

By: Paddie

H.B. No. 4378

A BILL TO BE ENTITLED

AN ACT

relating to the supply of power and the financial stability of the competitive wholesale and retail electricity markets.

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

SECTION 1. Chapter 39, Utilities Code, is amended by adding Sections 39.1513 and 39.1514 to read as follows:

Sec. 39.1513 ADEQUACY OF SUPPLY IN THE WHOLESALE ELECTRICITY MARKET (a) The commission shall adopt and enforce rules to promote adequacy of generation supply.

(b) Rules adopted under subsection (a) shall require:

(1) appropriate price signals in the wholesale power market; and

(2) seasonal or annual procurement of energy or generation capacity.

(c) Rules adopted under this section regarding wholesale power market price signals shall be designed to:

(1) moderate price volatility; and

(2) ensure revenues sufficient to encourage construction and operation of dispatchable generation resources necessary to ensure reliable power supply.

(d) The commission shall require the use of risk-weighted analysis to determine the quantities to be procured under subsection (b)(2).

(e) The commission shall ensure the costs of procuring

1 adequate generation supply under this section shall be equitably
2 apportioned to market participants.

3 Sec. 39.1514 FINANCIAL STABILITY OF WHOLESALE MARKET The
4 commission shall ensure that each participant in the wholesale
5 power market posts sufficient collateral or otherwise provides
6 sufficient assurance that it will meet its financial obligations
7 incurred in high and low customer demand conditions.

8 SECTION 2. This Act takes effect September 1, 2021.