

**House Bill 1397**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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

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

SENATE VERSION (CS)

SECTION 1. Same as House version.

SECTION 2. Same as House version.

SECTION 3. Same as House version.

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.

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

CONFERENCE

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HOUSE VERSION

(e) If a rider approved under Subsection (b) includes incremental generation investment greater than \$200 million on a Texas jurisdictional basis, the electric utility that filed the rider shall initiate a comprehensive base rate proceeding at the commission not later than eighteen months after the date the rider takes effect.

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

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

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

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

SENATE VERSION (CS)

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

(f) If a rider approved under Subsection (b) includes recovery for a power generation facility that provides greater than \$200 million of Texas jurisdictional generation capacity, the electric utility that filed the rider shall initiate a comprehensive base rate proceeding at the commission not later than 18 months after the date the rider takes effect.

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

(h) This section expires September 1, 2031.

SECTION 5. Same as House version.

SECTION 6. Same as House version.

CONFERENCE