87R26508 BRG-F

By:  Hancock S.B. No. 1281

(King of Parker)

Substitute the following for S.B. No. 1281:

By:  Paddie C.S.S.B. No. 1281

A BILL TO BE ENTITLED

AN ACT

relating to a reliability assessment of the ERCOT power grid and certificates of public convenience and necessity for certain transmission projects.

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

SECTION 1.  Section 37.052, Utilities Code, is amended by adding Subsection (c) to read as follows:

(c)  An electric utility is not required to amend the utility's certificate of public convenience and necessity to construct a transmission line that connects the utility's existing transmission facilities to a load-serving substation or metering point if:

(1)  the transmission line does not exceed three miles in length;

(2)  each landowner whose property would be directly affected by the transmission line, as provided by commission rules, provides written consent for the transmission line; and

(3)  all rights-of-way necessary for construction of the transmission line have been purchased.

SECTION 2.  Section 37.056, Utilities Code, is amended by adding Subsection (c-1) and amending Subsection (d) to read as follows:

(c-1)  In considering the need for additional service under Subsection (c)(2) for a reliability transmission project that serves the ERCOT power region, the commission must consider the following:

(1)  historical load, forecasted load growth, and additional load currently seeking interconnection; and

(2)  security constrained optimal power flows for a reasonable range of power generation dispatch scenarios, including reliability limitations in serving load during high and low renewable generation output.

(d)  The commission by rule shall establish criteria, in addition to the criteria described by Subsection (c), for granting a certificate for a transmission project that serves the ERCOT power region, that is not necessary to meet state or federal reliability standards, and that is not included in a plan developed under Section 39.904(g) [~~does not serve a competitive renewable energy zone~~]. The criteria must include a comparison of the estimated cost of the transmission project for consumers and the estimated congestion cost savings for consumers that may result from the transmission project, considering both current and future expected congestion levels and the transmission project's ability to reduce those congestion levels. The commission shall include with its decision on an application for a certificate to which this subsection applies findings on the criteria.

SECTION 3.  Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.159 to read as follows:

Sec. 39.159.  GRID RELIABILITY ASSESSMENT. (a) The independent organization certified under Section 39.151 for the ERCOT power region shall conduct an annual assessment of the ERCOT power grid to assess the grid's reliability in extreme weather scenarios.

(b)  Each assessment must:

(1)  consider the impact of different levels of thermal and renewable generation availability; and

(2)  recommend transmission projects that may increase the grid's reliability in extreme weather scenarios.

SECTION 4.  The changes in law made by this Act apply only to a proceeding affecting a certificate of public convenience and necessity that commences on or after the effective date of this Act. A proceeding affecting a certificate of public convenience and necessity that commenced before the effective date of this Act is governed by the law in effect on the date the proceeding is commenced, and that law is continued in effect for that purpose.

SECTION 5.  This Act takes effect September 1, 2021.