

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3867
By: Springer (Perry)
Business & Commerce
5/16/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3867 amends current law relating to the authority of the Public Utility Commission of Texas to retain assistance for regional proceedings affecting certain electric utilities and consumers.

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 A, Chapter 39, Utilities Code, by adding Section 39.004, as follows:

Sec. 39.004. **HIRING ASSISTANCE FOR REGIONAL PROCEEDINGS.** (a) Authorizes the Public Utility Commission of Texas (PUC) to retain any consultant, accountant, auditor, engineer, or attorney the PUC considers necessary to represent the PUC in a proceeding before a regional transmission organization, or before a court reviewing proceedings of a regional transmission organization, related to:

- (1) the relationship of an electric utility to a power region, regional transmission organization, or independent system operator;
- (2) the approval of an agreement among an electric utility and the electric utility's affiliates concerning the coordination of the operations of the electric utility and the electric utility's affiliates; or
- (3) other matters related to an electric utility that may affect the ultimate rates paid by retail customers in this state.

(b) Provides that, notwithstanding Sections 39.402(a) (relating to certain electric utilities being authorized by the PUC to implement customer choice), 39.452(d) (relating to certain electric utilities being exempted from certain provisions until the utility implements customer choice), and 39.502(b) (relating to certain electric utilities being exempted from certain provisions until the utility implements customer choice), this section applies to an electric utility to which Subchapter I (Provisions for Certain Non-ERCOT Utilities), J (Transition to Competition in Certain Non-ERCOT Areas), or K (Transition to Competition For Certain Areas Outside of ERCOT) applies.

(c) Authorizes assistance for which a consultant, accountant, auditor, engineer, or attorney may be retained under Subsection (a) to include:

- (1) conducting a study;
- (2) conducting an investigation;

(3) presenting evidence;

(4) advising the PUC; or

(5) representing the PUC.

(d) Requires the electric utility that is the subject of the proceeding to pay timely the reasonable costs of the services of a person retained under Subsection (a), as determined by the PUC. Prohibits the total costs an electric utility is required to pay under this subsection from exceeding \$1.5 million in a 12-month period.

(e) Requires the PUC to allow an electric utility to recover both the total costs the electric utility paid under Subsection (c) and the carrying charges for those costs through a rider established annually to recover the costs paid and carrying charges incurred during the preceding calendar year. Prohibits the rider from being implemented before the rider is reviewed and approved by the PUC.

(f) Requires the PUC to consult the Texas attorney general (attorney general) before the PUC retains a consultant, accountant, auditor, or engineer under Subsection (a). Provides that the retention of an attorney under Subsection (a) is subject to the approval of the attorney general under Section 402.0212 (Provision of Legal Services--Outside Counsel), Government Code.

(g) Requires the PUC to be precluded from engaging any individual who is required to register under Section 305.003 (Persons Required to Register), Government Code.

(h) Provides that this section expires September 1, 2023.

SECTION 2. Effective date: September 1, 2019.