

SUBJECT: Requiring the registration of brokers by the Public Utility Commission

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 11 ayes — Phelan, Deshotel, Guerra, Harless, Holland, Hunter, P. King, Parker, Raymond, Smithee, Springer

0 nays

2 absent — Hernandez, E. Rodriguez

SENATE VOTE: On final passage, April 11 — 31-0, on Local and Uncontested Calendar

WITNESSES: *On House companion bill, HB 3645:*
For — Stephen Davis, Alliance for Retail Markets; Scott Hutchinson, Association of Electric Companies of Texas; Shannon McGriff, The Energy Professionals Association; (*Registered, but did not testify:* Bill Kelly, City of Houston Mayor's Office; Cyrus Reed, Lone Star Chapter Sierra Club; Michele Gregg, Texas Competitive Power Advocates; Brent Chaney, Vistra Energy; Jessica Oney, NRG Energy; Brett Kerr, Calpine)

Against — None

On — Catherine Webking, Texas Energy Association for Marketers; (*Registered, but did not testify:* Connie Corona, Public Utility Commission)

BACKGROUND: Concerns have been raised that as the retail electric market has grown, new entities that provide brokerage services to customers are not required to register with the Public Utility Commission, which leaves the state little recourse when seeking to punish those that act in bad faith.

DIGEST: CSSB 1497 would prohibit a person from providing electric brokerage services, including services offered online, unless the person was registered with the Public Utility Commission (PUC).

The bill would define "brokerage services" as providing advice or procurement services to, or acting on behalf of, a retail electric customer regarding the selection of a retail electric provider, or a product or service offered by a retail electric provider.

The commission would be required to process a person's application for registration as a broker by the 60th day after the person filed the application. A person who registered with PUC under the bill's provisions would be required to comply with consumer protection provisions, disclosure requirements, and marketing guidelines established by PUC and by statute.

A retail electric provider could not knowingly provide bids or offers to an unregistered broker. A retail electric provider could not register as a broker, and a broker could not sell or take title to electric energy.

PUC would be required to adopt rules as necessary to implement the bill's provisions.

The bill would take effect September 1, 2019.