

Bill Summary
1st Session of the 60th Legislature

Bill No.:	SB 998
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Author:	Sen. Gollihare
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Bill Analysis

SB 998 directs the Corporation Commission to enter an order on an application filed by an electric utility to build an electric generation facility using natural gas within 180 days. Such facilities shall be eligible for a separate rate adjustment mechanism to recover costs. The measure authorizes the Commission to order the utility to provide refunds to its customers if the utility implements a rate adjustment mechanism and subsequently terminates the initiative to construct or acquire stake in the electric generation facility. The measure also provides that bids received by the utility through a competitive bidding process within the 12 months following the final bid due date of such competitive bidding process shall be considered substantial evidence to satisfy the consideration of reasonable alternatives.

The measure provides each public utility shall defer to a regulatory asset 90% of all depreciation expenses and return associated with all qualifying electric plants if such a utility provided notice to the Corporation Commission of the public utility's election to make such deferrals. A qualifying electric plant is a plant placed in service by a public utility following the utility's last general rate case. The measure provides that the balance of the regulatory asset as of the end of the test year shall be included in the public utility's rate base without any offset beginning July 1, 2025.

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