

By: Price

H.B. No. 2467

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the governing body and executive management team of the
3 independent organization certified to manage the ERCOT power
4 region.

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

6 SECTION 1. Section 39.151, Utilities Code, is amended by
7 amending Subsections (g) and (g-1) and adding Subsections (g-2),
8 (g-3), and (g-4) to read as follows:

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

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

24 (2) the counsellor as an ex officio voting member

1 representing residential and small commercial consumer interests;

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

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

6 (A) one representing independent generators;

7 (B) one representing investor-owned utilities;

8 (C) one representing power marketers;

9 (D) one representing retail electric providers;

10 (E) one representing municipally owned
11 utilities; and

12 (F) one representing electric cooperatives;

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

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

19 (7) five members representing the public appointed by
20 the governor to serve four-year terms who are unaffiliated with any
21 market segment and who have no associations, including familial or
22 professional associations, with energy producers or providers of
23 any kind, with:

24 (A) one member who resides in a county with a
25 population of less than 75,000;

26 (B) one member who resides in a county with a
27 population of at least 75,000 but less than 250,000; and

1 (C) three members who reside in a county with a
2 population of at least 250,000 [~~five members unaffiliated with any~~
3 ~~market segment and selected by the other members of the governing~~
4 ~~body to serve three-year terms~~].

5 (g-1) The presiding officer and vice presiding officer of
6 the governing body must be one of the members described by
7 Subsection (g)(7).

8 (g-2) Members of the organization's governing body required
9 by Subsections (g)(4), (5), and (6) must be selected in accordance
10 with formal bylaws or protocols of the organization. The bylaws or
11 protocols must be approved by the commission and must reflect the
12 input of the commission. The bylaws must specify the process by
13 which appropriate stakeholders elect members and, for unaffiliated
14 members, prescribe professional qualifications for selection as a
15 member. The bylaws must require the use of a professional search
16 firm to identify candidates for membership of unaffiliated members.
17 The process must allow for commission input in identifying
18 candidates.

19 (g-3) To qualify to serve as a member of the governing body
20 under Subsection (g)(4), (5), (6), or (7), a person must have a
21 primary residence within the geographic area of the power region
22 served by the independent organization.

23 (g-4) To maintain certification as an independent
24 organization under this section, an organization's chief executive
25 officer and each member of the organization's executive management
26 team must have a primary residence within the geographic area of the
27 power region served by the independent organization.

1 SECTION 2. (a) Not later than December 1, 2021, the
2 governor shall appoint members to the governing body of an
3 independent organization certified under Section 39.151, Utilities
4 Code, by the Public Utility Commission of Texas before September 1,
5 2021, to comply with Section 39.151, Utilities Code, as amended by
6 this Act.

7 (b) The two members of the governing body of an independent
8 organization certified under Section 39.151, Utilities Code, by the
9 Public Utility Commission of Texas before September 1, 2021, who
10 are initially appointed under Sections 39.151(g)(7)(A) and (B),
11 Utilities Code, as amended by this Act, serve terms expiring
12 February 1, 2025, and the three members who are initially appointed
13 under Section 39.151(g)(7)(C), Utilities Code, as amended by this
14 Act, serve terms expiring February 1, 2023.

15 (c) An independent organization certified under Section
16 39.151, Utilities Code, by the Public Utility Commission of Texas
17 before September 1, 2021, shall hold elections and select new
18 members as needed to modify the organization's governing body to
19 comply with Section 39.151, Utilities Code, as amended by this Act,
20 as soon as practicable, but not later than January 31, 2022.

21 (d) An independent organization certified under Section
22 39.151, Utilities Code, by the Public Utility Commission of Texas
23 before September 1, 2021, shall ensure that the chief executive
24 officer and executive management team of the organization comply
25 with Section 39.151, Utilities Code, as amended by this Act, as soon
26 as practicable, but not later than January 31, 2022.

27 (e) After January 31, 2022, the Public Utility Commission of

1 Texas may decertify an independent organization whose governing
2 body, executive management team, or chief executive officer does
3 not comply with Section [39.151](#), Utilities Code, as amended by this
4 Act.

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