

BILL ANALYSIS

Senate Research Center
79R4673 JJT-F

S.B. 711
By: Carona
Business & Commerce
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, there is uncertainty in the law with respect to the deployment of electric meters and related advanced technologies and services. Such uncertainty has hampered technology development in restructured electric markets.

As proposed, S.B. 711 clarifies that regulated electric distribution utilities have the responsibility for metering services for residential and small commercial customers and requires the Public Utility Commission of Texas to develop a plan for deployment of smart meter-data networks that can capture more detailed energy use information and give customers easy access to such information. S.B. 711 also requires new construction to include advanced digital meters, allows competitive meter services for large commercial and industrial customers to include meter-data management, and allows utilities to recover net costs associated with the deployment of smart meter-data networks.

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 Section 39.107, Utilities Code, by amending Subsections (a) and (b) and adding Subsections (a-1), (h), and (i), as follows:

(a) Defines "large commercial and industrial customers."

(a-1) Requires the Public Utility Commission of Texas (commission) to determine a schedule for making metering services available to large commercial and industrial customers on a competitive basis, rather than requiring metering services provided to commercial and industrial customers to be provided on a competitive basis beginning on January 1, 2004.

(b) Requires metering services provided to residential customers and to commercial customers other than large commercial and industrial customers to continue to be provided by the transmission and distribution utility affiliate of the electric utility that was serving the area before the introduction of customer choice. Deletes existing text relating to a date on which said requirement expires.

(h) Requires the transmission and distribution utility affiliate that was serving the area before the introduction of customer choice to deploy advanced meter information networks to residential customers and commercial customers other than large commercial and industrial customers. Requires the commission to require advanced digital meters that meet commission requirements to be used in new construction and to determine a schedule for deploying advanced meter information networks required under this subsection that includes standards for equipment, communications, and information technology and access. Sets forth requirements for such standards.

(i) Requires the commission to establish a procedure for the establishment of a nonbypassable surcharge or other rate mechanism for an independent system operator and the transmission and distribution utility to use to recover net costs incurred in

deploying advanced meter information networks to residential customers and commercial customers other than large commercial and industrial customers. Requires the expenses to be allocated to the customer class receiving the services.

SECTION 2. Effective date: September 1, 2005.