870701

FLOOR AMENDMENT NO._____ BY: Paddie

Amend C.S.H.B. No. 4492 (house committee printing) as follows:

(1) On page 4, line 4, strike "of the corporation".

(2) On page 9, line 20, before "Sections", insert "Subchapter M and".

(3) On page 10, line 16, between "substantial" and "balances", insert "default".

(4) On page 10, line 19, between "event" and the period, insert "and extraordinary ancillary service and reliability deployment price adder charges that were uplifted on a load ratio share basis".

(5) On page 10, line 26, between "market" and the period, insert "and uplift balances that were allocated to all load-serving entities on a load ratio share basis as a result of usage during the period of emergency".

(6) On page 12, between lines 9 and 10, insert the following:

(8) "Uplift charges" means charges for reliability deployment price adders and ancillary services costs in excess of the commission's system-wide offer cap that were uplifted to load-serving entities on a load ratio share basis due to energy consumption during the period of emergency. The term includes only uplifted amounts and does not include amounts that were part of the prevailing settlement point price.

(7) On page 12, line 12, after "default", add "or uplift".

(8) On page 12, line 20, strike "to the wholesale market".

(9) Insert "or uplift" in each of the following places:

(A) page 12, line 22, after "default"; and

(B) page 13, line 1, between "default" and "charges".

(10) Strike page 13, lines 10 through 18, substitute the following, and reletter subsequent subsections and cross-references to those subsections accordingly:

(c) Nonbypassable default charges must be collected and allocated among wholesale market participants using the same allocation methodology described in the protocols of the independent organization, as they existed on March 1, 2021. The rate associated with the nonbypassable default charges must be assessed on all wholesale market participants, including market participants who are in default but still participating in the wholesale market, and must be based on updated transaction data to prevent market participants from engaging in behavior designed to avoid the nonbypassable default charges.

(d) Notwithstanding another provision of this subchapter, nonbypassable default charges may not be collected from or allocated to a market participant that:

(1) would otherwise be subject to an uplift charge solely as a result of acting as a central counterparty clearinghouse in wholesale market transactions in the ERCOT power region; and

(2) is regulated as a derivatives clearing organization, as defined by the Commodity Exchange Act (7 U.S.C. Section 1a).

(e) Nonbypassable uplift charges must be allocated to all load-serving entities on a load ratio share basis, excluding the load of entities that have opted out under Subsection (f).

(f) The commission shall develop a process that allows a load-serving entity and any customer whose demand is greater than one megawatt and is served by a retail electric provider to opt out of the uplift charges by paying in full all invoices owed for usage during the period of emergency. Load-serving entities and

individual customers that opt out may not receive any proceeds from the uplift bonds.

(11) Insert "or uplift" in each of the following places:

(A) page 13, line 21, before "charges";

(B) page 14, line 17, before "charges";

(C) page 14, line 18, between "default" and "charges";

(D) page 14, line 20, between "default" and "charges";

(E) page 14, line 25, before "charges";

(F) page 15, line 1, between "default" and "property";

(G) page 15, line 2, between "Default" and "property";

(H) page 15, line 5, before "charges";

(I) page 15, line 10, before "charges";

(J) page 15, line 10, between "default" and "property"; and

(K) page 15, line 13, between "default" and "property".

(12) Strike page 15, lines 21 through 24, and substitute the following:

Sec. 39.606. DEFAULT AND UPLIFT CHARGES NONBYPASSABLE. A financing order shall include terms ensuring that the imposition and collection of default or uplift charges authorized in the order shall be nonbypassable, other than uplift charges paid under Section 39.603(f).

(13) Insert "or uplift" in each of the following places:

(A) page 15, line 26, between "default" and "charges";

(B) page 16, line 8, between "Default" and "property";

(C) page 16, line 11, between "default" and "property";

(D) page 16, line 14, between "default" and "property";

(E) page 16, line 21, between "default" and

"property";

(F) page 17, line 2, between "default" and "property";

(G) page 17, line 20, between "default" and "charges";

(H) page 17, line 23, between "default" and "property";

(I) page 18, line 4, between "default" and "charges";

(J) page 18, line 9, between "default" and "charges";

(K) page 18, line 15, between "default" and "property";

(L) page 18, line 16, between "default" and "charges";

(M) page 18, line 24, between "default" and "property"; and

(N) page 18, line 25, between "default" and "charges".

(14) On page 19, between lines 14 and 15, insert the following:

Sec. 39.613. CUSTOMER CHARGES. All load-serving entities that receive offsets to specific charges from the independent organization under this subchapter must adjust customer invoices to reflect these offsets for any charges that were or would otherwise be passed through to customers under the terms of service with the load-serving entity, including by providing a refund for any offset charges that were previously paid.