

By: Watson

S.B. No. 1284

A BILL TO BE ENTITLED

AN ACT

relating to the development of electricity demand response programs.

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

SECTION 1. Section 39.101(b), Utilities Code, is amended to read as follows:

(b) A customer is entitled:

(1) to be informed about rights and opportunities in the transition to a competitive electric industry;

(2) to choose the customer's retail electric provider consistent with this chapter, to have that choice honored, and to assume that the customer's chosen provider will not be changed without the customer's informed consent;

(3) to have access to providers of energy efficiency services, to on-site distributed generation, ~~and~~ to providers of energy generated by renewable energy resources, and to participation in demand response through demand response providers;

(4) to be served by a provider of last resort that offers a commission-approved standard service package;

(5) to receive sufficient information to make an informed choice of service provider;

(6) to be protected from unfair, misleading, or deceptive practices, including protection from being billed for

1 services that were not authorized or provided; and

2 (7) to have an impartial and prompt resolution of
3 disputes with its chosen retail electric provider and transmission
4 and distribution utility.

5 SECTION 2. Subchapter Z, Chapter 39, Utilities Code, is
6 amended by adding Section 39.9053 to read as follows:

7 Sec. 39.9053. DEMAND RESPONSE IN ERCOT. (a) The
8 legislature finds that electricity markets function most
9 efficiently when supply side and demand side resources both
10 contribute to the adequacy of the electric system. The legislature
11 also finds that ERCOT has not yet achieved its potential for demand
12 response, and, therefore, it is the policy of this state to promote
13 the development of demand response to its maximum potential and to
14 eliminate unnecessary barriers to demand response participation in
15 ERCOT.

16 (b) In this section:

17 (1) "Demand response" means changes in electric usage
18 by customers from their normal consumption patterns in response to:

19 (A) changes in the price of electricity use over
20 time; or

21 (B) incentive payments designed to induce lower
22 electricity use at times of high wholesale market prices or when the
23 system reliability is jeopardized.

24 (2) "Demand response provider" means a competitive
25 energy services provider that aggregates customer load reduction
26 capabilities, including reliability demand response capability,
27 and offers those capabilities into an electricity market or

1 program.

2 (3) "Reliability demand response" means demand
3 response to be dispatched by an independent system operator or a
4 distribution utility in response to an electric grid reliability
5 issue.

6 (c) The commission by rule shall:

7 (1) require the independent organization certified
8 under Section 39.151 for the ERCOT region to provide the commission
9 not less frequently than December 1 of each odd-numbered year with
10 an analysis of the potential demand response opportunity and
11 penetration in the ERCOT region;

12 (2) promote development of demand response
13 participation by customers in all customer classes;

14 (3) remove barriers to demand response participation
15 for demand response providers and for customers in all customer
16 classes;

17 (4) ensure that customers in all customer classes have
18 the option to contract for participation in demand response either
19 directly with one or more demand response providers, including
20 retail electric providers, with scheduling entities qualified by
21 the independent system operator, or with a combination of entities
22 consisting of the independent system operator and one or more
23 demand response providers;

24 (5) establish and encourage markets, products,
25 programs, or services for reliability demand response and other
26 forms of demand response in wholesale and retail markets; and

27 (6) provide opportunities for demand response

1 providers and customers to participate in wholesale energy markets
2 and ancillary services markets on a comparable basis with other
3 resources, while accommodating differences in operational
4 capabilities of various customer loads among customer classes,
5 including but not limited to differences related to availability,
6 dispatch notification timelines, curtailment response times, ramp
7 rates, curtailment duration, and times required to return to
8 service following an outage.

9 SECTION 3. The Public Utility Commission of Texas shall
10 adopt rules as necessary to implement Section 39.9053, Utilities
11 Code, as added by this Act, not later than May 1, 2016.

12 SECTION 4. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2015.