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(Unless otherwise indicated, all SECTIONS below are from FAI)

SECTION 1. Chapter 31, Utilities Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. SECURITIZATION CORPORATION

Sec. 31.101. PURPOSE. (a) The purpose of this subchapter is to create a corporation dedicated to financing costs that are eligible for securitization as provided by Subchapter M, Chapter 39, to securitize costs not securitized under Subchapter D, Chapter 41. An entity authorized to securitize costs under Subchapter M, Chapter 39, subject to any other requirements applicable to the authorization, may request that the Texas Electric Securitization Corporation conduct the financing on behalf of the entity.

(b) The Texas Electric Securitization Corporation is created under this subchapter as a special purpose public corporation and instrumentality of the state for the essential public purpose of providing a lower-cost financing mechanism for securitization in the manner provided by this subchapter.

(c) Bonds issued under this subchapter will be the obligation solely of the issuer and the corporation as borrower, if applicable, and will not be a debt of or a pledge of the faith and credit of the state.

(d) Bonds issued under this subchapter shall be nonrecourse to the credit or any assets of the state and the commission.

Sec. 31.102. DEFINITIONS. In this subchapter:

(1) "Corporation" means the Texas Electric Securitization Corporation.

(2) "Issuer" means the corporation or any other corporation, public trust, public instrumentality, or entity that issues bonds approved by a financing order.

No equivalent provision.

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Sec. 31.103. CREATION OF CORPORATION. (a) The corporation is a nonprofit corporation and instrumentality of this state, and shall perform the essential governmental function of financing eligible costs in accordance with this subchapter. The corporation:

(1) shall perform only functions consistent with this subchapter;

(2) shall exercise its powers through a governing board;

(3) is subject to the regulation of the commission; and

(4) has a legal existence as a public corporate body and instrumentality of the state separate and distinct from the state.

(b) Assets of the corporation may not be considered part of any state fund. The state may not budget for or provide any state money to the corporation. The debts, claims, obligations, and liabilities of the corporation may not be considered to be a debt of the state or a pledge of its credit.

(c) The corporation must be self-funded. Before the imposition of charges to recover securitized amounts, the corporation may accept and expend for its operating expenses money that may be received from any source, including financing agreements with the state, a commercial bank, or another entity to:

(1) finance the corporation's obligations until the corporation receives sufficient property to cover its operating expenses as financing costs; and

(2) repay any short-term borrowing under any such financing agreements.

(d) The corporation has the powers, rights, and privileges provided for a corporation organized under Chapter 22, Business Organizations Code, subject to the express exceptions and limitations provided by this subchapter.

(e) An organizer selected by the executive director of the

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commission shall prepare the certificate of formation of the corporation under Chapters 3 and 22, Business Organizations Code. The certificate of formation must be consistent with the provisions of this subchapter.

(f) State officers and agencies are authorized to render services to the corporation, within their respective functions, as may be requested by the commission or the corporation.

(g) The corporation or an issuer may:

(1) retain professionals, financial advisors, and accountants the corporation or issuer considers necessary to fulfill the corporation's or issuer's duties under this subchapter; and

(2) determine the duties and compensation of a person retained under Subdivision (1), subject to the approval of the commission.

(h) The corporation is governed by a board of five directors appointed by the commission for two-year terms.

(i) An official action of the board requires the favorable vote of a majority of the directors present and voting at a meeting of the board.

Sec. 31.104. POWERS AND DUTIES OF CORPORATION.

(a) The corporation, in each instance subject to the prior authorization of the commission, shall participate in the financial transactions authorized by this subchapter. The corporation may not engage in business activities except those activities provided for by this subchapter and those ancillary and incidental to those activities. The corporation or an issuer may not apply proceeds of bonds or charges to a purpose not specified in a financing order, to a purpose in an amount that exceeds the amount allowed for the purpose in the order, or to a purpose in contravention of the order.

(b) The board of the corporation, under the provisions of this subchapter, may employ or retain persons as are necessary to

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perform the duties of the corporation.

(c) The corporation may:

(1) acquire, sell, pledge, or transfer property as necessary to effect the purposes of this subchapter and, in connection with the action, agree to such terms and conditions as the corporation deems necessary and proper, consistent with the terms of a financing order:

(A) to acquire property and to pledge such property, and any other collateral:

(i) to secure payment of bonds issued by the corporation, together with payment of any other qualified costs; or

(ii) to secure repayment of any borrowing from any other issuer of bonds; or

(B) to sell the property to another issuer, which may in turn pledge that property, together with any other collateral, to the repayment of bonds issued by the issuer together with any other qualified costs;

(2) issue bonds on terms and conditions consistent with a financing order;

(3) borrow funds:

(A) from an issuer of bonds to acquire property, and pledge that property to the repayment of any borrowing from an issuer, together with any related qualified costs, all on terms and conditions consistent with a financing order; or

(B) for initial operating expenses;

(4) sue or be sued in its corporate name;

(5) intervene as a party before the commission or any court in this state in any matter involving the corporation's powers and duties;

(6) negotiate and become a party to contracts as necessary, convenient, or desirable to carry out the purposes of this subchapter; and

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(7) engage in corporate actions or undertakings that are permitted for nonprofit corporations in this state and that are not prohibited by, or contrary to, this subchapter.

(d) The corporation shall maintain separate accounts and records relating to each entity that collects charges for all charges, revenues, assets, liabilities, and expenses relating to the entity's related bond issuances.

(e) The board of the corporation may not authorize any rehabilitation, liquidation, or dissolution of the corporation and a rehabilitation, liquidation, or dissolution of the corporation may not take effect as long as any bonds are outstanding unless adequate protection and provision have been made for the payment of the bonds pursuant to the documents authorizing the issuance of the bonds. In the event of any rehabilitation, liquidation, or dissolution, the assets of the corporation must be applied first to pay all debts, liabilities, and obligations of the corporation, including the establishment of reasonable reserves for any contingent liabilities or obligations, and all remaining funds of the corporation must be applied and distributed as provided by an order of the commission.

(f) Before the date that is two years and one day after the date that the corporation no longer has any payment obligation with respect to any bonds, including any obligation to an issuer of any bonds outstanding, the corporation may not file a voluntary petition under federal bankruptcy law and neither any public official nor any organization, entity, or other person may authorize the corporation to be or to become a debtor under federal bankruptcy law during that period. The state covenants that it will not limit or alter the denial of authority under this subsection or Subsection (e), and the provisions of this subsection and Subsection (e) are hereby

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made a part of the contractual obligation that is subject to the state pledge set forth in Section 39.609.

