

By: Middleton

S.B. No. 1707

A BILL TO BE ENTITLED

AN ACT

relating to reliability backup service for non-dispatchable generation resources 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 39.1591 to read as follows:

Sec. 39.1591. BACKUP RELIABILITY SERVICE FOR NON-DISPATCHABLE GENERATION. (a) For the purposes of this section, a generation facility is considered to be non-dispatchable if the facility's generation output is controlled primarily by forces outside of human control.

(b) Each non-dispatchable wholesale generation resource in the ERCOT power region shall pay a charge for reliability backup service during each interval the non-dispatchable wholesale generation resource is not available to meet system needs as scheduled. The charge must be paid to dispatchable thermal resources providing energy or ancillary services during the intervals when the reliability backup service is required.

(c) The commission shall:

(1) establish the charge for reliability backup service in an amount necessary to fully compensate dispatchable thermal resources for providing reliability backup service to improve and maintain the reliability of the grid; and

(2) direct the ERCOT independent system operator to

1 settle the charge for reliability backup service periodically.

2 SECTION 2. This Act takes effect September 1, 2023.