

BILL ANALYSIS

Senate Research Center
81R5473 TRH-F

S.B. 681
By: Ogden
Business & Commerce
4/20/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In recent years, thousands of households have experienced power outages lasting a number of days due to natural disasters, such as hurricanes. In some cases, while a household's contracted utility is unable to provide power to its customers, another utility would be able to restore power if it could interconnect with the contracted utility and had the agreement of the contracted utility to do so.

As proposed, S.B. 681 requires the Public Utility Commission of Texas (PUC) to evaluate the need for utilities in the state to improve their ability to restore services to customers after a major power outage that is expected to last more than 24 hours. If PUC determines that an electric utility needs to improve its ability to restore power after a major power outage, it may require the utility to maintain some or all of the following: an additional physical interconnection with another electric utility, an emergency supply agreement with at least one other electric utility, or a joint restoration procedure with at least one other electric utility. The bill also allows PUC to require an electric company to provide information regarding the utility's ability to restore power during a major power outage and a report on the utility's progress in implementing a measure in this bill required by PUC. The bill requires PUC to report to the legislature by September 1, 2011.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 38, Utilities Code, by adding Section 38.072, to as follows:

Sec. 38.072. ELECTRIC SERVICE DURING A MAJOR POWER OUTAGE. (a) Defines "electric utility."

(b) Requires the Public Utility Commission of Texas (PUC) to conduct a study to evaluate whether there is a need in this state for electric utilities to improve their ability to restore electric service to customers after a major power outage that is expected to last for more than 24 hours.

(c) Authorizes PUC, on determination that there is a need in this state for a particular electric utility to improve its ability to restore electric service to customers after a major power outage, to require the electric utility to maintain an additional physical interconnection with another electric utility, regardless of whether the electric utilities operate within the same power region; an emergency electricity supply agreement with at least one other electric utility; or a joint restoration procedure with at least one other electric utility.

(d) Authorizes PUC to require an electric utility to provide information regarding the utility's ability to restore service during a power outage; and a report regarding the utility's progress in implementing a measure PUC requires under Subsection (c).

SECTION 2. Requires PUC, not later than September 1, 2011, to submit a report of the results of the study required by Section 38.072, Utilities Code, as added by this Act, to the legislature.

SECTION 3. Effective date: September 1, 2009.