

BILL ANALYSIS

Senate Research Center

S.J.R. 93
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Enrolled

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 Legislature, Regular Session, 2021, addressed many critical system issues, S.B. 2627, 88th Legislature, Regular Session, 2023, seeks to address increased reliability related specifically to dispatchable generation. S.B. 2627 creates a completion bonus and zero interest loan for new dispatchable generation resources directly targeted at "steel in the ground." 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. 93 ensures any money collected or distributed under S.B. 2627 is in a specifically dedicated account to prevent its use for any other programs.

S.J.R. 93 proposes a constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, 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, by adding Section 49-q, as follows:

Sec. 49-q. (a) Provides that the Texas energy 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 and grants to any entity to finance or incentivize the construction, maintenance, modernization, and operation of electric generating facilities, including associated infrastructure, necessary to ensure the reliability or adequacy of an electric power grid in this state. Requires the PUC to allocate money from the fund for loans and grants to eligible projects:

(1) for electric generating facilities that serve as backup power sources; and

(2) in each region of the state that is part of an electric power grid in proportion to that region's load share.

(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 credited, appropriated, or transferred to the fund by or as authorized by the legislature;
- (2) revenue that the legislature dedicates for deposit to the credit of the fund;
- (3) the returns received from the investment of the money in the fund; and
- (4) gifts, grants, and donations contributed to the credit of the fund.

(e) Requires that the reasonable expenses of managing the fund's assets be paid from the fund.

(f) Authorizes the legislature by a provision of a general appropriations act to provide for the transfer to the general revenue fund of money that is subject to this section.

(g) 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.

(h) Provides that for purposes of Section 22 (Restriction on Rate of Growth of Appropriations), Article VIII (Taxation and Revenue), of this constitution:

- (1) money in the fund is dedicated by this constitution; and

- (2) an appropriation of state tax revenues for the purpose of depositing money to the credit of the fund is treated as if it were an appropriation of revenues dedicated by this constitution.

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.