**House Bill 2664-88th**

**By Representative Tepper**

**Bill Summary, Background and Purpose**

Lubbock Power & Light (LP&L) is the third largest municipally-owned utility in Texas and has been in operation for over one hundred years. Lubbock is unique in the fact that while it is one of 72 municipally-owned utilities in Texas, up until 2010 it competed with a regional investor-owned utility for customers on an alley-by-alley basis. In 2010, LP&L became the sole provider for the vast majority of Lubbock and therefore operates today in the same way as the other 71 cities who own a vertically integrated electric utility.

In May 2021, LP&L transferred 70% of its customers to the Electric Reliability Council of Texas (ERCOT) market from the Southwest Power Pool (SPP) market. In May 2023, LP&L is preparing to transfer the remaining 30% of customers to the ERCOT market pending regulatory approvals. It has been the stated goal of LP&L that once 100% of customers are migrated to the ERCOT market, it will be the first municipally-owned utility to move their customers to the retail competitive market in ERCOT since the passage of SB 7 in the 76th Legislative Session (1999). This move was made official with irrevocable vote taken by the LP&L Electric Utility Board (EUB) and Lubbock City Council in February 2022.

Over the past few years, LP&L worked closely with ERCOT, Public Utility Commission (PUC), and various industry stakeholders to work through the logistics of being the first city to deregulate and join the competitive market. There are several areas that can only be appropriately modified through statutory changes. It is the goal of LP&L to not join the retail competitive market as an outlier but to ensure it is treated in the same manner as the investor-owned utilities that have operated in this space for over 20 years.

One change is sought in Utilities Code Chapter 182. In the 86th Regular Legislative Session (2019), Utilities Code Chapter 182 was amended to forbid the sharing of individual customer electric data by the municipally-owned utility serving them unless the individual customer requests disclosure of his or her information. In statute it lists six types of entities that are exempt and are allowed to receive personal customer electric data from a municipally-owned electric utility. Because it was not envisioned at the time that a municipally-owned utility might be opting-into retail competitive choice, state officials and employees are included exemptions while ERCOT was not expressly a listed exemption.

In order for LP&L to successfully transition to retail competition, this sharing of customer information with ERCOT is necessary as it acts as a clearing house for those operating in the retail competitive market today. In order for retail electric providers to sign up customers, ERCOT must be the custodian of electric customer information as it does for those areas of the state currently served under retail electric competition. LP&L is seeking the same business process that currently exists in those parts of the state under the competitive market.

**Section-By-Section Changes**

SECTION 1.  Section 182.054, Utilities Code, Exemptions: Inserts (7) and (8) which clarify the current law and allow for the sharing of electric customer data by a municipally-owned utility with another entity as necessary to facilitate customer choice and transition to retail electric providers and to comply with rules, guidelines, and procedures established by ERCOT and retail electric providers as defined by Utilities Code 31.002 (17)