

## **BILL ANALYSIS**

Senate Research Center

S.B. 690  
By: Armbrister  
State Affairs  
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As Filed

### **DIGEST**

Currently, while state agencies can receive assistance on conservation efforts from the State Energy Conservation Office and are represented in rate cases before the Public Utility Commission by the attorney general, assistance on rate analysis and contract negotiation is not readily available. In addition, no agency is charged with handling the State of Texas as a utility customer. S.B. 690 would expand the role of the General Service Commission's (GSC) energy management center, also known as the State Energy Conservation Office. New duties for the GSC would include analysis of utility rates, monitoring the effects of electric utility deregulation on state government as a purchaser of electricity, and negotiating electric rates for state agencies and universities.

### **PURPOSE**

As proposed, S.B. 690 outlines provisions regarding state government's purchasing and the use of electricity.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 447.008, Government Code, by amending Subsections (b) and (d) and adding Subsections (f), (g), and (h), as follows:

(b) Prohibits the provisions of this section from being construed to empower the energy management center (center) to negotiate rates for natural gas supplies on behalf of state agencies or institutions but rather to provide technical assistance as needed.

(d) Requires the attorney general to assist the center and other state agencies and institutions of higher education to negotiate rates for electricity and other terms of electric utility service on request.

(f) Authorizes the center to negotiate electricity rates and other terms of electric utility service for a state agency or institution of higher education. Authorizes the center to negotiate the rates and the other terms of service for a group of agencies and institutions together in a single contract.

(g) Requires the center to analyze the rates for electricity charged to and the amount of electricity used by state agencies and institutions of higher education to determine ways the state could obtain lower rates and use less electricity. Requires state agencies, including the Public Utility Commission of Texas, and institutions of higher education to assist the center to obtain the information the center requires to perform its analysis.

(h) Requires the center and the attorney general to cooperate in monitoring efforts to deregulate the electric utility industry and in reporting on the ways in which deregulation would affect state government as a purchaser of electricity. Authorizes the center, as represented by the attorney general, to intervene in proceedings before the Public Utility Commission of Texas that are related to deregulating all or part of the electric utility industry

to represent the interests of state government as a purchaser of electricity in those proceedings.

SECTION 2. Emergency clause.

Effective date: upon passage.