

By: Thierry

H.B. No. 3071

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the development of electricity demand response  
3 programs.

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

5 SECTION 1. Section 39.101(b), Utilities Code, is amended to  
6 read as follows:

7 (b) A customer is entitled:

8 (1) to be informed about rights and opportunities in  
9 the transition to a competitive electric industry;

10 (2) to choose the customer's retail electric provider  
11 consistent with this chapter, to have that choice honored, and to  
12 assume that the customer's chosen provider will not be changed  
13 without the customer's informed consent;

14 (3) to have access to providers of energy efficiency  
15 services, to on-site distributed generation, ~~and~~ to providers of  
16 energy generated by renewable energy resources, and to  
17 participation in demand response programs through demand response  
18 providers;

19 (4) to be served by a provider of last resort that  
20 offers a commission-approved standard service package;

21 (5) to receive sufficient information to make an  
22 informed choice of service provider;

23 (6) to be protected from unfair, misleading, or  
24 deceptive practices, including protection from being billed for

1 services that were not authorized or provided; and

2 (7) to have an impartial and prompt resolution of  
3 disputes with its chosen retail electric provider and transmission  
4 and distribution utility.

5 SECTION 2. Subchapter 7, Chapter 39, Utilities Code, is  
6 amended by adding Section 39.9056 to read as follows:

7 Sec. 39.9056. DEMAND RESPONSE IN ERCOT POWER REGION. (a)

8 The legislature finds that electricity markets function most  
9 efficiently when supply side and demand side resources both  
10 contribute to the adequacy of the electric system. The legislature  
11 also finds that the ERCOT power region has not yet achieved its  
12 potential for demand response, and, therefore, it is the policy of  
13 this state to promote the development of demand response to its  
14 maximum potential and to eliminate unnecessary barriers to demand  
15 response participation.

16 (b) In this section:

17 (1) "Demand response" means changes in electric usage  
18 by customers from their normal consumption patterns in response to:

19 (A) changes in the price of electricity use over  
20 time; or

21 (B) incentive payments designed to induce lower  
22 electricity use at times of high wholesale market prices or when  
23 system reliability is jeopardized.

24 (2) "Demand response provider" means a competitive  
25 energy services provider that aggregates customer load reduction  
26 capabilities, including reliability demand response capability,  
27 and offers those capabilities into an electricity market or

1 program.

2 (3) "Reliability demand response" means demand  
3 response to be dispatched by an independent system operator or a  
4 distribution utility in response to an electric grid reliability  
5 issue.

6 (c) The commission by rule shall:

7 (1) require the independent organization certified  
8 under Section 39.151 for the ERCOT power region to provide the  
9 commission not less frequently than December 1 of each odd-numbered  
10 year with an analysis of the potential demand response opportunity  
11 and penetration in the ERCOT power region;

12 (2) promote development of demand response  
13 participation by customers in all customer classes;

14 (3) remove barriers to demand response participation  
15 for demand response providers and for customers in all customer  
16 classes;

17 (4) ensure that customers in all customer classes have  
18 the option to contract for participation in demand response either  
19 directly with one or more demand response providers, including  
20 retail electric providers, with scheduling entities qualified by  
21 the independent system operator, or with a combination of entities  
22 consisting of the independent system operator and one or more  
23 demand response providers;

24 (5) establish and encourage markets, products,  
25 programs, or services for reliability demand response and other  
26 forms of demand response in wholesale and retail markets; and

27 (6) provide opportunities for demand response

1 providers and customers to participate in wholesale energy markets  
2 and ancillary services markets on a comparable basis with other  
3 resources, while accommodating differences in operational  
4 capabilities of various customer loads among customer classes,  
5 including but not limited to differences related to availability,  
6 dispatch notification timelines, curtailment response times, ramp  
7 rates, curtailment duration, and times required to return to  
8 service following an outage.

9         SECTION 3. The Public Utility Commission of Texas shall  
10 adopt rules as necessary to implement Section 39.9056, Utilities  
11 Code, as added by this Act, not later than May 1, 2024.

12         SECTION 4. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2023.