

BILL ANALYSIS

Senate Research Center

S.B. 1929
By: Johnson
Business & Commerce
6/14/2023
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since 2021, large load interconnections in the Electric Reliability Council of Texas (ERCOT) have been on the rise. The size and potential ability of large electrical loads (LELs) to throttle down or shut off completely with or without knowledge by ERCOT presents grid stability issues. ERCOT's inability to see or control the behavior of LELs, which are defined as loads greater than 75 MWs that rapidly increase or decrease power consumption, inhibit ERCOT's maintenance of grid stability. The new LELs are most commonly data centers, crypto mining facilities, hydrogen production facilities, and other high-demand assets.

S.B. 1929 would remove any uncertainty about ERCOT's authority to require LELs to register with ERCOT and clarify ERCOT's authority to establish reasonable operating restrictions on LELs as necessary to reliably run the grid by authorizing ERCOT to require anyone wanting to connect to the grid with a large electricity-demanding project to provide information relating to existing and future electricity consumption to ERCOT.

Key Provisions:

- S.B. 1929 amends Subchapter D, Chapter 39, of the Utilities Code by adding Section 39.166, which authorizes ERCOT to require facilities seeking to participate in the electric grid with a large electrical load to:
 - (1) provide information about existing or future load demands, allowing visibility to ERCOT of the facility's real-time power demands, to ensure grid reliability; and
 - (2) register with ERCOT.

Committee Substitute:

- Clarifies the bill's focus from the filed version to specifically apply solely to computing facilities that require a large, flexible electrical load.

S.B. 1929 amends current law relating to the registration of virtual currency mining facilities in the ERCOT power region that demand a large load of interruptible power.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 39.360, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter H, Chapter 39, Utilities Code, by adding Section 39.360, as follows:

Sec. 39.360. LARGE FLEXIBLE LOAD REGISTRATION. (a) Defines "virtual currency" and "virtual currency mining facility."

(b) Requires the Public Utility Commission of Texas (PUC) by rule to require a person operating a virtual currency mining facility who enters into an agreement for retail electric service in the Electric Reliability Council of Texas (ERCOT) power region to register the facility receiving service as a large flexible load under this section if:

- (1) the facility requires a total load of more than 75 megawatts; and
- (2) the facility load is interruptible.

(c) Requires that the rules require a person described by Subsection (b) to:

(1) register the large flexible load with the PUC not later than one business day after the date the agreement begins; and

(2) provide the PUC with:

(A) the location of the facility; and

(B) the anticipated demand from the facility for the five-year period beginning on the date of the registration.

(d) Requires the PUC by rule to adopt criteria for determining whether a load is interruptible for the purposes of this section based on whether it is possible for the facility operator to choose to interrupt the load and to establish a method to ensure compliance with this section.

(e) Authorizes the PUC to share with an independent organization certified under Section 39.151 (Essential Organizations) registration information received under this section.

SECTION 2. Effective date: September 1, 2023.