BILL ANALYSIS

Senate Research Center
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S.B. 1296
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1296 seeks to optimize and improve the current process for obtaining a certificate of convenience and necessity (CCN) at the Public Utility Commission of Texas (PUC) for new transmission line projects in Texas.

While the need for building more generation in the state increases, so does the need to build corresponding and necessary transmission line infrastructure that is needed to facilitate the movement of electrons across Texas.

S.B. 1296 shortens the initial application process for a CCN from the current "first anniversary of the date the application is filed" to a newly proposed 181-decision timeframe and develops criteria the PUC must consider when deciding on new transmission projects.

As proposed, S.B. 1296 amends current law relating to the approval of a certificate of public convenience and necessity for certain transmission projects.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Public Utility Commission of Texas is modified in SECTION 1 (Section 37.056, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 37.056, Utilities Code, by amending Subsection (d) and adding Subsection (d-1), as follows:

> (d) Requires that the criteria established by the Public Utility Commission of Texas (PUC) for granting a certificate for certain transmission projects:
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> > (1) makes nonsubstantive changes to this subdivision;
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> > (2) address:
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> > > (A) other benefits of the transmission project, including deferral of reliability upgrade costs, reduction of transmission system losses, and reduction of operating reserve costs;
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> > > (B) solutions to relieve generic transmission constraints;
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> > > (C) potential for increasing transmission system reliability, resiliency, and operational flexibility;
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> > > (D) potential for minimizing outage moratoria and transmission system congestion by employing planning criteria that include contingencies for a planned outage followed by an unplanned outage under peak conditions; and

(E) the operational benefits and reduced impacts on affected landowners of constructing new transmission lines operating below 345 kilovolts as double circuit capable lines;

(3) evaluate the costs of the transmission project on a levelized basis over the life of the project and the benefits of the transmission project on a levelized basis over the life of the project or the longest period determined to be reasonable by the PUC; and

(4) for high growth areas and areas experiencing rapid growth in power demand, including coastal port areas, oil and gas producing and processing areas, and the Lower Rio Grande Valley:

(A) consider loads under signed interconnection agreements with the transmission service provider and the transmission service provider's forecast of high confidence load that is not under a signed interconnection agreement; and

(B) prioritize the addition of load serving capability onto the transmission system in order to serve load growth in a timely fashion.

(d-1) Requires the PUC, for a transmission project described by Subsection (d), to require all new transmission lines operating at 345 kilovolts to be constructed as double circuit capable lines unless the electric utility requests an exception.

SECTION 2. Amends Section 37.057, Utilities Code, as follows:

Sec. 37.057. DEADLINE FOR APPLICATION FOR NEW TRANSMISSION FACILITY. Requires the PUC to approve or deny an application for a certificate for a new transmission facility not later than the 181st day after the date the application is filed, rather than the first anniversary of the date the application is filed.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2023.