

By: Bryant

H.B. No. 5297

A BILL TO BE ENTITLED

AN ACT

relating to the interconnection of the ERCOT power grid to grids  
outside the ERCOT power region.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle B, Title 2, Utilities Code, is amended  
by adding Chapter 39A to read as follows:

CHAPTER 39A. INTERCONNECTION OF FACILITIES IN ERCOT TO GRIDS

OUTSIDE ERCOT POWER REGION

Sec. 39A.0101. UTILITY AND COOPERATIVE AUTHORITY.

Notwithstanding any other law, a transmission and distribution  
utility, municipally owned utility, or electric cooperative that  
transmits or distributes power purchased at wholesale in the ERCOT  
power region may construct, own, and operate facilities as  
necessary to:

(1) access transmission service from outside of the  
ERCOT power region; and

(2) purchase power at wholesale from outside of the  
ERCOT power region.

Sec. 39A.0102. COMMISSION AUTHORITY. (a) The commission  
may request any federal approval necessary for the interconnection  
of a facility described by Section 39A.0101.

(b) Unless otherwise provided by federal law, the  
commission shall require the independent organization certified  
for the ERCOT power region under Section 39.151 to approve the

interconnection of a facility described by Section 39A.0101 unless the commission or the independent organization determines that the interconnection poses a significant and imminent risk to public health and safety.

(c) The commission may provide technical and administrative assistance to a transmission and distribution utility, municipally owned utility, or electric cooperative seeking to construct, own, or operate a facility described by Section 39A.0101.

(d) The commission may approve wholesale electricity transactions between entities in the ERCOT power region and entities outside the ERCOT power region.

Sec. 39A.0103. SYNCHRONOUS AND NON-SYNCHRONOUS INTERCONNECTIONS. (a) This chapter applies to synchronous and non-synchronous interconnections.

(b) Unless otherwise provided by federal law, the commission shall approve an application for a certificate of convenience and necessity submitted under Section 39A.0104 by a transmission and distribution utility, municipally owned utility, or electric cooperative for a facility that would synchronously interconnect to a facility outside the ERCOT power region if the application complies with all applicable provisions of Chapter 37 and this chapter.

SECTION 2. Sections 37.051(c-1), (c-2), and (c-3), Utilities Code, are redesignated as Section 39A.0104, Utilities Code, and amended to read as follows:

Sec. 39A.0104. CERTIFICATES OF CONVENIENCE AND NECESSITY.

(a) A transmission and distribution utility, [~~(c-1)~~

~~Notwithstanding any other provision of this title except Section 11.009, and except as provided by Subsection (c-2), a person, including an electric utility or~~ municipally owned utility, or electric cooperative may not interconnect a facility described by Section 39A.0101 ~~[to the ERCOT transmission grid that enables additional power to be imported into or exported out of the ERCOT power grid]~~ unless the utility or cooperative ~~[person]~~ obtains a certificate from the commission in the manner provided by Chapter 37 and this chapter stating that the interconnection does not pose a significant and imminent risk to public health and safety ~~[public convenience and necessity requires or will require the interconnection]~~.

(b) In the case of a conflict between Chapter 37 and this chapter, this chapter prevails.

(c) Sections 37.056(c)(1) and (2) and (d) do not apply to an application for a certificate described by Subsection (a).

(d) Unless otherwise provided by federal law, the commission shall approve an application for a certificate described by Subsection (a) unless the commission determines that granting the application poses a significant and imminent risk to public health and safety.

(e) The transmission and distribution utility, municipally owned utility, or electric cooperative ~~[person]~~ must apply to the commission for a ~~[the]~~ certificate described by Subsection (a) not later than the 180th day before the date the utility or cooperative ~~[person]~~ seeks any order from the Federal Energy Regulatory Commission related to the interconnection.

1        (f)        ~~[The commission shall apply Section 37.056 in~~  
 2 ~~considering an application under this subsection. In addition, the~~  
 3 ~~commission must determine that the application is consistent with~~  
 4 ~~the public interest before granting the certificate. The commission~~  
 5 ~~may adopt rules necessary to implement this subsection. This~~  
 6 ~~subsection does not apply to a facility that is in service on~~  
 7 ~~December 31, 2014.~~

8        ~~[(c-2)]~~ The commission, not later than the 185th day after  
 9 the date the application is filed, shall approve an application  
 10 ~~[filed under Subsection (c-1)]~~ for a facility that is to be  
 11 constructed under an interconnection agreement appended to an offer  
 12 of settlement approved in a final order of the Federal Energy  
 13 Regulatory Commission that was issued in Docket No. TX11-01-001 on  
 14 or before December 31, 2014, directing physical connection between  
 15 the ERCOT and SERC regions under Sections 210, 211, and 212 of the  
 16 Federal Power Act (16 U.S.C. Sections 824i, 824j, and 824k). In  
 17 approving the application, the commission may prescribe reasonable  
 18 conditions to protect the public interest that are consistent with  
 19 the final order of the Federal Energy Regulatory Commission.

20        (g) ~~[(c-3)]~~ Nothing in this section ~~[Subsection (c-1) or~~  
 21 ~~(c-2)]~~ is intended to restrict the authority of the commission or  
 22 the independent organization certified under Section 39.151 for the  
 23 ERCOT power region to adopt rules or protocols of general  
 24 applicability.

25        SECTION 3. (a) It is the intent of the legislature that the  
 26 ERCOT power region become synchronously interconnected to other  
 27 power regions not later than December 31, 2030.

1           (b) Not later than October 1, 2024, the Public Utility  
2 Commission of Texas shall examine the laws and rules governing the  
3 entities and facilities described by Section 39A.0101, Utilities  
4 Code, as added by this Act, and submit a report to the legislature  
5 with recommendations for legislative and administrative action  
6 needed to facilitate the interconnection of facilities in the ERCOT  
7 power region with other power regions.

8           (c) Not later than October 1, 2024, the comptroller of  
9 public accounts shall conduct a study on the costs to the public and  
10 this state of the power outages that occurred as a result of Winter  
11 Storm Uri. The study must include an estimate of the average cost  
12 per household in the ERCOT power region and a comparison of those  
13 costs to costs incurred by households in other states that  
14 experienced power outages from Winter Storm Uri.

15           SECTION 4. This Act takes effect September 1, 2023.