(g) The corporation shall prepare and submit to the commission for approval an annual operating budget. If requested by the commission, the corporation shall prepare and submit an annual report containing the annual operating and financial statements of the corporation and any other appropriate information.

Sec. 31.105. COMMISSION REGULATION OF CORPORATION. The commission shall regulate the corporation as provided by this subchapter. Notwithstanding the regulation authorized by this section, the corporation is not a public utility.

Sec. 31.106. FINANCING ORDER. (a) This section applies to the commission's issuance of a financing order under this subchapter.

(b) Except as otherwise specifically provided by this subchapter, the provisions of this subtitle that address the commission's issuance of a financing order under other provisions of this subtitle also apply to the commission's issuance of a financing order under this subchapter.

(c) The corporation and any issuer must be a party to the commission's proceedings that address the issuance of a financing order along with the entity requesting securitization.

(d) In addition to the other applicable requirements of this subtitle, a financing order issued under this subchapter must:

(1) require the sale, assignment, or other transfer to the corporation of certain specified property created by the financing order and, following that sale, assignment, or transfer, require that charges paid under any financing order be created, assessed, and collected as the property of the corporation, subject to subsequent sale, assignment, or transfer

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by the corporation as authorized under this subchapter;

(2) authorize:

(A) the issuance of bonds by the corporation secured by a pledge of specified property, and the application of the proceeds of those bonds, net of issuance costs, to the acquisition of the property from the entity requesting securitization; or

(B) the acquisition of specified property from the entity requesting securitization by the corporation, financed:

(i) by a loan by an issuer to the corporation of the proceeds of bonds, net of issuance costs; or

(ii) by the acquisition by an issuer from the corporation of the property and in each case the pledge of the property to the repayment of the loan or bonds, as applicable; and

(3) authorize the entity requesting securitization to serve as collection agent to collect the charges and transfer the collected charges to the corporation, the issuer, or a financing party, as appropriate.

(e) After issuance of the financing order, the corporation shall arrange for the issuance of bonds as specified in the financing order by the corporation or another issuer selected by the corporation and approved by the commission.

(f) Bonds issued pursuant to a financing order under this section are secured only by the related property and any other funds pledged under the bond documents. No assets of the state or the entity requesting securitization are subject to claims by the holders of the bonds. Following assignment of the property, the entity requesting securitization does not have any beneficial interest or claim of right in such charges or in any property.

Sec. 31.107. SEVERABILITY. Effective on the date the first bonds are issued under this subchapter, if any provision in this

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title or portion of this title is held to be invalid or is invalidated, superseded, replaced, repealed, or expires for any reason, that occurrence does not affect the validity or continuation of this subchapter or any other provision of this title that is relevant to the issuance, administration, payment, retirement, or refunding of authorized securitization bonds or to any actions of an entity requesting securitization under this subchapter, its successors, an assignee, a collection agent, the corporation, an issuer, or a financing party, and those provisions shall remain in full force and effect.

No equivalent provision.

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SECTION 1. Section 404.0241, Government Code, is amended by adding Subsections (b-1), (b-2), (b-3), (b-4), and (b-5) to read as follows:

(b-1) Notwithstanding any other law, directly or indirectly through a separately managed account or other investment vehicle, the comptroller shall invest not more than \$800 million of the economic stabilization fund balance to finance the default balance as defined by Section 39.602, Utilities Code, to be repaid by ERCOT market participants through default charges established by the Public Utility Commission of Texas. The interest rate charged in connection with the debt obligations must be calculated by adding the rate determined by the Municipal Market Data Municipal Electric Index, as published by Refinitiv TM3, based on the credit rating of the independent organization, as defined by Section 39.602, Utilities Code, plus 2.5 percent. The term of the debt obligations may not exceed 30 years.

(b-2) A person may not bring a civil action against this state, the Texas Treasury Safekeeping Trust Company, or an employee, independent contractor, or official of this state,

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including the comptroller, for any claim, including breach of fiduciary duty or violation of any constitutional, statutory, or regulatory requirement, in connection with any action, inaction, decision, divestment, investment, report, or other determination made or taken in connection with Subsections (b-1), (b-4), and (b-5).

(b-3) A person who brings an action described by Subsection (b-2) is liable to the defendant for the defendant's costs and attorney's fees resulting from the action.

(b-4) The comptroller shall manage the investments required by Subsection (b-1) as a separate investment portfolio. The comptroller shall provide separate accounting and reporting for the investments in that portfolio. The comptroller shall credit to that portfolio all payments, distributions, interest, and other earnings on the investments in that portfolio.

(b-5) The comptroller has any power necessary to accomplish the purposes of managing and investing the assets of the portfolio described by Subsection (b-4). In managing the assets of that portfolio, through procedures and subject to restrictions the comptroller considers appropriate, the comptroller may acquire, sell, transfer, or otherwise assign the investments as appropriate, taking into consideration the purposes, terms, distribution requirements, and other circumstances of that portfolio then prevailing.

SECTION 2. Section 39.002, Utilities Code, is amended to read as follows:

Sec. 39.002. APPLICABILITY. This chapter, other than Subchapter M and Sections 39.151, 39.1516, 39.155, 39.157(e), 39.203, 39.904, 39.9051, 39.9052, and 39.914(e), does not apply to a municipally owned utility or an electric

SECTION 2. Section 39.002, Utilities Code, is amended to read as follows:

Sec. 39.002. APPLICABILITY. This chapter, other than Sections 39.151, 39.1516, 39.155, 39.157(e), 39.159, 39.203, 39.904, 39.9051, 39.9052, and 39.914(e), and Subchapters M and N, does not apply to a municipally owned utility or an

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cooperative. Sections 39.157(e), 39.203, and 39.904, however, apply only to a municipally owned utility or an electric cooperative that is offering customer choice. If there is a conflict between the specific provisions of this chapter and any other provisions of this title, except for Chapters 40 and 41, the provisions of this chapter control.

SECTION 3. Section 39.151, Utilities Code, is amended by adding Subsection (j-1) to read as follows:

(j-1) Notwithstanding Subsection (j), the independent system operator in ERCOT may not reduce payments to or charge uplift short-paid amounts from a municipally owned utility that becomes subject to the jurisdiction of the independent system operator in ERCOT on or after June 1, 2021, and before December 30, 2021, related to a default on a payment obligation by a market participant that occurred before June 1, 2021.

