

Public Utility Commission of Texas

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Sunset review recommends more PUC authority **Separate issues show ERCOT needs change**

A Sunset Advisory Commission staff report recommends greater Public Utility Commission (PUC) authority because of the PUC's effectiveness in managing complex issues with what the Sunset staff calls "antiquated statutory provisions."

"It's great to see that this independent review recognizes the high level of integrity and outstanding work quality that Texans expect from the men and women who work at the PUC," said Chairman Barry Smitherman. "We look forward to working with the Sunset Commission in the coming months and throughout the next Legislative session."

Some of the key recommendations in the report include:

- Increasing PUC authority to oversee the electric industry.
- Adding requirements for market participants in the electric industry.
- Adding PUC expertise and insight with other state agency functions.

The Sunset staff also reported Friday on the Electric Reliability Council of Texas (ERCOT), the grid operator for most of the state. While ERCOT is not a state agency, Texas law allows ERCOT to collect a fee from electricity customers. Increases in that fee must be authorized by the PUC.

The Sunset reports notes that ERCOT:

- Needs a board of directors with fewer members tied to the electric industry.
- Needs additional PUC oversight.
- Needs future Sunset reviews.

"Clearly there are a number of issues that ERCOT must address," said PUC Commissioner Donna Nelson. "I believe the Sunset recommendations draw attention to many of those issues and I encourage the ERCOT board to make the necessary changes to increase the level of confidence Texans have in their electric grid operator."

The Sunset process will continue this year with a public hearing and Legislative review in preparation for the 82nd Legislative session that begins in January 2011.

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