

By: King, et al.
(Guillen)

S.B. No. 231

A BILL TO BE ENTITLED

AN ACT

relating to temporary emergency electric energy facilities.

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

SECTION 1. Section 39.918, Utilities Code, is amended by amending Subsections (d) and (f) and adding Subsections (f-1), (f-2), (f-3), and (f-4) to read as follows:

(d) A facility ~~[Facilities]~~ described by Subsection (b)(1):

(1) must be operated in isolation from the bulk power system; ~~and~~

(2) may not be included in independent system operator:

(A) locational marginal pricing calculations;

(B) pricing; or

(C) reliability models;

(3) must be:

(A) mobile;

(B) capable of being moved from its staged location in less than 12 hours; and

(C) capable of generating electric energy within three hours after being connected to a demand source; and

(4) must have a maximum generation capacity of not more than five megawatts.

(f) A transmission and distribution utility shall ~~[when reasonably practicable]~~ use a competitive bidding process to lease

1 facilities under Subsection (b)(1).

2 (f-1) A transmission and distribution utility may not enter
3 into a lease under Subsection (b)(1) unless:

4 (1) the commission first, in a rate proceeding or a
5 separate contested case hearing, authorizes:

6 (A) the total generating capacity the utility may
7 lease; and

8 (B) the functions for which the utility may lease
9 facilities and the generation capacity the utility may lease for
10 each function; or

11 (2) the lease includes a provision that allows
12 alteration of the lease based on commission order or rule.

13 (f-2) The commission may limit the period during which an
14 authorization issued under Subsection (f-1) is valid.

15 (f-3) Notwithstanding Subsections (f) and (f-1)(1), a
16 transmission and distribution utility may enter into a lease under
17 Subsection (b)(1) without competitive bidding or prior commission
18 approval if:

19 (1) the transmission and distribution utility lacks
20 the leased generating capacity necessary to aid in restoring power
21 to the utility's customers during a significant power outage;

22 (2) the amount of leased generating capacity does not
23 significantly exceed the amount of megawatts necessary to restore
24 electric service to the utility's customers during a significant
25 power outage; and

26 (3) the term of the lease does not significantly
27 exceed the time period that is required to restore electric service

1 to the utility's customers during a significant power outage.

2 (f-4) A transmission and distribution utility that enters
3 into a lease in the manner provided by Subsection (f-3) shall
4 provide documentation to justify the amount of leased generating
5 capacity during the first base rate proceeding after the date the
6 lease begins.

7 SECTION 2. The changes in law made by this Act to Section
8 39.918(d), Utilities Code, apply only to a temporary emergency
9 electric energy facility leased by a transmission and distribution
10 utility on or after the effective date of this Act. A temporary
11 emergency electric energy facility that was leased by a
12 transmission and distribution utility under Section 39.918(b)(1),
13 Utilities Code, before the effective date of this Act is governed by
14 the law in effect at the time the lease was executed, and the former
15 law is continued in effect for that purpose.

16 SECTION 3. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2025.