SECTION 4. Chapter 39, Utilities Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. SECURITIZATION FOR INDEPENDENT ORGANIZATION

Sec. 39.601. PURPOSE; USE OF PROCEEDS; BOND CHARGES. (a) The purpose of this subchapter is to enable the independent organization certified under Section 39.151 for the ERCOT power region to use securitization financing to fund substantial default balances that would otherwise be uplifted to the wholesale market as a result of market participants defaulting on amounts owed after an extreme pricing event and extraordinary ancillary service and

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electric cooperative. Sections 39.157(e), 39.203, and 39.904, however, apply only to a municipally owned utility or an electric cooperative that is offering customer choice. If there is a conflict between the specific provisions of this chapter and any other provisions of this title, except for Chapters 40 and 41, the provisions of this chapter control.

SECTION 3. Section 39.151, Utilities Code, is amended by adding Subsection (j-1) to read as follows:

(j-1) Notwithstanding Subsection (j) of this section, Section 39.653(c), or any other law, the independent system operator in the ERCOT power region may not reduce payments to or uplift short-paid amounts to a municipally owned utility that becomes subject to the jurisdiction of that independent system operator on or after May 29, 2021, and before December 30, 2021, related to a default on a payment obligation by a market participant that occurred before May 29, 2021.

SECTION 4. Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.159 to read as follows:

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reliability deployment price adder charges that were uplifted on a load ratio share basis. Securitization will allow wholesale market participants who are owed money to be paid in a more timely manner, while allowing the balance to be repaid over time at a low carrying cost. This subchapter and Subchapter D, Chapter 41, do not change, alter, or reduce the obligation of a market participant to timely and fully pay the debts or obligations of the market participant to the independent organization.

(b) The proceeds of bonds issued for the purpose described by Subsection (a) must be used solely for the purpose of financing default balances that otherwise would be or have been uplifted to the wholesale market and uplift balances that were allocated to all load-serving entities on a load ratio share basis as a result of usage during the period of emergency. The commission shall ensure that securitization provides tangible and quantifiable benefits to wholesale market participants, greater than would have been achieved absent the issuance of bonds.

(c) The commission shall ensure that the structuring and pricing of the bonds result in the lowest bond charges consistent with market conditions and the terms of the financing order. The present value calculation shall use a discount rate equal to the proposed interest rate on the bonds.

(d) The commission shall require that all market participants, including market participants not otherwise subject to this subchapter, pay or make provision for the full and prompt payment to the independent organization certified under Section 39.151 for the ERCOT power region of all amounts owed to the independent organization to qualify, or to

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Sec. 39.159. AMOUNTS OWED TO INDEPENDENT ORGANIZATION BY MARKET PARTICIPANTS.

(a) The commission shall require that all market participants fully and promptly pay to the independent organization certified under Section 39.151 for the ERCOT power region all amounts owed to the independent organization, or provide for the full and prompt payment of those amounts owed, which must be calculated solely according to the protocols of

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continue to qualify, as a market participant in the ERCOT power region.

The commission and the independent organization shall pursue collection in full of amounts owed to the independent organization by any market participant to reduce the qualifying costs that would otherwise be borne by other market participants or their customers.

No equivalent provision.

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the independent organization in effect during the period of emergency and subject to the jurisdiction of the commission, to qualify, or to continue to qualify, as a market participant in the ERCOT power region.

(b) The independent organization shall report to the commission that a market participant is in default for the failure to pay all amounts owed to the independent organization as calculated in accordance with this section. The commission may not allow the defaulting market participant to continue to be a market participant in the ERCOT power region for any purpose or allow the independent organization to accept the defaulting market participant's loads or generation for scheduling in the ERCOT power region until all amounts owed to the independent organization by the market participant as calculated in this section are fully paid.

(c) The commission and the independent organization shall pursue collection in full of amounts owed to the independent organization by any market participant to reduce the costs that would otherwise be borne by other market participants or their customers. [FA1]

SECTION __. Subchapter D, Chapter 39, Utilities Code, is amended by adding Sections 39.159 and 39.160 to read as follows:

Sec. 39.159. RESTITUTION REQUIRED. A wholesale market participant that receives funds from the financing mechanism authorized under Subchapter M or N shall repay the funds if the participant or an employee of the participant:

(1) submits a false certification that the participant provided

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all records required under Subchapter M or N to the attorney general;

(2) engages in false, misleading, or deceptive conduct related to Winter Storm Uri as determined in a proceeding under Section 17.46, Business & Commerce Code; or

(3) is convicted for criminal conduct arising out of activities related to Winter Storm Uri.

Sec. 39.160. INFORMATION DISCLOSURE REQUIRED FOR PARTICIPATION IN FINANCING. (a) Before a wholesale market participant may receive money from a financing mechanism authorized under Subchapter M or N, the participant must:

(1) submit to the attorney general:

(A) all documents, e-mails, or text messages relating to financial security transactions used to hedge or offset the cost of fuel or energy in February 2021; and

(B) all documents, e-mails, or text messages relating to qualified cost information for February 2021; and

(2) submit to the corporation an affidavit certifying that the participant has complied with Subdivision (1).

(b) Information provided to the attorney general under Subsection (a) is confidential and not subject to public disclosure under Chapter 552, Government Code.

(c) A market participant may not receive money under Subchapter M or N if the participant asserts a privilege as a reason for not fully complying with Subsection (a).

[FA1,FA2]

No equivalent provision.

SECTION 5. Chapter 39, Utilities Code, is amended by adding Subchapters M, N, and O to read as follows:

[FA1,FA5(1)]

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SUBCHAPTER M. WINTER STORM URI DEFAULT
BALANCE FINANCING [FA1]

Sec. 39.601. PURPOSE. (a) The purpose of this subchapter is to address the Winter Storm Uri default balance, as defined by Section 39.602, in a manner that benefits the public interest by:

(1) enabling the independent organization to finance the payment of the default balance with debt obligations; and

(2) authorizing the commission to contract with the comptroller under Section 404.0241, Government Code, to finance the payment of the default balance with debt obligations.

(b) Financing the default balance in the manner provided by this subchapter will:

(1) allow wholesale market participants that are owed money to be paid in a more timely manner;

(2) replenish financial revenue auction receipts temporarily used by the independent organization to reduce the Winter Storm Uri-related amounts short-paid to the wholesale market participants; and

(3) allow the wholesale market to repay the default balance over time.

(c) The legislature finds that the financing authorized by this subchapter serves the public purpose of preserving the integrity of the electricity market in the ERCOT power region.

(d) The proceeds of debt obligations issued under this subchapter must be used solely for the purpose of financing default balances that otherwise would be or have been uplifted to the wholesale market.

