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.