

By: Goodwin

H.B. No. 3637

A BILL TO BE ENTITLED

AN ACT

relating to the equitable distribution of involuntary load shedding events.

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

SECTION 1. Section 38.076(c), Utilities Code, is amended to read as follows:

(c) The commission by rule shall:

(1) categorize types of critical load that may be given the highest priority for power restoration; and

(2) require electric cooperatives, municipally owned utilities, and transmission and distribution utilities providing transmission service in the ERCOT power region to submit to each county and municipality in which the cooperative or utility provides service, the commission, and the independent organization certified under Section 39.151 for the region:

(A) customers or circuits the cooperative or utility has designated as critical load; and

(B) a plan for participating in load shedding in response to an involuntary load shedding event described by Subsection (a).

SECTION 2. Subchapter D, Chapter 38, Utilities Code, is amended by adding Sections 38.078 and 38.079 to read as follows:

Sec. 38.078. UPGRADES TO DISTRIBUTION SYSTEM. (a) Each transmission and distribution utility, municipally owned utility,

1 and electric cooperative shall make upgrades to the distribution
2 system operated by the utility or cooperative for the purpose of
3 more evenly distributing involuntary load shedding.

4 (b) A transmission and distribution utility, municipally
5 owned utility, or electric cooperative may recover reasonable and
6 necessary costs incurred in making upgrades to the distribution
7 system operated by the utility or cooperative.

8 (c) Each transmission and distribution utility, municipally
9 owned utility, and electric cooperative shall make a plan for using
10 advanced metering technology, software, equipment, and other
11 upgrades to a distribution system to deploy involuntary load
12 shedding.

13 (d) A plan developed under Subsection (c) may include use of
14 both advanced metering technology and distribution feeders.

15 Sec. 38.079. CRITICAL LOAD DESIGNATION. (a) The
16 commission by rule shall require electric cooperatives,
17 municipally owned utilities, and transmission and distribution
18 utilities to designate the following types of facilities as
19 critical load public safety customers, as defined by commission
20 rule:

- 21 (1) long-term care facilities;
22 (2) food pantries;
23 (3) homeless shelters;
24 (4) temporary shelters identified by the county;
25 (5) critical telecommunications facilities;
26 (6) critical water or wastewater facilities, as
27 defined by Section 418.0425, Government Code; and

1 (7) hospital facilities licensed under Chapter 241,
2 Health and Safety Code.

3 (b) The commission shall allow a county to designate a
4 critical load public safety customer, as defined by commission
5 rule.

6 SECTION 3. (a) In this section, the term "transmission and
7 distribution utility" has the meaning assigned by Section 31.002,
8 Utilities Code.

9 (b) Not later than September 1, 2024, the Public Utility
10 Commission of Texas shall adopt rules as necessary to implement the
11 changes in law made by this Act.

12 (c) A transmission and distribution utility, municipally
13 owned utility, or electric cooperative shall implement Section
14 38.078, Utilities Code, as added by this Act, not later than
15 September 1, 2027.

16 (d) The Public Utility Commission of Texas may extend the
17 deadline under Subsection (c) of this section by not more than one
18 year, on a case-by-case basis.

19 SECTION 4. This Act takes effect September 1, 2023.