



FLOOR AMENDMENT NO. _____

BY: Patterson

1 Amend C.S.S.B. 3 (house committee report) by adding the
2 following appropriately numbered SECTION to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION _____. Subchapter D, Chapter 39, Utilities Code, is
5 amended by adding Section 39.160 to read as follows:

6 Sec. 39.160. MARKET DISTORTION RESPONSE. (a) The
7 commission and the ERCOT independent system operator shall adopt
8 rules, operating procedures, and protocols to eliminate or
9 compensate for any distortion in electricity pricing in the ERCOT
10 power region caused by a federal tax credit provided under 26 U.S.C.
11 Section 45.

12 (b) Rules, operating procedures, and protocols adopted
13 under this section must ensure that costs imposed on the system by
14 the sale of electricity that is eligible for a federal tax credit
15 provided under 26 U.S.C. Section 45, including costs of maintaining
16 sufficient capacity to serve load at the summer peak demand caused
17 by the loss of new investment from below-market prices, are paid by
18 the parties that impose the costs.

19 ~~(c) To ensure that the commission, operating~~
20 ~~procedures, and protocols adopted under this section, the commission and~~
21 ~~the ERCOT independent system operator shall eliminate any rules~~
22 ~~operating procedures, and protocols that do not adjust~~
23 ~~electricity prices to the full value of reserves at the~~
24 ~~reserve level and the peak load level and~~
25 ~~the minimum cost level, the full value of lost load.~~