

By: Metcalf

H.B. No. 2522

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the governing body of the independent organization
3 certified to manage the ERCOT power region.

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

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

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

23 (1) five members appointed by the governor [~~the~~
24 ~~chairman of the commission as an ex officio nonvoting member~~];

1 (2) five members appointed by the lieutenant governor
2 ~~[the counsellor as an ex officio voting member representing~~
3 ~~residential and small commercial consumer interests]; and~~

4 (3) five members appointed by the speaker of the house
5 of representatives ~~[the chief executive officer of the independent~~
6 ~~organization as an ex officio voting member,~~

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

9 ~~[(A) one representing independent generators,~~

10 ~~[(B) one representing investor-owned utilities,~~

11 ~~[(C) one representing power marketers,~~

12 ~~[(D) one representing retail electric providers,~~

13 ~~[(E) one representing municipally owned~~
14 ~~utilities, and~~

15 ~~[(F) one representing electric cooperatives,~~

16 ~~[(5) one member representing industrial consumer~~
17 ~~interests and elected by the industrial consumer market segment to~~
18 ~~serve a one-year term,~~

19 ~~[(6) one member representing large commercial~~
20 ~~consumer interests selected in accordance with the bylaws to serve~~
21 ~~a one-year term, and~~

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

25 (g-1) The governing body of an independent organization
26 certified under this section shall elect a presiding officer from
27 among its members ~~[of the governing body must be one of the members~~

1 ~~described by Subsection (g)(7)].~~

2 (g-2) Members of the governing body of an independent
3 organization certified under this section serve staggered terms of
4 two years, with seven members' terms expiring February 1 of each
5 odd-numbered year and eight members' terms expiring February 1 of
6 each even-numbered year. Not later than the 30th day after the date
7 a member of the governing body's term expires, the appropriate
8 appointing authority shall appoint a replacement in the same manner
9 as the original appointment. If a vacancy occurs on the governing
10 body, the appropriate appointing authority shall appoint a
11 successor in the same manner as the original appointment to serve
12 for the remainder of the unexpired term. The appropriate
13 appointing authority shall appoint the successor not later than the
14 30th day after the date the vacancy occurs.

15 (g-3) To qualify for appointment as a member of the
16 governing body under Subsection (g), a person must be a resident of
17 this state.

18 (g-4) To maintain certification as an independent
19 organization under this section, an organization's chief executive
20 officer must be a resident of this state.

21 SECTION 2. (a) Not later than December 1, 2021, the
22 governor, lieutenant governor, and speaker of the house of
23 representatives shall comply with Section 39.151, Utilities Code,
24 as amended by this Act, by appointing members to the governing body
25 of an independent organization certified under Section 39.151,
26 Utilities Code, by the Public Utility Commission of Texas before
27 September 1, 2021. To establish staggered terms, the governor

1 shall designate seven initial appointees to serve terms expiring
2 February 1 of the next odd-numbered year and eight initial
3 appointees to serve terms expiring February 1 of the next
4 even-numbered year.

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.