(e) The commission shall ensure that the structuring and pricing of debt obligations issued under this subchapter result in the lowest financing costs consistent with market conditions

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and the terms of the commission's order. The present value calculation must use a discount rate equal to the proposed interest rate on the debt obligations.

Sec. 39.602. DEFINITIONS. In this subchapter:

(1) "Assignee" means any individual, corporation, or other legally recognized entity to which an interest in default or uplift property is transferred, other than as security.

(2) "Default charges" means nonbypassable amounts to be charged on all wholesale market transactions administered by the independent organization certified under Section 39.151 for the ERCOT power region, approved by the commission under a financing order to recover qualified costs, that shall be collected by the independent organization, its successors, an assignee, or other collection agents as provided by the financing order.

(3) "Financing order" means an order of the commission approving the issuance of bonds and the creation of charges for the recovery of qualified costs.

(4) "Financing party" means a holder of bonds, including trustees, collateral agents, and other persons acting for the

Sec. 39.602. DEFINITIONS. In this subchapter:

(1) "Default balance" means an amount of money of not more than \$800 million that includes only:

(A) amounts owed to the independent organization by competitive wholesale market participants from the period of emergency that otherwise would be or have been uplifted to other wholesale market participants; and

(B) financial revenue auction receipts used by the independent organization to temporarily reduce amounts short-paid to wholesale market participants related to the period of emergency.

(2) "Default charges" means charges assessed to wholesale market participants to repay amounts financed under this subchapter to pay the default balance.

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benefit of the holder.

(5) "Independent organization" means the independent organization certified under Section 39.151 for the ERCOT power region.

(6) "Load-serving entity" means a municipally owned utility, an electric cooperative, or a retail electric provider.

(7) "Period of emergency" means the period beginning 12:00 a.m., February 12, 2021, and ending 11:59 p.m., February 20, 2021.

(8) "Qualified costs" means a default balance resulting from the period of emergency that otherwise would be or has been uplifted to other wholesale market participants, together with the costs of issuing, supporting, and servicing bonds and any costs of retiring and refunding existing debt in connection with the issuance of the bonds.

(9) "Uplift charges" means charges for reliability deployment price adders and ancillary services costs in excess of the commission's system-wide offer cap that were uplifted to load-serving entities on a load ratio share basis due to energy consumption during the period of emergency. The term includes only uplifted amounts and does not include amounts that were part of the prevailing settlement point price.

Sec. 39.603. FINANCING ORDERS; TERMS. (a) On application of the independent organization, the commission may adopt a financing order to recover the costs of a substantial default or uplift balance of qualified costs resulting from a significant pricing event on making a finding that such financing is needed to preserve the integrity of the wholesale market and the public interest after considering:

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(3) "Independent organization" means the independent organization certified under Section 39.151 for the ERCOT power region.

(4) "Period of emergency" means the period beginning 12:01 a.m., February 12, 2021, and ending 11:59 p.m., February 20, 2021.

Sec. 39.603. DEBT OBLIGATION ORDER. (a) On application by the independent organization, the commission by order may authorize the independent organization to establish a debt financing mechanism to finance the default balance if the commission finds that the debt obligations are needed to preserve the integrity of the wholesale market and the public interest, after considering:

(1) the need to timely replenish financial revenue auction receipts used by the independent organization to reduce

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(1) the interests of wholesale market participants who are owed balances; and

(2) the potential effects of uplifting those balances without a financing vehicle.

(b) The financing order must detail the amounts to be recovered and the period over which the nonbypassable default or uplift charges shall be recovered. The period may not exceed 30 years. If an amount determined under this section is subject to judicial review of a commission order, a bankruptcy proceeding, or another type of litigation at the time of the securitization proceeding.

the financing order shall include an adjustment mechanism requiring the independent organization to adjust its default or uplift charges in a manner that would refund, over the remaining life of the bonds, any overpayments resulting from securitization of amounts in excess of the amount resulting from a final determination after completion of all appellate reviews. The adjustment mechanism may not affect the stream of revenue available to service the bonds. An adjustment may not be made under this subsection until all appellate reviews have been completed, including appellate reviews following a commission decision on remand of its original orders, if applicable.

(c) Nonbypassable default charges must be collected and allocated among wholesale market participants using the same allocation methodology described in the protocols of the independent organization, as they existed on March 1, 2021. The rate associated with the nonbypassable default charges must be assessed on all wholesale market participants, including market participants who are in default but still participating in the wholesale market, and must be based on

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amounts short-paid to wholesale market participants;

(2) the interests of wholesale market participants that are owed balances; and

(3) the potential effects of uplifting those balances to the wholesale market without a financing vehicle.

(b) The order must state:

(1) the default balance to be financed; and

(2) the period over which the default charges must be assessed to repay the debt obligations, which may not exceed 30 years.

(c) The order must include an adjustment mechanism requiring the independent organization to adjust default charges to refund, over the remaining period of the default charges, any payments made by a competitive load-serving entity toward unpaid obligations from the period of emergency that were included in the financed default balance.

(d) The independent organization shall collect from and allocate among wholesale market participants the default charges using the same allocated pro rata share methodology under which the charges would otherwise be uplifted under the protocols in effect on March 1, 2021. The default charges must be assessed on all wholesale market participants, including market participants who are in default but still participating in the wholesale market, and may be based on

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updated transaction data to prevent market participants from engaging in behavior designed to avoid the nonbypassable default charges.

(d) Notwithstanding another provision of this subchapter, nonbypassable default charges may not be collected from or allocated to a market participant that:

(1) would otherwise be subject to an uplift charge solely as a result of acting as a central counterparty clearinghouse in wholesale market transactions in the ERCOT power region; and

(2) is regulated as a derivatives clearing organization, as defined by the Commodity Exchange Act (7 U.S.C. Section 1a).

(e) Nonbypassable uplift charges must be allocated to all load-serving entities on a load ratio share basis, excluding the load of entities that have opted out under Subsection (f).

(f) The commission shall develop a process that allows a load-serving entity and any customer whose demand is greater than one megawatt and is served by a retail electric provider to opt out of the uplift charges by paying in full all invoices owed for usage during the period of emergency. Load-serving entities and individual customers that opt out may not receive any proceeds from the uplift bonds.

(g) (See subsection (h) below.)

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periodically updated transaction data to prevent market participants from engaging in behavior designed to avoid the default charges.

(e) Not later than the 30th day after the date the independent organization receives a default charge payment from a wholesale market participant, the independent organization shall remit the payment to the comptroller toward repayment of debt obligations in which the comptroller made an investment under Section 404.0241(b-1), Government Code, if applicable.

