

BILL SUMMARY

2nd Session of the 53rd Legislature

Bill No.:	SB 1506
Version:	Engrossed
Request Number:	
Author:	Watson
Date:	4/3/2012
Impact:	If measure passes – little to no impact.

If measure doesn't pass, potential negative impact to GRDA of \$300 per hour times 450 MWs times 8 hours times 30 days a year.

Research Analysis

SB 1506 authorizes the Grand River Dam Authority (GRDA) to participate in the Southwest Power Pool Integrated Marketplace or other programs established by a regional transmission organization in which it is a member. It also authorizes the GRDA to engage in the buying and selling of electricity products, fuel commodities and financial instruments. The measure directs the board of directors to adopt a hedging policy to enable the district to take advantage of standard market products to reduce risk while preventing speculative trading and potential abuses.

Prepared By: Robin McAlister

Fiscal Analysis

Engrossed SB 1506 would allow the Grand River Dam Authority to participate in a federally recognized Regional Transmission Organization. According to officials at the GRDA, passage of the measure would have little to no fiscal impact as participation in the RTO would help mitigate any exposure. A potential negative fiscal impact of \$300-\$400 per hour times 450 MWs times 8 hours times 30 to 90 days a year could be realized without an RTO to help mitigate exposure, according to GRDA officials.

Prepared By: Mark Nichols

Other Considerations

None