

By: Reynolds

H.B. No. 112

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of the Public Utility Commission of Texas  
3 to ensure the independent organization certified for the ERCOT  
4 power region has adequate reserve power to prevent blackout  
5 conditions.

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

7 SECTION 1. Subchapter D, Chapter 39, Utilities Code, is  
8 amended by adding Section 39.166 to read as follows:

9 Sec. 39.166. ENSURING RESERVE POWER CAPACITY. (a) The  
10 commission by rule shall develop a process for obtaining emergency  
11 reserve power generation capacity as appropriate to prevent  
12 blackout conditions caused by shortages of generated power in the  
13 ERCOT power region. The rules must provide:

14 (1) parameters for estimating the amount of emergency  
15 reserve power generation capacity necessary to prevent blackout  
16 conditions; and

17 (2) mechanisms for equitably sharing the costs of  
18 making the reserve capacity available and the costs of generated  
19 power provided to prevent blackout conditions.

20 (b) In accordance with rules adopted under Subsection (a),  
21 an independent organization certified under Section 39.151 for the  
22 ERCOT power region shall adopt procedures and enter contracts as  
23 necessary to ensure the availability of a defined amount of  
24 emergency reserve power generation capacity the organization may

1 call on to prevent blackouts caused by shortages of generated  
2 power.

3 (c) Before the independent organization calls on the  
4 emergency reserve power generation capacity to prevent blackout  
5 conditions, the organization shall use all other sources of power  
6 and demand reduction available in accordance with commission rules  
7 adopted under this section.

8 SECTION 2. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect on the 91st day after the last day of the  
13 legislative session.