




HB 1600 Amendment Analysis – March 20, 2013

Author	Analysis	Recommendation
Rep. Cook #830095	This amendment adds common prerequisites like competency and experience for a potential candidate for commissioner of the PUC. A candidate would no longer be disqualified if they served as an officer, director, owner, employee, partner, or legal representative or owned/controlled stocks or bonds of any class with a value of \$10,000 or more in a public utility affiliate or direct competitor, but they <i>would</i> be required to disclose this information to the attorney general, governor's office, and the public. However, the amendment strikes language that previously prohibited commissioners from directly or indirectly owning or controlling securities in a public utility or direct competitor of a public utility while in service with the commission. This raises concerns for potential conflicts of interest.	Will of the House
Rep. Cook #830096	Adjusts necessary language in the bill to facilitate transfer of duties from the Texas Commission on Environmental Quality (TCEQ) to the Public Utility Commission (PUC).	Favorable
Rep. Cook #830097	Changes the effective date of HB 1600 from January 1, 2014 to January 1, 2015.	Favorable
Rep. Davis, Yvonne #830077	This amendment protects customer privacy by prohibiting an electric utility or transmission and distribution utility from selling, sharing, or disclosing customer information gained through the provision of smart meter services. This information can only be shared with an affiliate providing electric service to the customer.	Favorable
Rep. Davis, Yvonne #830076	Requires certified operators and service providers to file their name, address, and most recent annual report to the commission every year for recertification. The amendment updates language to accommodate this change.	Favorable
Rep. Davis, Yvonne #830087	Similar to amendment #830777, this requires written consent from a customer before selling, sharing, or disclosing information gained through the provision of electric services from a smart meter. This protects the customer and the electric provider to address privacy concerns and the release of information.	Favorable
Rep. Davis, Yvonne #830088	Requires the utility to compensate customers for any damages resulting from the installation, removal, or replacement of smart meters or meter-related equipment. This amendment also requires financial accountability for the electric provider and does not apply to damages caused by the customer.	Favorable

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<p>Rep. Davis, Yvonne #830089</p>	<p>Customers using meter service will be billed for actual use during a billing period as shown on a meter, rather than paying rates based on average use of a different period. Eliminating average use rates will prevent customers from overpaying or underpaying for their electric service. Transmission and Distribution Utility (TDU) owns the poles, wires, and meters, and delivers electricity to consumers' homes. Currently, if a TDU cannot access a meter to read the usage, an estimate based on the customer's average use is employed to calculate the total amount due for the customer. This can result in a customer being overbilled if the estimate is incorrect. The PUC currently has rules to limit the use of estimates and specify that they be based on reasonable methods. This amendment would go further to ensure the estimates cannot be used.</p>	<p>Favorable</p>
<p>Rep. Davis, Yvonne #830090</p>	<p>This bill attempts to re-regulate the retail electric industry to better serve its consumers by decreasing rates. Deregulation among a competitive market prevents nearly half of the Texas population from being able to choose an electric provider that meets their needs. As it currently operates, the electric industry primarily benefits large businesses and industrial companies.</p>	<p>Will of House</p>
<p>Rep. Farrar #830099</p>	<p>This amendment requires an independent organization that has been put in place by the Public Utilities Commission to determine the amount of reserve capacity needed to maintain a 1 in 10 reliability standard in the Electric Reliability Council of Texas (ERCOT) power region. By January 1, 2014, the PUC would need to determine whether these standards would ensure that the power region's electrical network maintains the required reserve capacity. This amendment would allow the PUC to run efficiently and maintain standards that would ensure a safe and reliable bulk power system, by implementing a measuring standard.</p>	<p>Favorable</p>
<p>Rep. Gonzalez, Mary #830100</p>	<p>Requires the Public Utility Commission to approve of any new power plants being built in or around El Paso. This amendment protects citizens by giving families within the Colonias around El Paso an opportunity to express their health concerns about an electric power plant being built near their homes. Giving PUC jurisdiction over this process will protect the city and its residents by having an objective third party in place to ensure that residents are not left vulnerable, and the proper procedures are in place for future endeavors in the area. Specific to El Paso Electric Co.'s plan for a power plant in El Paso.</p>	<p>Favorable</p>
<p>Rep. King, Susan #830101</p>	<p>This amendment directs the Commission to develop new methodology in the event that resource adequacy is threatened, to detect unusually high charges in case of such an event, and to implement a temporary shadow price cap in order to protect retail customers. The amendment establishes a new function of the Commission, and although it is unusual to address in a sunset bill, mitigating the ripple effects of extreme pricing is important to stability and to protecting consumers. Resource inadequacy is currently an area of study at the Commission.</p>	<p>Will of the House</p>
<p>Rep. Krause #830085</p>	<p>This amendment strikes the section granting the Commission authority to issue emergency cease-and-desist orders when an entity's actions pose a threat to electric services. Continuity and safety of service is important to consumers.</p>	<p>Unfavorable</p>
<p>Rep. Laubenberg #830105</p>	<p>This amendment strikes the section granting the Commission authority to issue emergency cease-and-desist orders when an entity's actions pose a threat to electric services. Continuity and safety of service is important to consumers.</p>	<p>Unfavorable</p>
<p>Rep. Martinez Fischer #830104</p>	<p>During the rolling blackouts in the summer, Mexico provided Texas some of the energy Texas needed to overcome the blackouts. Texas currently sells and buys energy from Mexico on a small and limited scale. This amendment ensures that state resources are being used to meet the needs of the state before being sold off as excess. Moving forward with this amendment would allow the state of Texas and Mexico to engage in economic development that would ensure we have the necessary resources for sustainability and get assistance with capacity when needed. Market participants do currently have the authority to make sales to Mexico; this amendment would provide further encouragement to do so when supply and demand allow it.</p>	<p>Favorable</p>



