

## **BILL ANALYSIS**

C.S.H.B. 3615  
By: King, Phil  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Some municipally owned electric utilities may operate a program to provide chilled water to large electric customers to reduce peak electric demand and shift electric load. For a municipally owned, vertically integrated regulated utility, the rates paid for electricity and related chilled water services should be part of a formal ratemaking process to ensure that rates are reasonable and necessary and applied to customers in a nondiscriminatory manner. C.S.H.B. 3615 seeks to increase transparency by ensuring that information and records relating to a municipally owned utility's rate review process and the method for setting rates for retail electric service and a chilled water program are available to the public.

### **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**

C.S.H.B. 3615 amends the Government Code to exclude information related to a public power utility's chilled water program from the public power utility competitive matters exception to public disclosure under state public information law. The bill subjects information or records reasonably related to any of the following to disclosure under state public information law:

- a municipally owned utility's rate review process;
- the method a municipality or municipally owned utility uses to set rates for retail electric service; or
- the method a municipality or municipally owned utility uses to set rates for a chilled water program.

C.S.H.B. 3615 amends the Utilities Code to define "chilled water program" as a program to produce chilled water at a central plant and pipe that water to buildings for air conditioning, including a district cooling system or chilled water service or any other program designed to use chilled water to provide air conditioning, reduce peak electric demand, or shift electric load. The bill clarifies that a "municipally owned utility" includes such a program operated by the utility.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3615 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a definition for "chilled water program" to replace the definition for "district cooling system" in the original. The substitute expands the definition to encompass all chilled water programs, which are inclusive of district cooling systems, rather than only pertaining to district cooling systems as in the original.

The substitute moves language in the original to a new statutory provision and revises the language to clarify that information related to a municipally owned utility's rate review process, the method used to set electric rates, and the method used to set chilled water rates is all subject to public disclosure.

The substitute includes a procedural provision related to the prospective application of its provisions to public information requests.