

By: Zaffirini

S.B. No. 31

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

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

24 (a) A transmission and distribution utility, [~~(c-1)~~
25 ~~Notwithstanding any other provision of this title except Section~~
26 ~~11.009, and except as provided by Subsection (c-2), a person,~~
27 ~~including an electric utility or]~~ municipally owned utility, or

1 electric cooperative may not interconnect a facility described by
2 Section 39A.0101 [~~to the ERCOT transmission grid that enables~~
3 ~~additional power to be imported into or exported out of the ERCOT~~
4 ~~power grid~~] unless the utility or cooperative [~~person~~] obtains a
5 certificate from the commission in the manner provided by Chapter
6 37 and this chapter stating that the interconnection does not pose a
7 significant and imminent risk to public health and safety [~~public~~
8 ~~convenience and necessity requires or will require the~~
9 ~~interconnection~~].

10 (b) In the case of a conflict between Chapter 37 and this
11 chapter, this chapter prevails.

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

14 (d) Unless otherwise provided by federal law, the
15 commission shall approve an application for a certificate described
16 by Subsection (a) unless the commission determines that granting
17 the application poses a significant and imminent risk to public
18 health and safety.

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

25 (f) [The commission shall apply Section 37.056 in
26 considering an application under this subsection. In addition, the
27 commission must determine that the application is consistent with

1 ~~the public interest before granting the certificate. The commission~~
2 ~~may adopt rules necessary to implement this subsection. This~~
3 ~~subsection does not apply to a facility that is in service on~~
4 ~~December 31, 2014.~~

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

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

22 SECTION 3. This Act does not require the Public Utility
23 Commission of Texas to amend a certificate of convenience and
24 necessity issued under Chapter 37, Utilities Code, before the
25 effective date of this Act.

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