

By: Reynolds

H.B. No. 1146

A BILL TO BE ENTITLED

AN ACT

relating to the interconnection of the ERCOT power grid to grids outside the ERCOT power region.

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

SECTION 1. Subtitle B, Title 2, Utilities Code, is amended by adding Chapter 39A to read as follows:

CHAPTER 39A. INTERCONNECTION OF FACILITIES IN ERCOT TO GRIDS  
OUTSIDE ERCOT POWER REGION

Sec. 39A.0101. UTILITY AND COOPERATIVE AUTHORITY.

Notwithstanding any other law, a transmission and distribution utility, municipally owned utility, or electric cooperative that transmits or distributes power purchased at wholesale in the ERCOT power region may construct, own, and operate facilities as necessary to:

(1) access transmission service from outside of the ERCOT power region; and

(2) purchase power at wholesale from outside of the ERCOT power region.

Sec. 39A.0102. COMMISSION AUTHORITY. (a) The commission may request any federal approval necessary for the interconnection of a facility described by Section 39A.0101.

(b) Unless otherwise provided by federal law, the commission shall require the independent organization certified for the ERCOT power region under Section 39.151 to approve the

1 interconnection of a facility described by Section 39A.0101 unless  
2 the commission or the independent organization determines that the  
3 interconnection poses a significant and imminent risk to public  
4 health and safety.

5 (c) The commission may provide technical and administrative  
6 assistance to a transmission and distribution utility, municipally  
7 owned utility, or electric cooperative seeking to construct, own,  
8 or operate a facility described by Section 39A.0101.

9 Sec. 39A.0103. SYNCHRONOUS AND NON-SYNCHRONOUS  
10 INTERCONNECTIONS. (a) This chapter applies to synchronous and  
11 non-synchronous interconnections.

12 (b) Unless otherwise provided by federal law, the  
13 commission shall approve an application for a certificate of  
14 convenience and necessity submitted under Section 39A.0104 by a  
15 transmission and distribution utility, municipally owned utility,  
16 or electric cooperative for a facility that would synchronously  
17 interconnect to a facility outside the ERCOT power region if the  
18 application complies with all applicable provisions of Chapter 37  
19 and this chapter.

20 (c) Not later than September 1, 2025, the commission shall  
21 identify transmission facilities in ERCOT that may be synchronously  
22 interconnected with transmission facilities outside of ERCOT for  
23 the purpose of allowing federal regulation of transmission service  
24 and wholesale power sales in ERCOT. Notwithstanding any other law,  
25 the commission shall require a transmission and distribution  
26 utility, municipally owned utility, or electric cooperative that  
27 owns a transmission facility identified by the commission to make

requests, obtain approvals, enter into contracts, and construct facilities as necessary to synchronously interconnect the facility with a transmission facility outside of ERCOT. This subsection expires August 31, 2029.

SECTION 2. Sections [37.051](#)(c-1), (c-2), and (c-3), Utilities Code, are redesignated as Section 39A.0104, Utilities Code, and amended to read as follows:

Sec. 39A.0104. CERTIFICATES OF CONVENIENCE AND NECESSITY.

(a) A transmission and distribution utility, [~~(c-1)~~ Notwithstanding any other provision of this title except Section [11.009](#), and except as provided by Subsection (c-2), a person, including an electric utility or] municipally owned utility, or electric cooperative may not interconnect a facility described by Section 39A.0101 [~~to the ERCOT transmission grid that enables additional power to be imported into or exported out of the ERCOT power grid~~] unless the utility or cooperative [~~person~~] obtains a certificate from the commission in the manner provided by Chapter [37](#) and this chapter stating that the interconnection does not pose a significant and imminent risk to public health and safety [~~public convenience and necessity requires or will require the interconnection~~].

(b) In the case of a conflict between Chapter [37](#) and this chapter, this chapter prevails.

(c) Sections [37.056](#)(c)(1) and (2) and (d) do not apply to an application for a certificate described by Subsection (a).

(d) Unless otherwise provided by federal law, the commission shall approve an application for a certificate described

by Subsection (a) unless the commission determines that granting the application poses a significant and imminent risk to public health and safety.

(e) The transmission and distribution utility, municipally owned utility, or electric cooperative ~~[person]~~ must apply to the commission for a ~~[the]~~ certificate described by Subsection (a) not later than the 180th day before the date the utility or cooperative ~~[person]~~ seeks any order from the Federal Energy Regulatory Commission related to the interconnection.

~~(f) [The commission shall apply Section 37.056 in considering an application under this subsection. In addition, the commission must determine that the application is consistent with the public interest before granting the certificate. The commission may adopt rules necessary to implement this subsection. This subsection does not apply to a facility that is in service on December 31, 2014.]~~

~~[(c-2)]~~ The commission, not later than the 185th day after the date the application is filed, shall approve an application ~~[filed under Subsection (c-1)]~~ for a facility that is to be constructed under an interconnection agreement appended to an offer of settlement approved in a final order of the Federal Energy Regulatory Commission that was issued in Docket No. TX11-01-001 on or before December 31, 2014, directing physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the Federal Power Act (16 U.S.C. Sections 824i, 824j, and 824k). In approving the application, the commission may prescribe reasonable conditions to protect the public interest that are consistent with

1 the final order of the Federal Energy Regulatory Commission.

2       (g) [~~(c-3)~~] Nothing in this section [~~Subsection (c-1) or~~  
3 ~~(c-2)~~] is intended to restrict the authority of the commission or  
4 the independent organization certified under Section [39.151](#) for the  
5 ERCOT power region to adopt rules or protocols of general  
6 applicability.

7       SECTION 3. This Act takes effect September 1, 2023.