By:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_ S.B./H.B. No. \_\_\_\_\_\_\_\_\_\_

A BILL TO BE ENTITLED

AN ACT

relating to municipally owned utilities that opt into retail competition and that choose not to serve as a retail electric provider.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 40.053, Utilities Code, is amended to read as follows:

(a) If a municipally owned utility chooses to participate in customer choice, after that choice all retail customers served by the municipally owned utility within the certificated retail service area of the municipally owned utility shall have the right of customer choice consistent with the provisions of this chapter, and the municipally owned utility shall provide open access for retail service.

(b) Notwithstanding Section [39.107](http://www.statutes.legis.state.tx.us/GetStatute.aspx?Code=UT&Value=39.107), the metering function may not be deemed a competitive service for customers of the municipally owned utility within that service area and may, at the option of the municipally owned utility, continue to be offered by the municipally owned utility as sole provider.

(c) On its initiation of customer choice, a municipally owned utility ~~shall~~ may designate itself or another entity as the provider of last resort for customers within the municipally owned utility's certificated service area as that area existed on the date of the utility's initiation of customer choice. The municipally owned utility shall fulfill the role of default provider of last resort in the event no other entity is available to act in that capacity, so long as the municipally owned utility otherwise intends to serve as a retail electric provider. If the municipally owned utility chooses not to serve as a retail electric provider, it may delegate the authority to designate the provider of last resort to the Commission, and the Commission shall designate a provider of last resort.

(d) If a customer is unable to obtain service from a retail electric provider, on request by the customer, the provider of last resort shall offer the customer the standard retail service package for the appropriate customer class, with no interruption of service, at a fixed, nondiscountable rate that is at least sufficient to cover the reasonable costs of providing that service, as approved by the governing body of the municipally owned utility that has the authority to set rates. If the provider of last resort is designated by the Commission, then the Commission has the authority to set the rate the provider of last resort may charge.

(e) The governing body of a municipally owned utility may establish the procedures and criteria for designating the provider of last resort and may redesignate the provider of last resort according to a schedule it considers appropriate. A municipally owned utility may delegate its authority to the Commission to designate the provider of last resort as provided in this subsection.

SECTION 2.  Section 40.057, Utilities Code, is amended to read as follows:

(a) A municipally owned utility that opts for customer choice may continue to bill directly electric customers located in its certificated retail service area, as that area exists on the date of adoption of customer choice, for all transmission and distribution services. The municipally owned utility may also bill directly for generation services and customer services provided by the municipally owned utility to those customers.

(b) A municipally owned utility that opts for customer choice may not adopt anticompetitive billing practices that would discourage customers in its service area from choosing a retail electric provider.

(c) ~~A customer that is being provided wires service by a municipally owned utility at distribution or transmission voltage and that is served by a retail electric provider for retail service has the option of being billed directly by each service provider or to receive a single bill for distribution, transmission, and generation services from the municipally owned utility.~~ A municipally owned utility that opts for customer choice and does not serve as a retail electric provider may choose to delegate billing for distribution, transmission, and generation services to the applicable retail electric providers in its certificated area.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.