

By: Hancock

S.B. No. 1278

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the responsibility for ancillary services costs
3 incurred for the operation of intermittent wind and solar
4 resources.

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

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

8 (e) The commission shall ensure that ancillary services
9 necessary to facilitate the transmission of electric energy are
10 available at reasonable prices with terms and conditions that are
11 not unreasonably preferential, prejudicial, discriminatory,
12 predatory, or anticompetitive. Ancillary services costs incurred
13 by the ERCOT independent system operator to address reliability
14 issues arising from the operation of intermittent wind and solar
15 resources must be directly assigned by the ERCOT independent system
16 operator to those resources. In this subsection, "ancillary
17 services" means services necessary to facilitate the transmission
18 of electric energy including load following, standby power, backup
19 power, reactive power, and any other services as the commission may
20 determine by rule. On the introduction of customer choice in the
21 ERCOT power region, acquisition of generation-related ancillary
22 services on a nondiscriminatory basis by the independent
23 organization in ERCOT on behalf of entities selling electricity at
24 retail shall be deemed to meet the requirements of this subsection.

1 SECTION 2. The Public Utility Commission of Texas shall
2 adopt any rules required to implement Section [35.004\(e\)](#), Utilities
3 Code, as amended by this Act, not later than January 1, 2022.

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