(f) Notwithstanding another provision of this subchapter, default charges may not be collected from or allocated to a market participant that:

(1) otherwise would be subject to a default charge solely as a result of acting as a central counterparty clearinghouse in wholesale market transactions in the ERCOT power region; and

(2) is regulated as a derivatives clearing organization, as defined by Section 1a, Commodity Exchange Act (7 U.S.C. Section 1a).

(g) Not later than the 90th day after the date the independent

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A financing order becomes effective in accordance with its terms and the financing order, together with the default or uplift charges authorized in the order, shall be irrevocable and not subject to reduction, impairment, or adjustment by further action of the commission after it takes effect.

(h) The commission shall issue a financing order not later than the 90th day after the date the independent organization files a request for the financing order under Subsection (a) or (i).

(i) A financing order is not subject to rehearing by the commission. A financing order may be reviewed by appeal by a party to the proceeding to a Travis County district court filed not later than the 15th day after the date the financing order is signed by the commission. The judgment of the district court may be reviewed only by direct appeal to the Supreme Court of Texas filed not later than the 15th day after the date of the entry of judgment. All appeals shall be heard and determined by the district court and the Supreme Court of Texas as expeditiously as possible with lawful precedence over other matters. Review on appeal shall be based solely on the record before the commission and briefs to the court and shall be

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organization files an application for an order under Subsection (a), the commission shall issue an order described by Subsection (a) or an order denying the application.

The order becomes effective in accordance with its terms and the order, together with the default charges authorized in the order, shall be irrevocable and not subject to reduction, impairment, or adjustment by further action of the commission after the order takes effect. Notwithstanding this requirement, the commission may refinance any debt obligations created by a finance order issued under this subchapter if the commission determines that the refinancing is in the public interest, considering the interest of both the ERCOT market and the state's interest in the economic stabilization fund, and otherwise meets the requirements of this subchapter.

(See subsection (g) above.)

(h) An order described by Subsection (a) or (g) is not subject to rehearing by the commission. The order may be reviewed by appeal by a party to the proceeding to a Travis County district court that is filed not later than the 15th day after the date the order is signed by the commission. The judgment of the district court may be reviewed only by a direct appeal to the Supreme Court of Texas that is filed not later than the 15th day after the date of the entry of judgment. All appeals shall be heard and determined by the district court and the Supreme Court of Texas as expeditiously as possible with lawful precedence over other matters. Review on appeal shall be based solely on the record before the commission and briefs to

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limited to whether the financing order conforms to the constitution and laws of this state and the United States and is within the authority of the commission under this chapter.

(j) At the request of the independent organization, the commission may adopt a financing order providing for retiring and refunding the bonds on making a finding that the future default or uplift charges required to service the new bonds, including transaction costs, will be less than the future default or uplift charges required to service the bonds being refunded. On the retirement of the refunded bonds, the commission shall adjust the related default or uplift charges accordingly.

Sec. 39.604. PROPERTY RIGHTS. (a) The rights and interests of the independent organization or its successor under a financing order, including the right to impose, collect, and receive default or uplift charges authorized in the order, shall be only contract rights until they are first transferred to an assignee or pledged in connection with the issuance of bonds, at which time they will become default or uplift property, as described by Subsection (b).

(b) Default or uplift property shall constitute a present property right for purposes of contracts concerning the sale or pledge of property, even though the imposition and collection of default or uplift charges depends on further acts of the independent organization or others that have not yet occurred.

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the court and shall be limited to whether the order conforms to the constitution and laws of this state and the United States and is within the authority of the commission under this chapter.

(i) A debt obligation issued under this section is a nonrecourse debt secured solely by the default charges explicitly assessed to repay the obligation. The independent organization's obligations authorized under this section do not create personal liability for the independent organization.

No equivalent provision.

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The financing order shall remain in effect and the property shall continue to exist for the same period as the pledge of the state described by Section 39.609.

(c) All revenues and collections resulting from default or uplift charges shall constitute proceeds only of the default or uplift property arising from the financing order.

Sec. 39.605. INTEREST NOT SUBJECT TO SETOFF. The interest of an assignee or pledgee in default or uplift property and in the revenues and collections arising from that property are not subject to setoff, counterclaim, surcharge, or defense by the independent organization or any other person or in connection with the bankruptcy of a wholesale market participant or the independent organization. A financing order shall remain in effect and unabated notwithstanding the bankruptcy of the independent organization, its successors, or assignees.

No equivalent provision.

SENATE VERSION (IE)

No equivalent provision.

Sec. 39.604. COMMISSION-AUTHORIZED FINANCING.

(a) The commission may contract with another state agency with expertise in public financing to establish a debt financing mechanism for the payment of the default balance as defined in this subchapter. This section does not apply to a default balance securitized under Subchapter D, Chapter 41.

(b) Except as otherwise specifically provided by this section, the provisions of this subtitle that address the commission's issuance of an order under other provisions of this subtitle also apply to the commission's issuance of an order under this section.

(c) The contracted state agency and any issuer, along with the independent organization, must be a party to the commission's

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proceedings that address the issuance of an order.

(d) In addition to the other applicable requirements of this subtitle, an order issued under this section must:

(1) require the sale, assignment, or other transfer to the contracted state agency of default charges created by the order and, following that sale, assignment, or transfer, require that default charges paid under any order be created, assessed, and collected as the property of the contracted state agency, subject to subsequent sale, assignment, or transfer by the contracted state agency as authorized under this subchapter;

(2) authorize:

(A) the issuance of debt obligations by the contracted state agency secured by a pledge of default charge revenue, and the application of the proceeds of those debt obligations, net of issuance costs, to the independent organization; or

(B) the acquisition of default charge revenue from the independent organization by the contracted state agency, financed:

(i) by a loan by an issuer to the contracted state agency of the proceeds of debt obligations, net of issuance costs; or

(ii) by the acquisition by an issuer from the contracted state agency of the default charge revenue and in each case the pledge of the revenue to the repayment of the loan or other debt obligation, as applicable; and

(3) authorize the independent organization to serve as collection agent to collect the default charges and transfer the collected default charges to the contracted state agency or the issuer, as appropriate.

(e) After issuance of the order, the contracted state agency shall arrange for the issuance of debt obligations, as specified by the order, by the contracted state agency or another issuer selected by the contracted state agency and approved by the

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commission.

(f) Debt obligations issued pursuant to an order issued under this section are secured only by the default charge revenue and any other funds pledged under the bond documents. No assets of the state or the independent organization are subject to claims by the holders of the debt obligations. Following assignment of the default charge revenue, the independent organization does not have any beneficial interest or claim of right in the revenue.

