

By: Rosenthal

H.B. No. 1603

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of the Public Utility Commission of Texas  
3 to ensure the independent organization certified for the ERCOT  
4 power region has adequate reserve power to prevent blackout  
5 conditions.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 39.159, Utilities Code, is amended by  
8 adding Subsections (f) and (g) to read as follows:

9 (f) The commission by rule shall develop a process for  
10 procuring emergency reserve power generation capacity, in addition  
11 to ancillary and reliability services procured under Subsections  
12 (b) and (d), as necessary to prevent blackout conditions caused by  
13 shortages of generated power in the ERCOT power region. The rules  
14 must provide:

15 (1) parameters for estimating the amount of emergency  
16 reserve power generation capacity necessary to prevent blackout  
17 conditions; and

18 (2) mechanisms for equitably sharing the costs of  
19 making the reserve capacity available and the costs of generated  
20 power provided to prevent blackout conditions.

21 (g) In accordance with rules adopted under Subsection (f),  
22 the independent organization certified under Section 39.151 for the  
23 ERCOT power region shall adopt procedures and enter contracts as  
24 necessary to ensure the availability of a defined amount of

1 emergency reserve power generation capacity the organization may  
2 call on to prevent blackouts caused by shortages of generated  
3 power. Before the independent organization calls on the emergency  
4 reserve power generation capacity to prevent blackout conditions,  
5 the organization shall use all other sources of power and demand  
6 reduction available in accordance with commission rules adopted  
7 under this section.

8         SECTION 2. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2025.