

By: Hancock
(King of Parker)

S.B. No. 1281

Substitute the following for S.B. No. 1281:

By: Paddie

C.S.S.B. No. 1281

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a reliability assessment of the ERCOT power grid and
3 certificates of public convenience and necessity for certain
4 transmission projects.

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

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

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

13 (1) the transmission line does not exceed three miles
14 in length;

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

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

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

23 (c-1) In considering the need for additional service under
24 Subsection (c)(2) for a reliability transmission project that

1 serves the ERCOT power region, the commission must consider the
2 following:

3 (1) historical load, forecasted load growth, and
4 additional load currently seeking interconnection; and

5 (2) security constrained optimal power flows for a
6 reasonable range of power generation dispatch scenarios, including
7 reliability limitations in serving load during high and low
8 renewable generation output.

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

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

25 Sec. 39.159. GRID RELIABILITY ASSESSMENT. (a) The
26 independent organization certified under Section 39.151 for the
27 ERCOT power region shall conduct an annual assessment of the ERCOT

1 power grid to assess the grid's reliability in extreme weather
2 scenarios.

3 (b) Each assessment must:

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

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

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

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