

Amend CSSB 483 (house committee printing) by adding the following appropriately numbered SECTION to read as follows and renumbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. (a) In this section, "commission" means the Public Utility Commission of Texas.

(b) The commission shall conduct a study on the potential of electric energy storage devices to benefit the operation of transmission and distribution systems. In conducting the study, the commission shall consider any relevant issues, including:

(1) the effect of the devices on system reliability;

(2) the advantages and disadvantages of transmission and distribution utilities owning and operating those devices as transmission and distribution facilities;

(3) the manner in which the devices may be integrated into the ERCOT operating system, if applicable;

(4) the manner in which the devices may benefit power generation companies, retail electric providers, electric utilities, and transmission and distribution utilities; and

(5) the appropriate methods to bill and account for any costs and revenue associated with the electric energy that is used to charge, and that is later discharged from, a device.

(c) The commission shall prepare a report on the results of the study required by this section. The report must include the commission's conclusions on the potential of electric energy storage devices and, as appropriate, recommendations to the legislature on legislation or other action necessary to realize that potential. The commission shall include the report in the electric market scope of competition report required by Section 31.003, Utilities Code, that the commission submits to the 81st Legislature. The commission shall conduct the study and prepare the report as required by this section:

(1) with input from the ERCOT independent system operator; and

(2) after requesting comments and input from all interested parties.

(d) The commission may authorize one or more electric utilities or transmission or distribution utilities to operate

demonstration projects that involve facilities capable of not more than two megawatts of electric energy storage for the purpose of obtaining a better understanding of the facilities':

(1) cost;

(2) value; and

(3) operational characteristics, including the efficient use of the transmission system and the facilities' effect on removing transmission constraints.

(e) The operation of a demonstration project under Subsection (d) of this section does not prejudice the study required by this section or any future determination relating to the appropriateness of an electric utility or transmission and distribution utility owning and operating electric energy storage facilities. This subsection and Subsection (d) of this section may not be interpreted to require an electric utility or transmission and distribution utility to install an electric energy storage facility.