

HB 2541 -- ELECTRIC UTILITIES

SPONSOR: Hurlbert

This bill authorizes an electrical corporation to, prior to acquiring a stake in a transmission facility, file with the Public Service Commission for a determination of the ratemaking principles and treatment. Unless the Commission determines that the electrical corporation's stake in the transmission facility is not reasonable, the Commission must issue an order setting forth ratemaking principles and treatment that will apply to the electrical corporation's stake in the transmission facility. The Commission must utilize the ratemaking principles and treatment in all proceedings where the cost of the electrical corporation's stake in the transmission facility is considered.

If the Commission fails to issue a determination within 180 days of an application for a determination of ratemaking principles and treatment, the ratemaking principles and treatment will be deemed to have been approved by the Commission and are binding.

If the electrical corporation's acquisition of a stake in a transmission facility requires a certificate of convenience and necessity, the electrical corporation may request such certificate by filing an application in the same proceeding as the application for a determination of ratemaking principles and treatment.

Prior to acquiring a stake or to retiring or abandoning a generating facility, an electrical corporation may file with the Commission an application for a determination of the ratemaking principles and treatment as proposed by the electrical corporation subject to certain conditions set forth in the bill. Requirements for an order issued by the Commission in relation to the application, including a new rate adjustment mechanism and alternatives to the rate adjustment mechanism, are set out in the bill.

In making its determination as to whether acquiring the stake in the generating facility is reasonable and necessary or convenient for the public service, the Commission is to be guided by the fact that it is in the interest of the state for electrical corporations to ensure that they own and operate sufficient generating resources to serve their retail load without undue reliance on any power pool, regional transmission operator or independent system operator market, or other resources.

The electrical corporation has one year from the effective date of the determination of the Commission to notify the Commission, in

the manner specified in the bill, whether it will acquire a stake in the generating facility or transmission facility.

This bill is the same as SB 1247 (2024).