(g) Effective on the date the first debt obligations are issued under this subchapter, if any provision of this title or portion of this title is held to be invalid or is invalidated, superseded, replaced, or repealed, or expires for any reason, that occurrence does not affect the validity or continuation of this subchapter or any other provision of this title that is relevant to the issuance, administration, payment, retirement, or refunding of debt obligations authorized under this subchapter or to any actions of the independent organization, its successors, an assignee, a collection agent, the contracted state agency, or an issuer and those provisions shall remain in full force and effect.

Sec. 39.606. DEFAULT AND UPLIFT CHARGES NONBYPASSABLE. A financing order shall include terms ensuring that the imposition and collection of default or uplift charges authorized in the order shall be nonbypassable, other than uplift charges paid under Section 39.603(f).

Sec. 39.607. TRUE-UP. A financing order shall include a

Sec. 39.605. DEFAULT CHARGES NONBYPASSABLE. An order issued under Section 39.603 or 39.604 must:
(1) include terms ensuring that the imposition and collection of default charges authorized in the order shall be nonbypassable by wholesale market participants; and
(2) authorize the independent organization to establish appropriate fees and other methods for pursuing amounts owed from entities exiting the wholesale market.

Sec. 39.606. TRUE-UP MECHANISM. An order issued

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mechanism requiring that default or uplift charges be reviewed and adjusted at least annually, not later than the 45th day after the anniversary date of the issuance of the bonds, to:

- (1) correct over-collections or under-collections of the preceding 12 months; and
- (2) ensure the expected recovery of amounts sufficient to timely provide all payments of debt service and other required amounts and charges in connection with the bonds.

No equivalent provision. *(But see Sec. 39.610 below.)*

No equivalent provision.

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under Section 39.603 or 39.604 must include a mechanism requiring that default charges be reviewed and adjusted at least annually, not later than the 45th day after the anniversary date of the issuance of the order, to:

- (1) correct over-collections or under-collections over the preceding 12 months; and
- (2) ensure the expected recovery of amounts sufficient to timely provide all payments of debt service.

Sec. 39.607. TAX EXEMPTION. The transfer and receipt of default charges are exempt from state and local sales and use, franchise, and gross receipts taxes.

SUBCHAPTER N. WINTER STORM URI UPLIFT FINANCING

Sec. 39.651. PURPOSE; USE OF PROCEEDS. (a) The purpose of this subchapter is to address the Winter Storm Uri uplift balance by:

- (1) enabling the independent organization certified under Section 39.151 for the ERCOT power region to finance the uplift balance on behalf of wholesale market participants through debt obligations; and
- (2) authorizing the commission to contract with another state agency to finance the payment of the uplift balance with debt obligations or use any another financial mechanism consistent with this subchapter for that purpose.

(b) Financing the uplift balance in the manner provided by this subchapter will allow wholesale market participants who were assessed extraordinary uplift charges due to consumption during the period of emergency to pay those charges over a longer period of time, alleviating liquidity issues and reducing

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the risk of additional defaults in the wholesale market.

(c) The legislature finds that authorizing financing under this subchapter serves the public purpose of allowing the commission to stabilize the wholesale electricity market in the ERCOT power region. [FA1]

(d) The proceeds of debt obligations issued under this subchapter must be used solely for the purpose of financing the uplift balance. A load-serving entity that receives proceeds from the debt obligations may use the proceeds solely for the purposes of fulfilling payment obligations directly related to such costs and refunding such costs to retail customers who have paid or otherwise would be obligated to pay such costs. [FA1,FA5(2)]

(e) The commission shall ensure that the structuring and pricing of the debt obligations results in the lowest uplift charges consistent with market conditions and the terms of the order issued under this subchapter. The present value calculation must use a discount rate equal to the proposed interest rate on the debt obligations. [FA1]

Sec. 39.652. DEFINITIONS. In this subchapter:

(1) "Independent organization" means the independent organization certified under Section 39.151 for the ERCOT power region.

(2) "Load-serving entity" means a municipally owned utility, an electric cooperative, or a retail electric provider.

(3) "Period of emergency" means the period beginning 12:01 a.m., February 12, 2021, and ending 11:59 p.m., February 20, 2021. [FA1]

(4) "Uplift balance" means an amount of money of not more than \$2.1 billion that was uplifted to load-serving entities on a load ratio share basis due to energy consumption during the

No equivalent provision.

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period of emergency for reliability deployment price adder charges and ancillary services costs in excess of the commission's system-wide offer cap, excluding amounts securitized under Subchapter D, Chapter 41. In addition to that uplifted amount of money, the term includes reliability deployment price adders included in the cost of energy used to supply end-use customers during the period beginning 12:01 a.m., February 18, 2021, and ending 9 a.m., February 19, 2021. [FA1,FA5(3)]

(5) "Uplift charges" means charges assessed to load-serving entities to repay amounts financed under this subchapter to pay the uplift balance. [FA1]

Sec. 39.653. DEBT OBLIGATION ORDER. (a) On application of the independent organization, the commission by order may authorize the independent organization to establish a debt financing mechanism for the payment of the uplift balance if the commission finds that such financing will support the financial integrity of the wholesale market and is necessary to protect the public interest, considering the impacts on both wholesale market participants and retail customers.

(b) An order issued under this section must:

(1) state the uplift balance to be financed;

(2) state the period over which the uplift charges must be assessed to repay the debt obligations, which may not exceed 30 years; and

(3) provide the process for remitting the proceeds of the financing to load-serving entities who were exposed to the costs included in the uplift balance, including a requirement for the load-serving entities to submit documentation of their exposure.

No equivalent provision.

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(c) The independent organization shall assess uplift charges to all load-serving entities on a load ratio share basis, which may be translated to a kWh charge, including load serving entities who enter the market after an order has been issued under this subchapter, but excluding the load of entities that opt out under Subsection (d). [FA1]

(d) The commission shall develop a one-time process that allows municipally owned utilities, electric cooperatives, river authorities, a retail electric provider that has the same corporate parent as each of the provider's customers, a retail electric provider that is an affiliate of each of the provider's customers, and transmission-voltage customers served by a retail electric provider to opt out of the uplift charges by paying in full all invoices owed for usage during the period of emergency. Load-serving entities and transmission-voltage customers that opt out under this subsection shall not receive any proceeds from the uplift financing. [FA1,FA3]

(e) An order issued under this section must include a requirement that any load-serving entity or transmission-voltage customer who receives proceeds from the financing that exceed the entity's or customer's actual exposure to uplift charges from consumption during the period of emergency notify the independent organization and remit any excess receipts. Any payments received under this subsection must be credited against the uplift balance to reduce the remaining uplift charges. [FA1]

(f) Not later than the 90th day after the date the independent organization files an application for an order under Subsection (a), the commission shall issue an order described by Subsection (a) or an order denying the application. The order becomes effective in accordance with its terms and the order, together with the uplift charges authorized in the order, shall

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be irrevocable and not subject to reduction, impairment, or adjustment by further action of the commission after it takes effect. Notwithstanding this requirement, the commission may refinance any debt obligations created by a finance order under this subchapter if the commission determines that the refinancing is in the public interest and otherwise meets the requirements of this subchapter.

