

By: Oliveira

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

(2) "Mexican power grid" means the electric power grid in the northeast region of the United Mexican States.

(b) The commission shall adopt rules to encourage the development of switchable electric generating facilities that:

(1) are located in this state; and

(2) consist of multiple electric generating units each of which:

(A) can dispatch into only a single grid at any given time but is capable of synchronizing with and dispatching into the ERCOT power grid and the Mexican power grid at different times; and

(B) may be called on by ERCOT to address a load shedding condition.

1 (c) The rules must allow and encourage the adoption of a
2 binding coordination agreement by the operators of ERCOT and the
3 Mexican power grid to govern the dispatching of energy into the
4 ERCOT power grid and the Mexican power grid from a switchable
5 electric generating facility described by Subsection (b).

6 (d) For an agreement described by Subsection (c) that
7 requires that a new switchable electric generating facility have a
8 nameplate output at least 35 percent of which is from electric
9 generating units that, under the agreement, are committed to serve
10 the ERCOT power grid to the exclusion of the Mexican power grid
11 during an ERCOT load shedding condition, regardless of whether a
12 load shedding condition exists on the Mexican power grid, the rules
13 must:

14 (1) provide reasonable assurance that access to an
15 electric generating unit cannot be denied to the operator of the
16 Mexican power grid when the unit is called on by the operator,
17 regardless of whether a load shedding condition exists on the ERCOT
18 power grid, if the unit is not committed under the agreement to
19 serve the ERCOT power grid during a load shedding condition on the
20 ERCOT power grid; and

21 (2) establish a process for the commission to evaluate
22 an agreement described by Subsection (c) to determine whether the
23 agreement qualifies for the protections described by this
24 subsection.

25 SECTION 2. The Public Utility Commission of Texas shall
26 adopt rules as are necessary to implement Section 39.159, Utilities
27 Code, as added by this Act, not later than March 1, 2018.

1 SECTION 3. This Act takes effect September 1, 2017.