

By: Holland

H.B. No. 2354

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the governing body of the independent organization to  
3 ensure access, reliability, adequacy, production, and market  
4 information of the ERCOT power region.

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

6 SECTION 1. Section 39.151, UTILITY CODE, is amended to read  
7 as follows:

8 (g) To maintain certification as an independent  
9 organization under this section, an organization's governing body  
10 must be composed of persons specified by this section and selected  
11 in accordance with formal bylaws or protocols of the organization.  
12 The bylaws or protocols must be approved by the commission and must  
13 reflect the input of the commission. The bylaws must specify the  
14 process by which appropriate stakeholders elect members and, for  
15 unaffiliated members, prescribe professional qualifications for  
16 selection as a member. The bylaws must require the use of a  
17 professional search firm to identify candidates for membership of  
18 unaffiliated members. The process must allow for commission input  
19 in identifying candidates. The governing body must be composed of:

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

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

24 (3) the chief executive officer of the independent

1 organization as an ex officio voting member;

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

4 (A) one representing independent generators;

5 (B) one representing investor-owned utilities;

6 (C) one representing power marketers;

7 (D) one representing retail electric providers;

8 (E) one representing municipally owned  
9 utilities; and

10 (F) one representing electric cooperatives;

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

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

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

20 (g-1) The presiding officer of the governing body must be  
21 one of the members described by Subsection (g)(7)

22 (g-2) To maintain certification as an independent  
23 organization under this section, all board members of the governing  
24 body under this Subsection must be a resident of Texas for tax  
25 purposes.

26 SECTION 2. (a) An independent organization certified under  
27 Section 39.151, Utilities Code, by the Public Utility Commission of

1 Texas before September 1, 2021, shall hold elections and select new  
2 members as needed to modify the organization's governing body to  
3 comply with Section 39.151, Utilities Code, as amended by this Act,  
4 as soon as practicable, but not later than September 1, 2022.

5 (b) An independent organization certified under Section  
6 39.151, Utilities Code, by the Public Utility Commission of Texas  
7 before September 1, 2021, shall ensure that the chief executive  
8 officer of the organization is a resident of this state as soon as  
9 practicable, but not later than September 1, 2022.

10 (c) After September 1, 2022, the Public Utility Commission  
11 of Texas may decertify an independent organization whose governing  
12 body or chief executive officer does not comply with Section  
13 39.151, Utilities Code, as amended by this Act.

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