

## **BILL ANALYSIS**

Senate Research Center  
86R8621 JXC-F

S.B. 1012  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Section 31.002(10), Utilities Code, defines “power generation company” using the term “person” to describe the entity being defined. The definition of “person” in Section 11.003(14), Utilities Code, however, excludes electric cooperatives and municipally owned utilities. What's more, both electric cooperatives and municipally owned utilities can, and do, own transmission and distribution facilities and have certificated service areas in this state.

Sections 35.151 and 35.152, Utilities Code, require the “owners or operators” of electric energy storage equipment (i.e. batteries) to register as a power generation company. Electric cooperatives and municipally owned utilities, however, cannot qualify as a “power generation company” as defined by Section 11.003(14). It therefore could be inferred—contrary to Public Utility Commission (PUC) policy and the intent of the statute—that they are not permitted to own or operate a battery without bringing into question their status as a municipally owned utility or electric cooperative.

A recommendation of PUC in its Scope of Competition in Electric Markets in Texas: Report to the 86th Legislature, S.B. 1012 would clarify existing law to reaffirm PUC policy that municipally owned utilities and co-ops may own and operate batteries without having to register as a power generation company with PUC.

As proposed, S.B. 1012 amends current law relating to the applicability of certain electric energy storage equipment requirements to municipally owned utilities and electric cooperatives.

### **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 35.152, Utilities Code, by adding Subsection (d), as follows:

(d) Provides that Subsection (b) does not require a municipally owned utility or an electric cooperative that owns or operates electric energy storage equipment or facilities described by Subsection (a) to register as a power generation company under Section 39.351(a) (relating to prohibiting a person from generating electricity unless the person is registered with the Public Utility Commission of Texas as a power generation company in accordance with this section).

SECTION 2. Effective date: September 1, 2019.