

By: Oliveira

H.B. No. 1665

Substitute the following for H.B. No. 1665:

By: Geren

C.S.H.B. No. 1665

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of cross-border electric generating facilities.

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

SECTION 1. Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.159 to read as follows:

Sec. 39.159. SWITCHABLE ELECTRIC GENERATING FACILITIES FOR CROSS-BORDER DISPATCH. (a) In this section:

(1) "Critical load condition" means a temporary condition on a power grid that requires or may require the interruption of firm load.

(2) "Mexican power grid" means an electric power grid in the United Mexican States that is adjacent to the ERCOT power grid.

(3) "Switchable electric generating facility" means an electric generating facility that consists of one or more units that:

(A) are capable of synchronizing with and dispatching into the ERCOT power grid or the Mexican power grid at different times; and

(B) can each dispatch into only the ERCOT power grid or the Mexican power grid at any given time.

(b) Subject to Subsection (c), the commission shall approve a binding coordination agreement made between the operators of the

1 ERCOT power grid and the Mexican power grid that governs the  
2 dispatching of energy into the ERCOT power grid and the Mexican  
3 power grid from a new switchable electric generating facility that  
4 is capable of making all generating units available to serve the  
5 ERCOT power grid during an emergency and that is commissioned after  
6 September 1, 2017, if the agreement complies with the requirements  
7 of this section.

8 (c) The commission may impose reasonable conditions on a  
9 binding coordination agreement to protect the public interest.

10 (d) The commission shall approve a binding coordination  
11 agreement filed with the commission that complies with the  
12 requirements of this section not later than the 185th day after the  
13 date the agreement is filed.

14 (e) A binding coordination agreement must:

15 (1) require that at least 35 percent of the switchable  
16 electric generating facility be committed to serve the ERCOT power  
17 grid to the exclusion of the Mexican power grid during an ERCOT  
18 critical load condition, regardless of conditions on the Mexican  
19 power grid;

20 (2) provide reasonable assurance that the remaining  
21 nameplate capacity of the switchable electric generating facility  
22 cannot be denied to the operator of the Mexican power grid when the  
23 facility is called on by the operator of the Mexican power grid,  
24 regardless of whether an ERCOT critical load condition exists on  
25 the ERCOT power grid, unless the remaining capacity:

26 (A) has been offered to the ERCOT power grid and  
27 is selected by the operator of the ERCOT power grid to provide

1 ancillary services in accordance with Section 35.004(e); or

2 (B) is otherwise expressly contractually  
3 committed to the operator of the ERCOT power grid; and

4 (3) provide that the owner of the switchable electric  
5 generating facility is responsible for any penalties imposed on the  
6 operator of the ERCOT power grid by the commission, the Texas  
7 Reliability Entity, the Federal Energy Regulatory Commission, or  
8 the North American Electric Reliability Corporation for any action  
9 taken by the operator of the ERCOT power grid in accordance with  
10 Subdivision (2) if the entity imposing the penalty determines that  
11 a wrongful action of the switchable electric generating facility  
12 caused the violation for which the penalty is imposed.

13 (f) A binding coordination agreement may limit the  
14 provision of service from a unit to the ERCOT power grid during an  
15 emergency.

16 SECTION 2. This Act takes effect September 1, 2017.