

1-1 By: Hancock S.B. No. 736
 1-2 (In the Senate - Filed February 3, 2017; February 21, 2017,
 1-3 read first time and referred to Committee on Business & Commerce;
 1-4 March 22, 2017, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 5, Nays 3; March 22, 2017,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Creighton	X			
1-10 Campbell			X	
1-11 Estes		X		
1-12 Nichols	X			
1-13 Schwertner		X		
1-14 Taylor of Galveston		X		
1-15 Whitmire	X			
1-16 Zaffirini	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 736 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the authority of the General Land Office to sell retail
 1-22 electric power.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 35.102, Utilities Code, is transferred
 1-25 to Subchapter A, Chapter 101, Utilities Code, redesignated as
 1-26 Section 101.009, Utilities Code, and amended to read as follows:

1-27 Sec. 101.009 [35.102]. STATE AUTHORITY TO SELL OR CONVEY
 1-28 ~~[POWER OR]~~ NATURAL GAS. (a) In this section:

1-29 (1) "Commissioner" means the commissioner of the
 1-30 General Land Office.

1-31 (2) "Public retail customer" means a retail customer
 1-32 that is an agency of this state, a state institution of higher
 1-33 education, a public school district, a political subdivision of
 1-34 this state, a military installation of the United States, or a
 1-35 United States Department of Veterans Affairs facility.

1-36 (b) The commissioner, acting on behalf of the state, may
 1-37 sell or otherwise convey ~~[power or]~~ natural gas generated from
 1-38 royalties taken in kind as provided by Sections 52.133(f), 53.026,
 1-39 and 53.077, Natural Resources Code, directly to a public retail
 1-40 customer ~~[regardless of whether the public retail customer is also
 1-41 classified as a wholesale customer under other provisions of this
 1-42 title].~~

1-43 (c) ~~[(b)]~~ To ensure that the state receives the maximum
 1-44 benefit from the sale of ~~[power or]~~ natural gas generated from
 1-45 royalties taken in kind, the commissioner shall use all feasible
 1-46 means to sell that ~~[power or]~~ natural gas first to public retail
 1-47 customers that are military installations of the United States,
 1-48 agencies of this state, institutions of higher education, or public
 1-49 school districts. The remainder of the ~~[power or]~~ natural gas, if
 1-50 any, may be sold to public retail customers that are political
 1-51 subdivisions of this state or to a United States Department of
 1-52 Veterans Affairs facility.

1-53 SECTION 2. Section 104.2545(d), Utilities Code, is amended
 1-54 to read as follows:

1-55 (d) In this section, "public retail customer" has the
 1-56 meaning assigned by Section 101.009 [35.101].

1-57 SECTION 3. (a) The heading to Subchapter D, Chapter 35,
 1-58 Utilities Code, is repealed.

1-59 (b) Sections 35.101, 35.103, 35.104, 35.105, and 35.106,
 1-60 Utilities Code, are repealed.

2-1 SECTION 4. (a) The General Land Office or an entity
2-2 operating under a contract with the General Land Office may
2-3 continue to provide retail electric service in accordance with
2-4 Subchapter D, Chapter 35, Utilities Code, as that subchapter
2-5 existed before the effective date of this Act, under the terms of an
2-6 agreement with a customer entered into before the effective date of
2-7 this Act, only until the date the agreement expires.

2-8 (b) The General Land Office may not renew or extend the
2-9 expiration or termination date of a contract to provide retail
2-10 electric service in accordance with Subchapter D, Chapter 35,
2-11 Utilities Code, after the effective date of this Act.

2-12 SECTION 5. This Act takes effect September 1, 2017.

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