

## **BILL ANALYSIS**

Senate Research Center  
87R11806 SGM-F

S.B. 2109  
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Jurisprudence  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

February's winter storms and sustained blackouts resulted in the loss of power, heat, and water for millions and the loss of life of more than 200 Texans.

S.B. 2109 creates the residential demand response program and directs the Public Utility Commission (PUC) to require each retail electric provider in the ERCOT power region to create a program to reduce the average total residential load.

The bill also requires all electric utilities, municipally owned utilities (MOUs), and electric cooperatives (co-ops) that own transmission and distribution assets in this state to file and implement a "transmission outage plan" and to make the plans publicly available.

These changes are made to increase transparency and reliability in our energy market.

As proposed, S.B. 2109 amends current law relating to the provision of electricity service in this state.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 2 (Section 39.918, Utilities Code) and SECTION 3 (Section 186.008, Utilities Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 39.101(b), Utilities Code, to provide that a retail electric utility customer is entitled to certain privileges, including participation in demand response programs through retail electric providers and demand response providers, and to receive notice from the retail electric provider that serves the customer when the independent organization certified under Section 39.151 (Essential Organizations) for the ERCOT power region issues an emergency energy alert about low operating reserves to providers of generation in the power region, or of imminent rolling outages and the length of time the outages are planned or expected to last. Makes nonsubstantive changes.

SECTION 2. Amends Subchapter Z, Chapter 39, Utilities Code, by adding Section 39.918, as follows:

Sec. 39.918. RESIDENTIAL DEMAND RESPONSE PROGRAM. (a) Requires the Public Utility Commission of Texas (PUC) by rule to require each retail electric provider in the ERCOT power region to create a residential demand response program to reduce the average total residential load by at least one percent of peak summer and winter demand by December 31, 2022; two percent of peak summer and winter demand by December 31, 2023; three percent of peak summer and winter demand by December 31, 2024; and five percent of peak summer and winter demand by December 31, 2025.

(b) Requires that the rules ensure that demand response participation is reasonably available to residential customers, promote the use of smart metering technology, ensure that demand response programs are capable of responding to

an emergency energy alert about low operating reserves issued by the independent organization certified under Section 39.151 for the ERCOT power region, provide opportunities for demand response providers to contract with retail electric providers to provide demand response services, and ensure the program does not impact the critical needs of vulnerable populations.

SECTION 3. Amends Subchapter A, Chapter 186, Utilities Code, by adding Section 186.008, as follows:

Sec. 186.008. TRANSMISSION OUTAGE PLAN. (a) Defines "commission."

(b) Requires the PUC by rule to require all electric utilities, as defined by Section 31.002 (Definitions), municipally owned utilities, and electric cooperatives that own transmission and distribution assets in this state to file and implement an outage plan that includes a plan for shutting off customer access to electricity in the event of the need for rolling outages to prevent brown-outs and black-outs. Requires that the rules require the utility or cooperative to update the plan annually; share the plan with the independent system operator, as defined by Section 31.002, for the area in which the utility or cooperative operates; and require the utility or cooperative to make the plan publicly available.

(c) Authorizes the PUC to require an electric utility, municipally owned utility, or electric cooperative subject to this section to file an updated transmission outage plan if the PUC finds that a transmission outage plan on file does not contain adequate information.

SECTION 4. Effective date: upon passage or September 1, 2021.