

By: Kolkhorst, Campbell, Nichols

S.B. No. 1751

A BILL TO BE ENTITLED

AN ACT

relating to the regulation and tax treatment of facilities in the ERCOT power region that demand a large load of interruptible power.

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. VIRTUAL CURRENCY MINING AS DEMAND RESPONSE.

(a) In this section:

(1) "Virtual currency" has the meaning assigned by Section 12.001, Business & Commerce Code.

(2) "Virtual currency mining facility" means a facility that uses electronic equipment to add virtual currency transactions to a distributed ledger.

(b) The commission shall require the independent organization certified under Section 39.151 for the ERCOT power region to ensure that any demand response program operated by the independent organization to respond to emergencies that provides compensation for load reductions is open to participation by a virtual currency mining facility that is registered as a large flexible load under Section 39.360 only if the anticipated demand provided under Section 39.360(b) for all facilities of that type participating in the program is less than 10 percent of the total load required by all loads in the program.

SECTION 2. Subchapter H, Chapter 39, Utilities Code, is

1 amended by adding Section 39.360 to read as follows:

2 Sec. 39.360. LARGE FLEXIBLE LOAD REGISTRATION. (a) The  
3 commission by rule shall require a person who enters into an  
4 agreement for retail electric service in the ERCOT power region to  
5 register the facility receiving service as a large flexible load  
6 under this section if:

7 (1) the person anticipates that the facility will  
8 require a total load of more than 10 megawatts before the second  
9 anniversary of the date the agreement begins; and

10 (2) the facility load is interruptible.

11 (b) The rules must require a person described by Subsection  
12 (a) to:

13 (1) register the large flexible load with the  
14 commission not later than one business day after the date the  
15 agreement begins; and

16 (2) provide the commission with:

17 (A) the location of the facility; and

18 (B) the anticipated demand from the facility for  
19 the five-year period beginning on the date of the registration.

20 SECTION 3. Subchapter A, Chapter 312, Tax Code, is amended  
21 by adding Section 312.0022 to read as follows:

22 Sec. 312.0022. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN  
23 VIRTUAL CURRENCY MINING PROPERTY. (a) In this section:

24 (1) "Virtual currency" has the meaning assigned by  
25 Section 12.001, Business & Commerce Code.

26 (2) "Virtual currency mining facility" means a  
27 facility that uses electronic equipment to add virtual currency

1 transactions to a distributed ledger.

2 (b) This section applies only to a virtual currency mining  
3 facility registered as a large flexible load under Section 39.360,  
4 Utilities Code.

5 (c) The governing body of a taxing unit may not enter into an  
6 agreement under this chapter to exempt from taxation a portion of  
7 the value of real property on which a virtual currency mining  
8 facility is located or is planned to be located during the term of  
9 the agreement, or of tangible personal property that is located or  
10 is planned to be located on the real property during that term.

11 SECTION 4. Section 312.0022, Tax Code, as added by this Act,  
12 applies only to an agreement entered into under Chapter 312, Tax  
13 Code, on or after the effective date of this Act.

14 SECTION 5. This Act takes effect September 1, 2023.