<p>Rep. Phillips #830083</p>	<p>Amends the language in the utility code to allow PUC the authority to require an applicant to provide up to three proposed routes for a proposed transmission line facility. It establishes guidelines for these proposed routes for the transmission line facility. This amendment allows for multiple options when deciding on a proposed route for a transmission line facility. It provides for more accountability so that decisions made regarding land usage are fully documented and all stakeholders including landowners, municipalities and state officials are fully aware of possible transmission line facilities that may impact their district, area, or land.</p>	<p>Will of the House</p>
<p>Rep. Phillips #830091</p>	<p>This amendment requires prior notification for reliability-must-run determination to be sent to county judge, state representative, state senator or municipality. Reliability-must-run determination ensures that the system is able to meet demands and is reliable. This amendment will promote transparency by requiring that results from determination be disclosed and available to the public. In addition, the amendment also requires an independent organization to review and consider the general market needs and to notify officials after final determination. ERCOT currently has a process for reliability-must-run evaluations. This adds additional requirements.</p>	<p>Will of the House</p>
<p>Rep. Phillips #830092</p>	<p>This amendment seeks to have certain competitive renewable energy zone transmission lines placed underground. This would apply to municipalities with a population of 25,000 or less, or a county that borders the Red River. Underground placements are not the standard due to significantly higher costs that could be passed down to consumers. However, hardening the grid through underground placement is beneficial in the case of power outages from natural disasters.</p>	<p>Will of the House</p>
<p>Rep. Phillips #830084</p>	<p>Provides that recovering the costs for transmission lines that connect electric generation outside of Texas do not fall under Postage Stamp pricing. The postage stamp transmission rate refers to the cost for transmission, construction and upgrades. The cost is paid by all ratepayers, regardless of location. Exempting this transmission from the pricing regulation could potentially allow the recovery of costs in an inequitable manner.</p>	<p>Unfavorable</p>
<p>Rep. Rodriguez, Eddie #830086</p>	<p>Texas is one of nine states that reports energy using actual wattage rather than in a percentage. Reporting as a percentage and requiring Texas to be at 35% renewable energy generation will help Texas become a leader in renewable energy generation in the nation. The amendment also stresses the importance of solar energy production. Texas currently relies almost solely on wind energy as its source of renewable energy. This will help Texas utilize all available sources of renewable energies.</p>	<p>Favorable</p>
<p>Rep. Sanford #830093</p>	<p>While this amendment has private property implications, it also deals with public safety. PUC's use of cease-and-desist orders is under the authority of the executive director. The orders can only be issued after providing notice and opportunity for a hearing unless the resident poses a threat to continuous and adequate electric service that is hazardous, creates an immediate danger to public safety, or has the potential to cause injury to another customer. Private property rights cannot outweigh public safety.</p>	<p>Will of the House</p>
<p>Rep. Sheets #830094</p>	<p>This amendment increases the number of governor-appointed commissioners from three to five.</p>	<p>Will of the House</p>
<p>Rep. Simpson #830079</p>	<p>This amendment strikes the section allowing the commission to issue a cease-and-desist order against a person deemed to pose a threat to electric service, its consumers, or the general public. For the past two legislative sessions, the Sunset Commission has approved the commission's authority to issue a cease-and-desist. Cease-and-desist allows the PUC to foster safe and reliable provision of services.</p>	<p>Unfavorable</p>
<p>Rep. Simpson #830080</p>	<p>Similar to amendment 830079, this amendment prohibits the commission from issuing a cease-and-desist order against a customer. This will hinder the power of the PUC and will leave the utility and the public vulnerable to unsafe or hazardous situations.</p>	<p>Unfavorable</p>
<p>Rep. Simpson #830081</p>	<p>The legislature authorized the use of smart meters and the PUC began implementing the laws in 2008. Currently the PUC is developing rules to allow customers to opt-out of using smart meters if so desired. However, smart meters gather data on the consumption of electric energy and communicate with the utility via remote reporting. Modernizing Texas infrastructure with smart meters ensures customers have more accurate information regarding their energy usage, allowing them greater ability to reduce their energy consumption.</p>	<p>Unfavorable</p>

