By:  Thierry H.B. No. 2016

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Public Utility Commission of Texas to ensure the Electric Reliability Council of Texas 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 39.159 to read as follows:

Sec. 39.159.  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 parameters for estimating the amount of emergency reserve power generation capacity necessary to prevent blackout conditions and mechanisms for equitably sharing the costs of contracting for the reserve capacity to be 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 shall contract with power generation companies for 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 undertake to use all market 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 September 1, 2021.