

AN ACT

relating to a reliability assessment of the ERCOT power grid and certificates of public convenience and necessity for certain transmission projects.

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

SECTION 1. Section 37.052, Utilities Code, is amended by adding Subsection (c) to read as follows:

(c) An electric utility is not required to amend the utility's certificate of public convenience and necessity to construct a transmission line that connects the utility's existing transmission facilities to a substation or metering point if:

(1) the transmission line does not exceed:

(A) three miles in length, if the line connects to a load-serving substation or metering point; or

(B) two miles in length, if the line connects to a generation substation or metering point;

(2) each landowner whose property would be directly affected by the transmission line, as provided by commission rules, provides written consent for the transmission line; and

(3) all rights-of-way necessary for construction of the transmission line have been purchased.

SECTION 2. Section 37.056, Utilities Code, is amended by adding Subsection (c-1) and amending Subsection (d) to read as follows:

1 (c-1) In considering the need for additional service under
2 Subsection (c)(2) for a reliability transmission project that
3 serves the ERCOT power region, the commission must consider the
4 historical load, forecasted load growth, and additional load
5 currently seeking interconnection.

6 (d) The commission by rule shall establish criteria, in
7 addition to the criteria described by Subsection (c), for granting
8 a certificate for a transmission project that serves the ERCOT
9 power region, that is not necessary to meet state or federal
10 reliability standards, and that is not included in a plan developed
11 under Section 39.904(g) [~~does not serve a competitive renewable~~
12 energy zone]. The criteria must include a comparison of the
13 estimated cost of the transmission project for consumers and the
14 estimated congestion cost savings for consumers that may result
15 from the transmission project, considering both current and future
16 expected congestion levels and the transmission project's ability
17 to reduce those congestion levels. The commission shall include
18 with its decision on an application for a certificate to which this
19 subsection applies findings on the criteria.

20 SECTION 3. Subchapter D, Chapter 39, Utilities Code, is
21 amended by adding Section 39.159 to read as follows:

22 Sec. 39.159. GRID RELIABILITY ASSESSMENT. (a) The
23 independent organization certified under Section 39.151 for the
24 ERCOT power region shall conduct a biennial assessment of the ERCOT
25 power grid to assess the grid's reliability in extreme weather
26 scenarios.

27 (b) Each assessment must:

1 (1) consider the impact of different levels of thermal
2 and renewable generation availability; and

3 (2) recommend transmission projects that may increase
4 the grid's reliability in extreme weather scenarios.

5 SECTION 4. The changes in law made by this Act apply only to
6 a proceeding affecting a certificate of public convenience and
7 necessity that commences on or after the effective date of this Act.
8 A proceeding affecting a certificate of public convenience and
9 necessity that commenced before the effective date of this Act is
10 governed by the law in effect on the date the proceeding is
11 commenced, and that law is continued in effect for that purpose.

12 SECTION 5. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1281 passed the Senate on April 19, 2021, by the following vote: Yeas 31, Nays 0; May 28, 2021, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 28, 2021, House granted request of the Senate; May 30, 2021, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1281 passed the House, with amendments, on May 26, 2021, by the following vote: Yeas 142, Nays 1, two present not voting; May 28, 2021, House granted request of the Senate for appointment of Conference Committee; May 30, 2021, House adopted Conference Committee Report by the following vote: Yeas 137, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor