

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1913
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current statute requires an electric utility to obtain a certificate of convenience and necessity before the utility may directly or indirectly provide service to the public under a franchise or permit. To obtain or amend a certificate, an application must be submitted to the Public Utility Commission of Texas (PUC), which must approve or deny the application before the first anniversary of its filing.

This bill amends Sections 37.051(a), 37.053(a), and 37.055, relating to certificates of convenience and necessity, by changing the term for the entity seeking the certificate from an "electric utility" or "utility" to a " electric utility or other person." The bill also authorizes a certificate to be granted to a person for a facility used solely for the transmission of electricity, and amends Section 37.057 to authorize PUC to grant a certificate for a new transmission facility to any qualified applicant that meets the requirements. The bill also amends Section 37.151, relating to the transmission of service, to exempt those granted a certificate for a facility used solely for the transmission of electricity from stipulations in that section.

C.S.S.B. 1913 amends current law relating to certificates of convenience and necessity.

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 37.051, Utilities Code, by amending Subsection (a) and adding Subsections (d), (e), and (f), as follows:

(a) Prohibits an electric utility or other person from directly or indirectly providing service to the public under a franchise or permit unless the utility or other person first obtains from the Public Utility Commission of Texas (PUC) a certificate that states that the public convenience and necessity requires or will require the installation, operation, or extension of the service.

(d) Authorizes a certificate to be granted to an electric utility or other person under this section for a facility used as part of the transmission system serving the ERCOT power region solely for the transmission of electricity.

(e) Authorizes PUC to consider an application filed by a person not currently certificated as an electric utility for a certificate of convenience and necessity to construct transmission capacity that serves the ERCOT power region. Requires PUC, before granting a certificate under this section, to find, after notice and hearing, that:

(1) the applicant has technical ability, financial ability, and sufficient resources in this state to own, operate, and maintain reliable transmission facilities;

(2) the applicant has the resources and ability to comply with PUC rules, requirements of the independent organization certified under Section 39.151 (Essential Organizations) for the ERCOT power region, and requirements of the

National Electric Reliability Council applicable to the provisions of transmission service; and

(3) for an application filed by a person that is not an electric utility, granting the application will not adversely affect wholesale transmission rates, as compared to the rates projected to be charged if an existing electric utility were to build the transmission facility.

(f) Requires PUC to consider the requirements of Subsection (e) to have been met by an electric utility or other person that is selected by PUC as a transmission provider under a plan adopted by PUC under Section 39.904 (Goal for Renewable Energy) not later than September 1, 2009; and before the certificate is issued, provides to PUC a detailed plan regarding the offices, personnel, and other resources the electric utility or other person will have in this state to ensure provision of continuous and adequate transmission service.

SECTION 2. Amends Section 37.053(a), Utilities Code, to make a conforming change.

SECTION 3. Amends Sections 37.055, 37.057, and 37.151, Utilities Code, as follows:

Sec. 37.055. REQUEST FOR PRELIMINARY ORDER. Makes conforming changes.

Sec. 37.057. DEADLINE FOR APPLICATION FOR NEW TRANSMISSION FACILITY. Authorizes PUC to grant a certificate for a new transmission facility to any qualified applicant that meets the requirements of this subchapter.

Sec. 37.151. PROVISION OF SERVICE. Requires a certificate holder, other than those granted a certificate under Section 37.051(d), except as provided by this section, Section 37.152 (Grounds for Reduction of Service), and Section 37.153 (Required Refusal of Service), to serve every consumer in the utility's certified area and provide continuous and adequate service in that area.

SECTION 4. Effective date: September 1, 2009.