



Leveling the Playing Field for Electric Power Sales by Removing GLO Involvement

March 2017

AECT Position: Support

SB 736 by Hancock

Proposal

- The Texas General Land Office (GLO) sells natural gas and electricity on the competitive market to public entities through its State Power Program.
 - The program was authorized in 1999, as part of Senate Bill 7, which created the competitive retail electric market in ERCOT.
 - The State Power Program provides electricity to its customers through a third-party retail electric provider (REP).
- SB 736 would eliminate the electricity sales portion of the State Power Program currently granted under Section 35.102 of the Utilities Code. GLO would continue to sell natural gas to public entities.

SB 736 Eliminates the Distortion of Direct Government Involvement in the Competitive Electric Market

- SB 736 opens the process for all REPs to offer the competitive bids in the retail electric market.
- Texas' competitive electric market opened in 2002, and now has dozens of marketers that serve public entities, ensuring the free market brings competitive bids to these entities.
- It assures taxpayer dollars are expended efficiently, thanks to the strength of Texas' competitive electric market.

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