

By: Raymond

H.B. No. 3896

Substitute the following for H.B. No. 3896:

By: King

C.S.H.B. No. 3896

A BILL TO BE ENTITLED

AN ACT

relating to the generation of electric power by a water supply or sewer service corporation.

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

SECTION 1. Subchapter A, Chapter 67, Water Code, is amended by adding Section 67.0115 to read as follows:

Sec. 67.0115. ELECTRIC GENERATION. (a) A corporation may generate electric power for use in the corporation's operations, limited to:

(1) powering water well pumps, service pumps, and other equipment for the production, treatment, and transportation of raw water; and

(2) powering infrastructure for the treatment and delivery of potable drinking water.

(b) For the purposes of Subsection (a), a corporation operating solely as a wholesale water supplier or sewer service in a county with a population of less than 350,000 may generate excess electric power in conjunction with the uses described in Subsection (a) for sale in the ERCOT power region to provide revenue for the corporation only if the corporation:

(1) primarily generates electric power solely for the uses described in Subsection (a); and

(2) registers as a power generation company under Section 39.351, Utilities Code.

1 (c) A corporation that generates electric power for sale
2 under Subsection (b) shall account for and use the revenue from
3 those sales in a manner that complies with Section 67.004. The
4 revenue that accrues from those sales of electric power may be used
5 by the corporation only for:

6 (1) the corporation's costs of producing and selling
7 electric power, including administration, employees, equipment,
8 fuel, and maintenance; or

9 (2) a purpose described by Section 67.002.

10 SECTION 2. This Act takes effect September 1, 2025.