By:  Reynolds H.B. No. 67

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

(b)  In accordance with rules adopted under Subsection (a), an independent organization certified under Section 39.151 for the ERCOT power region shall adopt procedures and enter contracts as necessary to ensure the availability of a defined amount of emergency reserve power generation capacity the organization may call on to prevent blackouts caused by shortages of generated power.

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

SECTION 2.  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 on the 91st day after the last day of the legislative session.