

BILL ANALYSIS

Senate Research Center
88R20491 ANG-D

C.S.S.B. 1929
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Business & Commerce
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Committee Report (Substituted)

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.

C.S.S.B. 1929 amends current law relating to the authority of an independent organization certified for the ERCOT power region to require information from and registration by certain facilities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 39, Utilities Code, by adding Section 39.166, as follows:

Sec. 39.166. LARGE, FLEXIBLE ELECTRICAL LOADS. (a) Authorizes the independent organization certified under Section 39.151 (Essential Organizations) for the

Electric Reliability Council of Texas (ERCOT) power region to require a person seeking to receive retail electric service for a computing facility that receives a large, flexible electrical load or that the organization anticipates will require a large, flexible electrical load to:

(1) provide to the organization any information about the person or existing or future load of the facility that is reasonably necessary for the purposes described by Section 39.151(a) (relating to requiring a power region to establish one or more independent organizations to perform certain functions), including telemetry of the facility's real-time electrical load; and

(2) register the facility with the organization.

(b) Authorizes the independent organization certified under Section 39.151 for the ERCOT power region to adopt a ramping threshold, a consumption threshold, or other standard for determining whether an electrical load is large and flexible for the purposes of Subsection (a).

SECTION 2. Effective date: September 1, 2023.