

By: Phelan

H.B. No. 1397

A BILL TO BE ENTITLED

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) To encourage generation investment, an electric utility may file, and the commission may approve, an application for a rider to recover the electric utility's reasonable and necessary power generation investment and costs associated with that investment.

(c) To enable full and timely recovery, an application under Subsection (b) may be filed by the electric utility and approved by

1 the commission before the electric utility places the power
2 generation investment in service.

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

6 (e) A rider approved under Subsection (b) shall account for
7 changes in the number of an electric utility's customers and the
8 effects, on a weather-normalized basis, that energy consumption and
9 energy demand have on the amount of revenue recovered through the
10 electric utility's base rates.

11 (f) The commission shall adopt rules as necessary to
12 implement this section.

13 SECTION 5. Not later than September 1, 2020, the Public
14 Utility Commission of Texas shall adopt rules required by Section
15 36.213(f), Utilities Code, as added by this Act.

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