

By: Reynolds

H.B. No. 838

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) The commission shall require the independent organization certified for the ERCOT power region under Section 39.151 to approve the interconnection of a facility described by

1 Section 39A.0101 unless otherwise provided by federal law or the
2 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 (c) Not later than September 1, 2027, the commission shall
21 identify transmission facilities in ERCOT that may be synchronously
22 interconnected with transmission facilities outside of ERCOT for
23 the purpose of allowing federal regulation of transmission service
24 and wholesale power sales in ERCOT. Notwithstanding any other law,
25 the commission shall require a transmission and distribution
26 utility, municipally owned utility, or electric cooperative that
27 owns a transmission facility identified by the commission to make

1 requests, obtain approvals, enter into contracts, and construct
2 facilities as necessary to synchronously interconnect the facility
3 with a transmission facility outside of ERCOT. This subsection
4 expires August 31, 2031.

5 SECTION 2. Sections 37.051(c-1), (c-2), and (c-3),
6 Utilities Code, are redesignated as Section 39A.0104, Utilities
7 Code, and amended to read as follows:

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

9 (a) A transmission and distribution utility, [(c-1)
10 Notwithstanding any other provision of this title except Section
11 11.009, and except as provided by Subsection (c-2), a person,
12 including an electric utility or] municipally owned utility, or
13 electric cooperative may not interconnect a facility described by
14 Section 39A.0101 [to the ERCOT transmission grid that enables
15 additional power to be imported into or exported out of the ERCOT
16 power grid] unless the utility or cooperative [person] obtains a
17 certificate from the commission in the manner provided by Chapter
18 37 and this chapter stating that the interconnection does not pose a
19 significant and imminent risk to public health and safety [public
20 convenience and necessity requires or will require the
21 interconnection].

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

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

26 (d) The commission shall approve an application for a
27 certificate described by Subsection (a) unless otherwise provided

1 by federal law or the commission determines that granting the
2 application poses a significant and imminent risk to public health
3 and safety.

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

10 (f) [~~The commission shall apply Section 37.056 in~~
11 ~~considering an application under this subsection. In addition, the~~
12 ~~commission must determine that the application is consistent with~~
13 ~~the public interest before granting the certificate. The commission~~
14 ~~may adopt rules necessary to implement this subsection. This~~
15 ~~subsection does not apply to a facility that is in service on~~
16 ~~December 31, 2014.~~

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

1 the final order of the Federal Energy Regulatory Commission.

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

7 SECTION 3. This Act takes effect September 1, 2025.