

BILL ANALYSIS

Senate Research Center

S.B. 979
By: Patterson
State Affairs
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As Filed

DIGEST

Currently, the Aluminum Corporation of America (ALCOA) has a contract with Texas Utilities (TU) for excess power generated at the ALCOA plant in Rockdale to be purchased by TU through the year 2013. S.B. 979 would allow ALCOA to sell this excess power on the retail market.

PURPOSE

As proposed, S.B. 979 outlines provisions regarding resale of certain electric power.

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 Title IIB, Article 1446c-0, V.T.C.S., (Public Utility Regulatory Act of 1995), by adding Section 2.058, as follows:

Sec. 2.058. RESALE OF FIRM POWER. Provides that notwithstanding any law to the contrary, a person that purchases firm power from a public utility by a contract with a term of 10 years or more, in an amount of 350 megawatts or more of capacity, and at a price based on the cost of a specific power plant of that utility may resell the power to any other person, other than a person served by an electric cooperative corporation or a municipally owned utility, without becoming subject to any rate or licensing regulatory requirements. Provides that the reseller is entitled to delivery of the resold power by any public utility to the reseller's customer over the utility's transmission and distribution lines on rates, terms, and conditions that are agreed to by the reseller and utility or, absent the agreement, that are just, reasonable, nondiscriminatory, and reasonably comparable to the rates, terms and conditions provided by the public utility under Sections 2.056 and 2.057 of this Act.

SECTION 2. Emergency clause.
Effective date: upon passage.