(g) An order issued under this section is not subject to rehearing by the commission. An order may be reviewed by appeal by a party to the proceeding to a Travis County district court filed not later than the 15th day after the date the order is signed by the commission. The judgment of the district court may be reviewed only by direct appeal to the Supreme Court of Texas filed not later than the 15th day after the date of the entry of judgment. All appeals shall be heard and determined by the district court and the Supreme Court of Texas as expeditiously as possible with lawful precedence over other matters. Review on appeal shall be based solely on the record before the commission and briefs to the court and shall be limited to whether the order conforms to the constitution and laws of this state and the United States and is within the authority of the commission under this chapter.

(h) A debt obligation issued under this section is a nonrecourse debt secured solely by the default charges explicitly assessed to repay the obligation. The independent organization's obligations authorized under this section do not create personal liability for the independent organization.

No equivalent provision.

Sec. 39.654. COMMISSION-AUTHORIZED FINANCING.

(a) The commission may contract with another state agency with expertise in public financing to establish a debt financing

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mechanism to finance the payment of the uplift balance. This section does not apply to any balance securitized under Subchapter D, Chapter 41.

(b) Except as otherwise specifically provided by this section, the provisions of this subtitle that address the commission's issuance of an order under other provisions of this subtitle also apply to the commission's issuance of an order under this section.

(c) The contracted state agency and any issuer must be a party to the commission's proceedings that address the issuance of an order along with the independent organization.

(d) In addition to the other applicable requirements of this subtitle, an order issued under this section must:

(1) require the sale, assignment, or other transfer to the contracted state agency of uplift charges created by the order and, following that sale, assignment, or transfer, require that uplift charges paid under any order be created, assessed, and collected as the property of the contracted state agency, subject to subsequent sale, assignment, or transfer by the contracted state agency as authorized under this subchapter;

(2) authorize:

(A) the issuance of debt obligations by the contracted state agency secured by a pledge of uplift charge revenue, and the application of the proceeds of those debt obligations, net of issuance costs, to the independent organization; or

(B) the acquisition of uplift charge revenue from the independent organization by the contracted state agency, financed:

(i) by a loan by an issuer to the contracted state agency of the proceeds of debt obligations, net of issuance costs; or

(ii) by the acquisition by an issuer from the contracted state agency of the uplift charge revenue and in each case the

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pledge of the revenue to the repayment of the loan or debt obligations, as applicable; and

(3) authorize the independent organization to serve as collection agent to collect the uplift charges and transfer the collected uplift charges to the contracted state agency or the issuer, as appropriate.

(e) After issuance of the order, the contracted state agency shall arrange for the issuance of debt obligations, as specified by the order, by the contracted state agency or another issuer selected by the contracted state agency and approved by the commission.

(f) Debt obligations issued pursuant to an order issued under this section are secured only by the uplift charge revenue and any other funds pledged under the bond documents. No assets of the state or the independent organization are subject to claims by the holders of the debt obligations. Following assignment of the uplift charge revenue, the independent organization does not have any beneficial interest or claim of right in the revenue.

(g) Effective on the date the first debt obligations are issued under this subchapter, if any provision of this title or portion of this title is held to be invalid or is invalidated, superseded, replaced, or repealed, or expires for any reason, that occurrence does not affect the validity or continuation of this subchapter or any other provision of this title that is relevant to the issuance, administration, payment, retirement, or refunding of debt obligations authorized under this subchapter or to any actions of the independent organization, its successors, an assignee, a collection agent, the contracted state agency, or an issuer and those provisions shall remain in full force and effect.

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No equivalent provision.

No equivalent provision. *(But see Sec. 39.606 above.)*

No equivalent provision. *(But see Sec. 39.607 above.)*

Sec. 39.608. SECURITY INTERESTS; ASSIGNMENT; COMMINGLING; DEFAULT. (a) Default or uplift property does not constitute an account or general intangible under Section 9.106, Business & Commerce Code. The creation, granting, perfection, and enforcement of liens and security interests in default or uplift property are governed by this section and not by the Business & Commerce Code.
(b) A valid and enforceable lien and security interest in default or uplift property may be created only by a financing order and the execution and delivery of a security agreement

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Sec. 39.655. OTHER FINANCIAL MECHANISM. The commission may use a financial mechanism other than the mechanisms described by Sections 39.653 and 39.654 that meets the requirements of this subchapter to accomplish the purposes of this subchapter.

Sec. 39.656. UPLIFT CHARGES NONBYPASSABLE. An order must include terms ensuring that the imposition and collection of uplift charges authorized by the order shall be nonbypassable.

Sec. 39.657. TRUE-UP. An order shall include a mechanism requiring that uplift charges be reviewed and adjusted at least annually, not later than the 45th day after the anniversary date of the issuance of the debt obligations, to:
(1) correct over-collections or under-collections over the preceding 12 months; and
(2) ensure the expected recovery of amounts sufficient to timely provide all payments of debt service and other required amounts and charges in connection with the debt obligations.

No equivalent provision.

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with a financing party in connection with the issuance of bonds. The lien and security interest shall attach automatically from the time that value is received for the bonds and, on perfection through the filing of notice with the secretary of state in accordance with the rules prescribed under Subsection (d), shall be a continuously perfected lien and security interest in the default or uplift property and all proceeds of the property, whether accrued or not, shall have priority in the order of filing and take precedence over any subsequent judicial or other lien creditor. If notice is filed before the 10th day after the date value is received for the default bonds, the security interest shall be perfected retroactive to the date value was received. Otherwise, the security interest shall be perfected as of the date of filing.

(c) Transfer of an interest in default or uplift property to an assignee shall be perfected against all third parties, including subsequent judicial or other lien creditors, when the financing order becomes effective, transfer documents have been delivered to the assignee, and a notice of that transfer has been filed in accordance with the rules adopted under Subsection (d). However, if notice of the transfer has not been filed in accordance with this subsection before the 10th day after the delivery of transfer documentation, the transfer of the interest is not perfected against third parties until the notice is filed.

