

BILL ANALYSIS

C.S.S.B. 1497
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

As the competitive retail electric market has matured in recent years, new entities are taking part in the market and providing brokerage services to retail customers. While these entities contract with customers to gain access to customer data, they are not required to register with the Public Utility Commission of Texas, which leaves the state little recourse when seeking to address customer complaints and bring continuity to the market. C.S.S.B. 1497 seeks to address this issue by providing for the registration of retail electric brokers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 of this bill.

ANALYSIS

C.S.S.B. 1497 amends the Utilities Code to prohibit a person from providing retail electric brokerage services, including brokerage services offered online, in Texas for compensation or other consideration unless the person is registered with the Public Utility Commission of Texas (PUC) as a broker. The bill prohibits a retail electric provider from registering as a broker or knowingly providing bids or offers to a person who provides brokerages services in Texas for compensation or other consideration and has not registered with the PUC as a broker. The bill prohibits a broker from selling or taking title to electric energy.

C.S.S.B. 1497 requires a person who registers as a broker to comply with customer protection provisions, disclosure requirements, and marketing guidelines established by the PUC and by statutory provisions relating to restructuring of the electric utility industry and to utility customer protections. The bill requires the PUC:

- to process a person's application for registration as a broker not later than the 60th day after the date the person files the application; and
- to adopt rules as necessary to implement the bill's provisions.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1497 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute does not include in the definition of "brokerage services" selling or attempting to sell a product or service offered by a retail electric provider to a retail electric customer.

The substitute specifies the applicability of customer protection provisions, disclosure requirements, and marketing guidelines with which a person who registers as a broker is required to comply by including compliance with statutory provisions relating to restructuring of the electric utility industry and to utility customer protections.