

BILL ANALYSIS

Senate Research Center
88R16330 JXC-D

S.J.R. 1
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Winter Storm Uri revealed the failures in our electricity market, specifically the lack of reliability. While reforms from S.B. 3, 87th Legislative Session, addressed many critical system issues, S.B. 6 seeks to address increased reliability related specifically to dispatchable generation. S.B. 6 guarantees "steel in the ground" to serve as the state's energy insurance policy. It also provides low-interest loans for existing dispatchable generators as a mechanism for generators to access capital needed to maintain and make necessary improvements to existing generation resources. S.J.R. 1 ensures any money collected or distributed in S.B. 6 is in a specifically dedicated account to prevent its use on any other programs.

S.J.R. 1 proposes a constitutional amendment providing for the creation of the Texas energy insurance fund and the authorization of other funding mechanisms to support the construction and operation of electric generating 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 Article III, Texas Constitution, adding Section 49-q, as follows:

Sec. 49-q. (a) Provides that the Texas energy insurance fund (fund) is created as a special fund in the state treasury outside the general revenue fund.

(b) Authorizes money in the fund, as provided by general law, to be administered and used, without further appropriation, only by the Public Utility Commission of Texas (PUC) or the PUC's successor in function to provide loans to finance the construction and operation of electric generating facilities.

(c) Authorizes the entity administering the fund to establish separate accounts in the fund as necessary or convenient for the fund's administration.

(d) Provides that the fund consists of:

(1) money transferred or deposited to the credit of the fund by or as authorized by law, including money from any source transferred or deposited to the credit of the fund at the discretion of the entity administering the fund;

(2) revenue, including the proceeds of any fee, assessment, or tax imposed by this state, that general law dedicates for deposit to the credit of the fund; and

(3) investment earnings and interest earned on money in the fund.

(e) Authorizes the legislature to appropriate general revenue for the purpose of depositing money to the credit of the fund to be used for the purposes of that fund.

(f) Authorizes the legislature, regardless of whether the legislature directs that the money be deposited to the credit of the fund, to appropriate general revenue to be expended for any purpose related to constructing and operating electric generating facilities to ensure the reliability or adequacy of an electric power grid in this state.

SECTION 2. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 7, 2023. Sets forth the required language of the ballot.