

By: Reynolds

H.B. No. 318

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. Section 31.002(5), Utilities Code, is amended to  
read as follows:

(5) "Electric Reliability Council of Texas" or "ERCOT"  
means:

(A) the area in Texas served by electric  
utilities, municipally owned utilities, and electric cooperatives  
that is not synchronously interconnected with electric utilities  
outside the state; or

(B) if the commission approves a synchronous  
interconnection under Chapter 39A, an area designated by the  
commission by rule as necessary to administer this subtitle.

SECTION 2. 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

1 necessary to:

2 (1) access transmission service from outside of the  
3 ERCOT power region; and

4 (2) purchase power at wholesale from outside of the  
5 ERCOT power region.

6 Sec. 39A.0102. COMMISSION AUTHORITY. (a) The commission  
7 may request any federal approval necessary for the interconnection  
8 of a facility described by Section 39A.0101.

9 (b) The commission shall require the independent  
10 organization certified for the ERCOT power region under Section  
11 39.151 to approve the interconnection of a facility described by  
12 Section 39A.0101 unless otherwise provided by federal law or the  
13 commission or the independent organization determines that the  
14 interconnection poses a significant and imminent risk to public  
15 health and safety.

16 (c) The commission may provide technical and administrative  
17 assistance to a transmission and distribution utility, municipally  
18 owned utility, or electric cooperative seeking to construct, own,  
19 or operate a facility described by Section 39A.0101.

20 Sec. 39A.0103. SYNCHRONOUS AND NON-SYNCHRONOUS  
21 INTERCONNECTIONS. (a) This chapter applies to synchronous and  
22 non-synchronous interconnections.

23 (b) Unless otherwise provided by federal law, the  
24 commission shall approve an application for a certificate of  
25 convenience and necessity submitted under Section 39A.0104 by a  
26 transmission and distribution utility, municipally owned utility,  
27 or electric cooperative for a facility that would synchronously

interconnect to a facility outside the ERCOT power region if the application complies with all applicable provisions of Chapter 37 and this chapter.

(c) Not later than September 1, 2027, the commission shall identify transmission facilities in ERCOT that may be synchronously interconnected with transmission facilities outside of ERCOT for the purpose of allowing federal regulation of transmission service and wholesale power sales in ERCOT. Notwithstanding any other law, the commission shall require a transmission and distribution utility, municipally owned utility, or electric cooperative that owns a transmission facility identified by the commission to make requests, obtain approvals, enter into contracts, and construct facilities as necessary to synchronously interconnect the facility with a transmission facility outside of ERCOT. This subsection expires August 31, 2031.

SECTION 3. Sections 37.051(c-1), (c-2), and (c-3), Utilities Code, are transferred to Chapter 39A, Utilities Code, as added by this Act, redesignated as Section 39A.0104, Utilities Code, and amended to read as follows:

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

(a) A transmission and distribution utility, [(c-1) Notwithstanding any other provision of this title except Section 11.009, and except as provided by Subsection (c-2), a person, including an electric utility or] municipally owned utility, or electric cooperative may not interconnect a facility described by Section 39A.0101 [to the ERCOT transmission grid that enables additional power to be imported into or exported out of the ERCOT

~~power grid]~~ unless the utility or cooperative ~~[person]~~ obtains a certificate from the commission in the manner provided by Chapter 37 and this chapter stating that the interconnection does not pose a significant and imminent risk to public health and safety ~~[public convenience and necessity requires or will require the interconnection]~~.

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

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

(d) The commission shall approve an application for a certificate described by Subsection (a) unless otherwise provided by federal law or the commission determines that granting the application poses a significant and imminent risk to public health and safety.

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

(f) ~~[The commission shall apply Section 37.056 in considering an application under this subsection. In addition, the commission must determine that the application is consistent with the public interest before granting the certificate. The commission may adopt rules necessary to implement this subsection. This subsection does not apply to a facility that is in service on~~

1 ~~December 31, 2014.~~

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

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

19       SECTION 4. This Act takes effect on the 91st day after the  
20 last day of the legislative session.