87R10667 CXP-D

By:  Dominguez H.B. No. 2544

A BILL TO BE ENTITLED

AN ACT

relating to the governing body of the independent organization certified to manage the ERCOT power region.

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

SECTION 1.  Section 39.151, Utilities Code, is amended by amending Subsection (g) and adding Subsections (g-2) and (g-3) to read as follows:

(g)  To maintain certification as an independent organization under this section, an organization's governing body, other than the ex officio members listed in this subsection, must be composed of persons specified by this section who represent the various geographic regions of this state, who have expertise in the field of power generation or transmission and distribution, and who are selected in accordance with formal bylaws or protocols of the organization. The bylaws or protocols must be approved by the commission and must reflect the input of the commission. The bylaws must specify the process by which appropriate stakeholders elect members and, for unaffiliated members, prescribe professional qualifications for selection as a member. The bylaws must require the use of a professional search firm to identify candidates for membership of unaffiliated members. The process must allow for commission input in identifying candidates. The governing body must be composed of:

(1)  the chairman of the commission as an ex officio nonvoting member;

(2)  the counsellor as an ex officio voting member representing residential and small commercial consumer interests;

(3)  the chief executive officer of the independent organization as an ex officio voting member;

(4)  six market participants elected by their respective market segments to serve one-year terms, with:

(A)  one representing independent generators;

(B)  one representing investor-owned utilities;

(C)  one representing power marketers;

(D)  one representing retail electric providers;

(E)  one representing municipally owned utilities; and

(F)  one representing electric cooperatives;

(5)  one member representing industrial consumer interests and elected by the industrial consumer market segment to serve a one-year term;

(6)  one member representing large commercial consumer interests selected in accordance with the bylaws to serve a one-year term; and

(7)  five members unaffiliated with any market segment and selected by the other members of the governing body to serve three-year terms.

(g-2)  To qualify to serve as a member of the governing body under Subsection (g)(4), (5), (6), or (7), a person must be a resident of this state.

(g-3)  To maintain certification as an independent organization under this section, an organization's chief executive officer must be a resident of this state.

SECTION 2.  (a) An independent organization certified under Section 39.151, Utilities Code, by the Public Utility Commission of Texas before September 1, 2021, shall hold elections and select new members as needed to modify the organization's governing body to comply with Section 39.151, Utilities Code, as amended by this Act, as soon as practicable, but not later than September 1, 2022.

(b)  An independent organization certified under Section 39.151, Utilities Code, by the Public Utility Commission of Texas before September 1, 2021, shall ensure that the chief executive officer of the organization is a resident of this state as soon as practicable, but not later than September 1, 2022.

(c)  After September 1, 2022, the Public Utility Commission of Texas may decertify an independent organization whose governing body or chief executive officer does not comply with Section 39.151, Utilities Code, as amended by this Act.

SECTION 3.  This Act takes effect September 1, 2021.