

BILL ANALYSIS

Senate Research Center
76R6370 CBH-F

S.B. 1152
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Natural Resources
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As Filed

DIGEST

Currently, Texas law does not authorize the state to obtain electricity and to sell or convey that electricity. S.B. 1152 authorizes the state to obtain electricity and to sell or convey that electricity.

PURPOSE

As proposed, S.B. 1152 authorizes the state to obtain electricity and to sell or convey that 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 31.002(1), Utilities Code, to redefine "electric utility."

SECTION 2. Amends Section Chapter 35, Utilities Code, by adding Subchapter D, as follows:

SUBCHAPTER D. STATE AUTHORITY TO SELL OR CONVEY POWER

Sec. 35.101. DEFINITIONS. Defines "commissioner" and "public retail customer."

Sec. 35.102. STATE AUTHORITY TO SELL OR CONVEY POWER. Authorizes the commissioner of the General Land Office (commissioner), acting on behalf of the state, to sell or otherwise convey power directly to a public retail customer regardless of whether the public retail customer is also a wholesale customer.

Sec. 35.103. ACCESS TO TRANSMISSION AND DISTRIBUTION SYSTEMS; RATES. Entitles the state to have access to all transmission and distribution systems of all electric utilities, municipally owned utilities, and electric cooperative corporations that serve public retail customers. Requires an entity described by Subsection (a) to provide any utility service, including transmission, distribution, and other services, to the state at the lowest applicable rate charged for similar services to other customers.

Sec. 35.104. RETAIL TRANSACTION LIMIT. Prohibits the state from engaging in retail transactions that exceed 2.5 percent of a retail electric utility's total retail load in a service area.

Sec. 35.105. COSTS OF SERVING STATE AGENCY. Prohibits an electric utility, municipally owned utility, or electric cooperative corporation from recovering from a residential customer or from any other customer class the assigned and allocated costs of serving a state agency, institution of higher education, public school district, or political subdivision of this state.

Sec. 35.106. WHOLESALE CUSTOMERS. Provides that this subchapter does not prevent the commissioner, acting on behalf of this state, from registering as a power marketer.

SECTION 3. Amends Sections 52.133(a), (c), and (d), Natural Resources Code, to authorize the commissioner, the owner of the soil under Subchapter F, or the commissioner, acting on the behalf of and at the direction of an owner of the soil under Subchapter F, the school land board (board), or a board for lease, or at the direction of the Board for Lease of University Lands, to negotiate and execute contracts or any other instruments or agreements necessary to dispose of or enhance their portion of the royalty

taken in kind, including contracts for sale, purchase, transportation, and storage and including insurance contracts or other agreements, to secure or guarantee payment. Authorizes the commissioner, the owner of the soil under Subchapter F, or the commissioner acting on behalf of and at the direction of an owner of the soil under Subchapter F, the board, or a board for lease, to negotiate and execute contracts or any other instruments or agreements necessary to convert that portion of the royalty taken in kind into other forms of energy, including electricity. Deletes text providing that this section does not apply to or have any effect on the Board for Lease of University Lands or any lease executed on university land. Makes conforming changes.

SECTION 4. Amends Section 53.026, Natural Resources Code, to authorize the commissioner or the commissioner acting on behalf of and at the direction of the board or a board for lease to negotiate and execute a contract or any other instrument or agreement necessary to convert that portion of the royalty taken in kind to other forms of energy, including electricity. Makes conforming changes.

SECTION 5. Amends Section 53.077, Natural Resources Code, to makes conforming changes.

SECTION 6. Effective date: September 1, 1999.

SECTION 7. Emergency clause.