

**SUBJECT:** Increased duties of electric restructuring legislative oversight committee

**COMMITTEE:** Regulated Industries — favorable, without amendment

**VOTE:** 8 ayes — P. King, Christian, Turner, Crabb, Oliveira, Smithee, Straus, Swinford

0 nays

1 absent — Hartnett

**SENATE VOTE:** On final passage, March 29 — 30-0

**WITNESSES:** For — Tom "Smitty" Smith, Public Citizen; (*Registered, but did not testify*: John W. Fainter, Association of Electric Companies of Texas, Inc.; Michael Jewell, Direct Energy, CPL Retail Energy, WTU Retail Energy; Greg Merrell, Texas Chemical Council; Phillip Oldham, Texas Association of Manufacturers; Cyrus Reed, Lone Star Chapter of Sierra Club)

Against — None

**BACKGROUND:** SB 7 by Sibley, the 1999 legislation restructuring electric utilities in Texas, created the Electric Utility Restructuring Legislative Committee. The committee includes the chairman of the House Regulated Industries Committee, two House members appointed by the speaker; and three Senate members appointed by the lieutenant governor. The committee is required to meet with the Public Utility Commission at least once a year to monitor the effectiveness of electric restructuring; receive and make recommendations about restructuring; and report to the governor, the lieutenant governor, and the House speaker by November 15 of each even-numbered year.

**DIGEST:** SB 484 would amend Utilities Code, sec. 39.907 to change the membership of the Electric Utility Restructuring Legislative Committee to include the chairs of the Senate Business and Commerce and Senate Natural Resources committees and a Senate member appointed by the

lieutenant governor. The committee would be required to meet at least twice annually to encourage cooperation and coordination among the:

- Public Utility Commission;
- Texas Commission on Environment Quality;
- Texas Railroad Commission;
- Electric Reliability Council of Texas; and
- Comptroller's Office.

The scope of the oversight committee's charge would be expanded to include policies and strategies to:

- ensure the availability of oil, natural gas, coal, lignite, and electricity;
- provide for reliability of electric transmission, including capacity needs and reserve margins;
- protect the environment while allowing for access to safe, economical, and reliable sources of energy;
- develop renewable energy, conservation, and energy-efficient technologies; and
- encourage new fuels and technologies.

The committee also would be required to report its recommendations on these policies and strategies to the governor, the lieutenant governor, and the House speaker by November 15 of each even-numbered year.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

NOTES:

SB 484 was withdrawn from the May 2 Local, Consent, and Resolutions Calendar and was transferred to the Calendars Committee.