

By: King of Parker, Harless, Slawson,  
Hernandez, Darby, et al.

H.B. No. 2483

Substitute the following for H.B. No. 2483:

By: Paddie

C.S.H.B. No. 2483

A BILL TO BE ENTITLED

AN ACT

relating to utility facilities for restoring electric service after  
a widespread power outage.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter 2, Chapter 39, Utilities Code, is  
amended by adding Section 39.918 to read as follows:

Sec. 39.918. UTILITY FACILITIES FOR POWER RESTORATION AFTER  
WIDESPREAD POWER OUTAGE. (a) In this section, "widespread power  
outage" means an event that results in:

(1) a loss of electric power affecting a significant  
number of distribution customers of a transmission and distribution  
utility; and

(2) a risk to public safety.

(b) Notwithstanding any other provision of this subtitle, a  
transmission and distribution utility may:

(1) lease and operate facilities that provide  
temporary emergency electric energy to aid in restoring power to  
the utility's distribution customers during a widespread power  
outage; and

(2) procure, own, and operate, or enter into a  
cooperative agreement with other transmission and distribution  
utilities to procure, own, and operate jointly, long lead time  
facilities that would aid in restoring power to the utility's  
distribution customers following a widespread power outage.

1       (c) A transmission and distribution utility that leases and  
2 operates facilities under Subsection (b)(1) may not sell electric  
3 energy or ancillary services from those facilities.

4       (d) A transmission and distribution utility that leases and  
5 operates facilities under Subsection (b)(1) or that procures, owns,  
6 and operates facilities under Subsection (b)(2) shall include in  
7 the utility's emergency operations plan filed with the commission,  
8 as described by Section 186.007, a detailed plan on the utility's  
9 use of those facilities.

10       (e) The commission shall permit:

11           (1) a transmission and distribution utility that  
12 leases and operates facilities under Subsection (b)(1) to recover  
13 the reasonable and necessary costs of leasing and operating the  
14 facilities, including the present value of future payments required  
15 under the lease, using the rate of return on investment established  
16 in the commission's final order in the utility's most recent base  
17 rate proceeding; and

18           (2) a transmission and distribution utility that  
19 procures, owns, and operates facilities under Subsection (b)(2) to  
20 recover the reasonable and necessary costs of procuring, owning,  
21 and operating the facilities, using the rate of return on  
22 investment established in the commission's final order in the  
23 utility's most recent base rate proceeding.

24       (f) The commission shall authorize a transmission and  
25 distribution utility to defer for recovery in a future ratemaking  
26 proceeding the incremental operations and maintenance expenses and  
27 the return, not otherwise recovered in a rate proceeding,

1 associated with the leasing or procurement, ownership, and  
2 operation of the facilities.

3 (g) A transmission and distribution utility may request  
4 recovery of the reasonable and necessary costs of leasing or  
5 procuring, owning, and operating facilities under this section,  
6 including any deferred expenses, through a proceeding under Section  
7 36.210 or in another ratemaking proceeding. A lease under  
8 Subsection (b)(1) must be treated as a capital lease or finance  
9 lease for ratemaking purposes.

10 SECTION 2. This Act takes effect September 1, 2021.