedings that affect electric utilities and consumers. These proceedings can involve complex decisions related to an electric utility's operations within a Regional Transmission Organization or an Independent System Operator. The bill author has informed the committee that, given the technical and regulatory complexity of these matters, the PUC may need to hire external experts such as consultants, engineers, accountants, or attorneys to assist in these proceedings. H.B. 4668 seeks to address this issue by ensuring that the PUC has the resources it needs to effectively represent Texas' interests in complex regional matters while maintaining transparency and protecting consumers from excessive charges.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4668 amends the Utilities Code to authorize the Public Utility Commission of Texas (PUC) to retain any consultant, accountant, auditor, engineer, or attorney the PUC considers necessary to represent the PUC in a proceeding before a regional transmission organization, or before a court reviewing proceedings of a regional transmission organization, related to the following:

- the relationship of an electric utility to a power region, regional transmission organization, or independent system operator;
- the approval of an agreement among an electric utility and the electric utility's affiliates concerning the coordination of the operations of the electric utility and the electric utility's affiliates; or
- other matters related to an electric utility that may affect the ultimate rates paid by retail customers in Texas.

The bill establishes that assistance for which a person listed above may be retained includes conducting a study, conducting an investigation, presenting evidence, or advising or representing the PUC.

H.B. 4668 requires an electric utility that is the subject of a proceeding to pay timely the reasonable costs of the services of a retained person, as determined by the PUC, and caps the total costs an electric utility is required to pay at \$1.5 million in a 12-month period. The bill requires the PUC to allow an electric utility to recover both the total costs the electric utility paid and the carrying charges for those costs through a rider established annually to recover the

costs paid and carrying charges incurred during the preceding calendar year. The bill prohibits the rider from being implemented before the rider is reviewed and approved by the PUC.

H.B. 4668 requires the PUC to consult the attorney general before retaining a consultant, accountant, auditor, or engineer under the bill's provisions. The bill establishes that the retention of an attorney is subject to the approval of the attorney general under statutory provisions relating to legal services. The bill establishes that the PUC is precluded from engaging any individual required to register as a lobbyist under state law.

H.B. 4668 applies to the following investor-owned non-ERCOT electric utilities:

- an electric utility with fewer than six synchronous interconnections with voltage levels above 69 kilovolts systemwide;
- an electric utility that was included in the Southeastern Electric Reliability Council on January 1, 2005; and
- an electric utility that was included in the Southwest Power Pool on January 1, 2008 and was not affiliated with that council on that date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.