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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: \_\_\_\_\_

Amend H.B. 1600 (House Committee Report) in Article 1 of the bill by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS of the article accordingly:

SECTION 1.\_\_\_\_. Section 15.023, Utilities Code, is amended by amending Subsections (b), (c), and (d) and adding Subsections (b-1) and (b-2) to read as follows:

(b) Except as provided by Subsection (b-1), the [The] penalty for a violation may be in an amount not to exceed \$25,000. Each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

(b-1) The penalty for a violation of a reliability standard adopted by the independent organization certified under Section 39.151 or of a commission rule relating to reliability in the wholesale electric market may be in an amount not to exceed \$100,000. Each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

(b-2) If a person pays a penalty to a federal authority for a violation of a reliability standard that is the same or substantially the same as a reliability standard adopted by the independent organization certified under Section 39.151:

(1) the commission may not assess an administrative penalty for the same instance or circumstance for which the person paid the federal penalty; and

(2) the commission shall refund the full amount of an administrative penalty that the commission assessed against the person before the date the person paid the federal penalty, if the commission assessed the penalty for the same instance or circumstance for which the person paid the federal penalty.

(c) The commission by rule shall establish a classification

1 system for violations described by Subsection (b) and a separate  
2 classification system for violations described by Subsection  
3 (b-1). Each system must include [~~that includes~~] a range of  
4 administrative penalties that may be assessed for each class of  
5 violation, based on:

6 (1) the seriousness of the violation, including:

7 (A) the nature, circumstances, extent, and  
8 gravity of a prohibited act; and

9 (B) the hazard or potential hazard created to the  
10 health, safety, or economic welfare of the public;

11 (2) the economic harm to property or the environment  
12 caused by the violation;

13 (3) the history of previous violations;

14 (4) the amount necessary to deter future violations;

15 (5) efforts to correct the violation; and

16 (6) any other matter that justice may require.

17 (d) The classification system established under Subsection  
18 (c) shall provide that a penalty in an amount that exceeds \$5,000  
19 may be assessed only if the violation is included in the highest  
20 class of violations in the classification system. This subsection  
21 does not apply to the classification system established under  
22 Subsection (c) for a violation described by Subsection (b-1).

23 SECTION 1.\_\_\_\_. The changes in law made by this article to  
24 Section 15.023, Utilities Code, apply only to a violation that  
25 occurs on or after the effective date of this Act. For purposes of  
26 this section, a violation occurs before the effective date of this  
27 Act if any element of the violation occurs before that date. A  
28 violation that occurs before the effective date of this Act is  
29 covered by the law in effect on the date the violation occurred, and  
30 the former law is continued in effect for that purpose.