

By: Hunter

H.B. No. 4831

A BILL TO BE ENTITLED

AN ACT

relating to the implementation of a program to meet the reliability needs in the ERCOT power region.

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

SECTION 1. Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.1595 to read as follows:

Sec. 39.166. RELIABILITY PROGRAM. (a) The commission may not implement a reliability program for the ERCOT power region that provides for the purchase of credits earned by generators based on generator availability during times of high demand and low supply at a centrally determined clearing price until an updated assessment on the cost to and impact on the ERCOT market of the proposed program is conducted by both the independent organization certified under Section 39.151 for the ERCOT power region and the independent market monitor. The assessment must include:

(1) an evaluation of the cost of new entry and the impact on consumer costs and the competitive retail market;

(2) compilation of detailed information regarding cost offsets realized through a reduction in ancillary services; and

(3) development of a set of metrics to measure the impact of the program on system reliability.

(b) The reliability program described in Subsection (a) implemented by the commission must provide that:

1 (1) credits are centrally cleared to avoid market
2 manipulation by affiliated generation and retail companies;

3 (2) participation in the program is limited to
4 dispatchable resources with the specific attributes necessary to
5 meet operational needs of the ERCOT power region;

6 (3) qualifying generators receive performance credits
7 not to exceed the amount of generation bid into the forward market
8 on an individual basis;

9 (4) generating units receive performance credits only
10 for providing power during the tightest hours as defined by the
11 commission;

12 (5) a penalty structure exists for generators that bid
13 into the forward market but do not meet their full obligation,
14 without exception, that results in a net benefit to load;

15 (6) the independent market monitor has the authority
16 and necessary resources to investigate potential instances of
17 market manipulation, including financial and physical actions, and
18 recommend penalties to the commission; and

19 (7) the program is subject to an independent review to
20 determine the benefits of its continuation that must be completed
21 by January 1, 2029.

22 (c) This section expires September 1, 2029.

23 SECTION 2. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2023.