A BILL TO BE ENTITLED

AN ACT

relating to the responsibility for ancillary services costs incurred for the operation of intermittent wind and solar resources.

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

SECTION 1. Section 35.004(e), Utilities Code, is amended to read as follows:

(e) The commission shall ensure that ancillary services necessary to facilitate the transmission of electric energy are available at reasonable prices with terms and conditions that are not unreasonably preferential, prejudicial, discriminatory, predatory, or anticompetitive. Ancillary services costs incurred by the ERCOT independent system operator to address reliability issues arising from the operation of intermittent wind and solar resources must be directly assigned by the ERCOT independent system operator to those resources. In this subsection, "ancillary services" means services necessary to facilitate the transmission of electric energy including load following, standby power, backup power, reactive power, and any other services as the commission may determine by rule. On the introduction of customer choice in the ERCOT power region, acquisition of generation-related ancillary services on a nondiscriminatory basis by the independent organization in ERCOT on behalf of entities selling electricity at retail shall be deemed to meet the requirements of this subsection.
SECTION 2. The Public Utility Commission of Texas shall adopt any rules required to implement Section 35.004(e), Utilities Code, as amended by this Act, not later than January 1, 2022.

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