

AN ACT

relating to the establishment of rates for certain non-ERCOT utilities.

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

SECTION 1. Section 36.112(g), Utilities Code, is amended to read as follows:

(g) This section expires September 1, 2031 [~~2023~~].

SECTION 2. Section 36.211(f), Utilities Code, is amended to read as follows:

(f) This section expires September 1, 2031 [~~2023~~].

SECTION 3. Section 36.212(g), Utilities Code, is amended to read as follows:

(g) This section expires September 1, 2031 [~~2023~~].

SECTION 4. Subchapter E, Chapter 36, Utilities Code, is amended by adding Section 36.213 to read as follows:

Sec. 36.213. RECOVERY OF GENERATION INVESTMENT BY NON-ERCOT UTILITIES. (a) This section applies only to an electric utility that operates solely outside of ERCOT.

(b) An electric utility may file, and the commission may approve, an application for a rider to recover the electric utility's investment in a power generation facility.

(c) An application under Subsection (b) may be filed by the electric utility and approved by the commission before the electric utility places the power generation facility in service.

1 (d) Any rider approved under Subsection (b) shall take
2 effect on the date the power generation facility begins providing
3 service to the electric utility's customers.

4 (e) Amounts recovered through a rider approved under
5 Subsection (b) are subject to reconciliation in the first
6 comprehensive base rate proceeding for the electric utility that
7 occurs after approval of the rider. During the reconciliation, the
8 commission shall determine if the amounts recovered through the
9 rider are reasonable and necessary.

10 (f) If a rider approved under Subsection (b) includes
11 incremental recovery for a power generation facility greater than
12 \$200 million on a Texas jurisdictional basis, the electric utility
13 that filed the rider shall initiate a comprehensive base rate
14 proceeding at the commission not later than 18 months after the date
15 the rider takes effect.

16 (g) The commission shall adopt rules as necessary to
17 implement this section.

18 (h) This section expires September 1, 2031.

19 SECTION 5. Not later than September 1, 2020, the Public
20 Utility Commission of Texas shall adopt rules required by Section
21 36.213(g), Utilities Code, as added by this Act.

22 SECTION 6. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 1397 was passed by the House on April 5, 2019, by the following vote: Yeas 141, Nays 1, 2 present, not voting; that the House concurred in Senate amendments to H.B. No. 1397 on May 24, 2019, by the following vote: Yeas 142, Nays 0, 2 present, not voting; and that the House adopted H.C.R. No. 184 authorizing certain corrections in H.B. No. 1397 on May 24, 2019, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1397 was passed by the Senate, with amendments, on May 8, 2019, by the following vote: Yeas 30, Nays 1; and that the Senate adopted H.C.R. No. 184 authorizing certain corrections in H.B. No. 1397 on May 26, 2019, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor