

By: King, Swinford, Baxter, et al.

H.B. No. 2548

Substitute the following for H.B. No. 2548:

By: King

C.S.H.B. No. 2548

A BILL TO BE ENTITLED

AN ACT

relating to electric transmission capacity.

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

SECTION 1. Section 35.004(d), Utilities Code, is amended to read as follows:

(d) The commission shall price wholesale transmission services within ERCOT based on the postage stamp method of pricing under which a transmission-owning utility's rate is based on the ERCOT utilities' combined annual costs of transmission divided by the total demand placed on the combined transmission systems of all such transmission-owning utilities within a power region. An electric utility subject to the freeze period imposed by Section 39.052 may treat transmission costs in excess of transmission revenues during the freeze period as an expense for purposes of determining annual costs in the annual report filed under Section 39.257. Notwithstanding Section 36.201, the commission may approve wholesale rates that may be periodically adjusted to ensure timely recovery of transmission investment. Notwithstanding Section 36.054, the commission may authorize incentives or the inclusion of construction work in progress in the rate base for transmission investment required by the commission under Section 39.203(e).

SECTION 2. Section 37.056(c), Utilities Code, is amended to read as follows:

(c) The commission shall grant each certificate on a

1 nondiscriminatory basis after considering:

2 (1) the adequacy of existing service;

3 (2) the need for additional service;

4 (3) the effect of granting the certificate on the  
5 recipient of the certificate and any electric utility serving the  
6 proximate area; ~~and~~

7 (4) other factors, such as:

8 (A) community values;

9 (B) recreational and park areas;

10 (C) historical and aesthetic values;

11 (D) environmental integrity; and

12 (E) the probable improvement of service or  
13 lowering of cost to consumers in the area if the certificate is  
14 granted; and

15 (5) the ability of the electric utility to meet the  
16 goal for renewable capacity established by Section 39.904(a).

17 SECTION 3. Section 39.203(e), Utilities Code, is amended to  
18 read as follows:

19 (e) The commission may require an electric utility or a  
20 transmission and distribution utility to construct or enlarge  
21 facilities to ensure safe and reliable service for the state's  
22 electric markets and to reduce transmission constraints. In any  
23 proceeding brought under Chapter 37, an electric utility or  
24 transmission and distribution utility ordered to construct or  
25 enlarge facilities under this subchapter need not prove that the  
26 construction ordered is necessary for the service, accommodation,  
27 convenience, or safety of the public and need not address the

1 factors listed in Sections 37.056(c)(1)-(3) and (4)(E).

2 SECTION 4. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2003.