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<p>Rep. Strama #830082</p>	<p>This amendment will increase the amount and use of renewable energy technologies and defines “renewable energy technology capable of serving peak demand.” It will incrementally increase the amount of renewable energy technology used in fields such as solar, coastal wind, bio mass, and geo thermal over the next 9 years. During times of peak energy consumption, these renewable energy technologies are a water and emission free way to address the state’s energy needs.</p>	<p>Favorable</p>
<p>Rep. Turner, Chris #830106</p>	<p>This amendment requires gas utilities to submit a schedule and plan for the replacement of their pipelines to the Public Utility Commission (PUC) for the commission’s approval. These plans must be delivered to the commission no later than September 1, 2014. The author has indicated that he will amend the amendment to specifically include cast iron pipes.</p>	<p>Favorable</p>
<p>Rep. Turner, Sylvester #830072</p>	<p>This amendment prohibits the Public Utilities Commission from increasing fees or authorizing an increase in fees that is associated with the Universal Service Fund and is reflected on a customer’s monthly bill.</p>	<p>Favorable</p>
<p>Rep. Turner, Sylvester #830073</p>	<p>HB 1600 lists reasons the Public Utilities Commission may issue cease-and-desist orders. This amendment expands the authority of the Public Utilities Commission to issue a cease-and-desist order if the commission determines that a person has violated rules regarding customer protection. This amendment adds in precautions to ensure customer protection.</p>	<p>Favorable</p>
<p>Rep. Turner, Sylvester #830074</p>	<p>The amendment eliminates the Governor’s ability to assign a Presiding Officer and Three Commissioners serving a staggered term of six years. Instead, the amendment, gives Texas voters the opportunity to appoint a Commissioner to the Public Utility Commission of Texas for a two year term. The nominated person must meet the criteria and eligibility requirements for elections and is deemed appropriate to form the duties necessary to manage the needs of the Commission. It is in the responsibility of the elected Commissioner to appoint a Deputy Commissioner who also must meet all of the election requirements. The Deputy Commissioner must perform all duties assigned by the Commissioner as well as operate as the Commissioner in the event of their absence or leave.</p>	<p>Will of the House</p>
<p>Rep. Turner, Sylvester #830078</p>	<p>This amendment increases the fines electric companies receive from \$25,000 to \$100,000 per violation day. If a company is penalized by federal and state regulations simultaneously, the state penalty fee will be refunded. This recommendation was considered but not included in the Sunset Commission recommendations but can provide an additional deterrent for reliability violations.</p>	<p>Favorable</p>
<p>Rep. Turner, Sylvester #830103</p>	<p>Amendment 103 would require the Public Utilities Commission to perform a cost-benefit analysis of any proposed market changes that are expected to add more than \$100 million to annual energy costs to customers in Texas. The cost-benefit analysis would have to be performed before authorization of the market change, and would incorporate information related to increases in prices, potential adverse effects, and positive effects of the proposed market change. This amendment proposes extra precautions to be taken by the commission on market changes that could affect the price paid for electricity in Texas.</p>	<p>Favorable</p>
<p>Rep. Vo #830102</p>	<p>Requires retail electric providers (REP) to provide 30 days’ notice in advance of price changes to their electric service. REP’s must provide written notice of price change to a customer at least 30 days before the change takes effect. This ensures that consumers have adequate notice of increases in energy costs.</p>	<p>Favorable</p>
<p>Rep. Walle #830098</p>	<p>This amendment would allow a provider to apply for a rate increase only once within a 36 month period. It also mandates that a rate increase must not exceed 20 percent of the cost of utilities’ rates at the time of application.</p>	<p>Favorable</p>





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