

## **BILL ANALYSIS**

Senate Research Center  
84R18004 DDT-F

C.S.S.B. 777  
By: Fraser  
Natural Resources & Economic Development  
3/24/2015  
Committee Report (Substituted)

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

Under the Public Utility Regulatory Act (PURA), Section 39.352, Utilities Code, authorizes the Public Utility Commission of Texas (PUC) to establish criteria for applicants seeking entry into the competitive retail electricity market. Remedies currently available to PUC include administrative penalties and or revocation, suspension, or amendment of a retail electric provider (REP) certificate. The commission certifies only those REP applicants that have the requisite financial, technical, and managerial resources required under PURA.

However, when PUC recently adopted the "2015 Scope of Competition in Electric Markets in Texas" report, they recommended that a clarification be made in existing law enumerating the powers PUC shall have to prohibit a repeat offender from reentering the market.

C.S.S.B. 777 adds a safeguard that will be incorporated into a determination by PUC that the offending principle or managing officer in a Retail Electric Provider (REP) should be found to have known of the offense before being permanently banned from participation from the market. (This reinforces the "due process" protections that PUC should take into account when making a determination.)

C.S.S.B. 777 amends current law relating to the authority of the Public Utility Commission of Texas to restrict participation in the retail electric market for significant violations.

### **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 39.356, Utilities Code, by adding Subsection (a-1), as follows:

(a-1) Authorizes the Public Utility Commission of Texas (PUC), if PUC suspends, revokes, or amends a retail electric provider's certificate under Subsection (a) (authorizing PUC to suspend, revoke, or amend a retail electronic provider's certificate for significant violation of this title or rules adopted under this title or other rules set forth), to, after notice and opportunity for hearing, prohibit an individual who is a principle or executive officer of a the retail electric provider and who knew or reasonably should have known of the acts or omission described by Subsection (a) that led to the suspension, revocation, or amendment of the certificate from participating in the retail electric market in Texas through ownership of or seeking employment by a retail electric provider, electric utility, billing agent, billing utility, aggregator, or person who assists in selection of a retail electric provider.

SECTION 2. Effective date: upon passage or September 1, 2015.