

BILL ANALYSIS

Senate Research Center

S.B. 2010
By: Schwertner; King
Business & Commerce
6/13/2023
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2010 brings much needed transparency to detect and prevent market manipulation by requiring reports by the independent market monitor (IMM) and the Public Utility Commission (PUC) on potential violations and enforcement actions. The IMM is responsible for monitoring the ERCOT wholesale electric market to detect and prevent market manipulation strategies and recommends measures to enhance the efficiency of the market. Under current law, there is no statutory requirement that these activities be made public or published with the PUC. S.B. 2010 requires the IMM's existing report to the PUC to include the number and type of potential market manipulations and all discovered or potential violations of PUC or ERCOT rules, be in writing, and sent to PUC staff. It also requires the PUC to produce an annual public report on February 1st of each year that includes the number of instances in which the IMM reported potential market manipulation to the PUC or PUC staff; the laws, regulations, and ERCOT requirements alleged to have been violated; and the number of violations where the PUC or PUC staff initiated enforcement action.

(Original Author's/Sponsor's Statement of Intent)

S.B. 2010 amends current law relating to required reporting by the wholesale electric market monitor for the ERCOT power region

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 Section 39.1515, Utilities Code, by amending Subsection (f) and adding Subsection (i), as follows:

(f) Requires the market monitor to immediately report in writing directly to the Public Utility Commission (PUC) and PUC staff all, rather than any, potential market manipulations and all, rather than any, discovered or potential violations of PUC rules or rules of the independent organization.

(i) Requires the PUC, not later than December 1 of each year, to submit a report to the legislature that describes for the 12-month period preceding the report's submission:

(1) the number of instances in which the market monitor reported potential market manipulation to the PUC or PUC staff;

(2) the statutes, PUC rules, and rules of the independent organization alleged to have been violated by the reported entities; and

(3) the number of instances reported under Subdivision (1) for which the PUC instituted a formal investigation on its own motion or PUC staff initiated an enforcement action.

SECTION 2. Effective date: September 1, 2023.