(d) The secretary of state shall implement this section by establishing and maintaining a separate system of records for the filing of notices under this section and adopting the rules for those filings based on Chapter 9, Business & Commerce Code, adapted to this subchapter and using the terms defined by this subchapter.

(e) The priority of a lien and security interest perfected under this section is not impaired by any later modification of the

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financing order under Section 39.607 or by the commingling of funds arising from default or uplift charges with other funds, and any other security interest that may apply to those funds shall be terminated when they are transferred to a segregated account for the assignee or a financing party. If default or uplift property has been transferred to an assignee, any proceeds of that property shall be held in trust for the assignee.

(f) If a default or termination occurs under the bonds, the financing parties or their representatives may foreclose on or otherwise enforce their lien and security interest in any property as if they were secured parties under Chapter 9, Business & Commerce Code, and the commission may order that amounts arising from default or uplift charges be transferred to a separate account for the financing parties' benefit, to which their lien and security interest shall apply. On application by or on behalf of the financing parties, a district court of Travis County shall order the sequestration and payment to them of revenues arising from the default or uplift charges.

Sec. 39.609. PLEDGE OF STATE. Default bonds are not a debt or obligation of the state and are not a charge on its full faith and credit or taxing power. The state pledges, however, for the benefit and protection of financing parties and the independent organization that it will not take or permit any action that would impair the value of default or uplift property, or reduce, alter, or impair the default or uplift charges to be imposed, collected, and remitted to financing parties, until the principal, interest and premium, and any other charges incurred and contracts to be performed in connection with the related bonds have been paid and

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No equivalent provision.

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performed in full. Any party issuing bonds under this subchapter is authorized to include this pledge in any documentation relating to those bonds.

Sec. 39.610. TAX EXEMPTION. Transactions involving the transfer and ownership of default or uplift property and the receipt of default or uplift charges are exempt from state and local income, sales, franchise, gross receipts, and other taxes or similar charges.

Sec. 39.611. NOT PUBLIC UTILITY. An assignee or financing party may not be considered to be a public utility or person providing electric service solely by virtue of the transactions described in this subchapter.

Sec. 39.612. SEVERABILITY. Effective on the date the first bonds are issued under this subchapter, if any provision in this title or portion of this title is held to be invalid or is invalidated, superseded, replaced, repealed, or expires for any reason, that occurrence does not affect the validity or continuation of this subchapter or any other provision of this title that is relevant to the issuance, administration, payment, retirement, or refunding of bonds or to any actions of the independent organization, its successors, an assignee, a collection agent, or a financing party, which shall remain in full force and effect.

Sec. 39.613. CUSTOMER CHARGES. All load-serving entities that receive offsets to specific uplift charges from the independent organization under this subchapter must adjust customer invoices to reflect the offsets for any charges that were or would otherwise be passed through to customers

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Sec. 39.658. TAX EXEMPTION. Transactions involving the transfer and ownership of uplift property and the receipt of uplift charges are exempt from state and local income, sales, franchise, gross receipts, and other taxes or similar charges.

No equivalent provision.

Sec. 39.659. SEVERABILITY. Effective on the date the first debt obligations are issued under this subchapter, if any provision in this title or portion of this title is held to be invalid or is invalidated, superseded, replaced, repealed, or expires for any reason, that occurrence does not affect the validity or continuation of this subchapter or any other provision of this title that is relevant to the issuance, administration, payment, retirement, or refunding of debt obligations or to any actions of the independent organization, its successors, an assignee, a collection agent, or a financing party, which shall remain in full force and effect.

Sec. 39.660. CUSTOMER CHARGES. All load-serving entities that receive offsets to specific uplift charges from the independent organization under this subchapter must adjust customer invoices to reflect the offsets for any charges that were or would otherwise be passed through to customers

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under the terms of service with the load-serving entity, including by providing a refund for any offset charges that were previously paid. An electric cooperative, including an electric cooperative that elects to receive offsets, shall not otherwise become subject to rate regulation by the commission and receipt of offsets does not affect the applicability of Chapter 41 to an electric cooperative.

No equivalent provision.

No equivalent provision.

No equivalent provision.

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under the terms of service with the load-serving entity, including by providing a refund for any offset charges that were previously paid. An electric cooperative, including an electric cooperative that elects to receive offsets, shall not otherwise become subject to rate regulation by the commission and receipt of offsets does not affect the applicability of Chapter 41 to an electric cooperative.

Sec. 39.661. ENFORCEMENT. The commission may use any enforcement mechanism established by Chapter 15 or this chapter, including revocation of certification by the commission, against any entity that fails to remit excess receipts from the uplift balance financing under Section 39.653(e) or otherwise misappropriates or misuses amounts received from the uplift balance financing this subchapter. [FA1]

Sec. 39.662. LEGAL ACTIONS INVOLVING PRICING OR UPLIFT ACTIONS. A load-serving entity that receives financial assistance under this subchapter may not initiate, pursue, or continue a legal action that seeks judicial review of pricing or uplift actions taken by the commission or the independent organization certified under Section 39.151 for the ERCOT power region in connection with the period of emergency. [FA1,FA4]

SUBCHAPTER O. WINTER STORM URI RATEPAYER ASSISTANCE

Sec. 36.701. WINTER STORM URI RATEPAYER ASSISTANCE. (a) The legislature finds that Winter Storm Uri was a public calamity. (b) The commission may contract with the comptroller to

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establish a debt financing mechanism for the financing of bill payment assistance grants under this subchapter in the same manner that the commission may establish a debt financing mechanism under Section 39.654.

(c) The commission may provide or collaborate with the comptroller to provide one-time bill payment assistance grants to residential retail customers of municipally owned utilities, electric cooperatives, and retail electric providers in the ERCOT power region who received service during Winter Storm Uri. The commission may collaborate with the comptroller to review taxes or fees savings for rate payers.
[FA1,FA5(4)]

No equivalent provision.

SECTION 6. Sections 404.0241(b-2) and (b-3), Government Code, as added by this Act, apply only to a cause of action that accrues on or after the effective date of this Act. [FA1]

SECTION 5. This Act takes effect on the date on which Senate Bill No. 1580, House Bill No. 3544, or other similar legislation of the 87th Legislature, Regular Session, 2021, relating to the use of securitization by electric cooperatives to address weather-related extraordinary costs and expenses becomes law.

SECTION 7. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.