

1-1 By: Kolkhorst, Campbell, Nichols S.B. No. 1751
 1-2 (In the Senate - Filed March 7, 2023; March 20, 2023, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 5, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 11, Nays 0; April 5, 2023,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1751 By: Kolkhorst

1-21 A BILL TO BE ENTITLED
 1-22 AN ACT

1-23 relating to the regulation and tax treatment of facilities in the
 1-24 ERCOT power region that demand a large load of interruptible power.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter D, Chapter 39, Utilities Code, is
 1-27 amended by adding Section 39.1591 to read as follows:

1-28 Sec. 39.1591. VIRTUAL CURRENCY MINING AS DEMAND RESPONSE.

1-29 (a) In this section:

1-30 (1) "Virtual currency" has the meaning assigned by
 1-31 Section 12.001, Business & Commerce Code.

1-32 (2) "Virtual currency mining facility" means a
 1-33 facility that uses electronic equipment to add virtual currency
 1-34 transactions to a distributed ledger.

1-35 (b) The commission shall require the independent
 1-36 organization certified under Section 39.151 for the ERCOT power
 1-37 region to ensure that any demand response program operated by the
 1-38 independent organization to respond to emergencies that provides
 1-39 compensation for load reductions is open to participation by a
 1-40 virtual currency mining facility that is registered as a large
 1-41 flexible load under Section 39.360 only if the anticipated demand
 1-42 provided under Section 39.360(b) for all facilities of that type
 1-43 participating in the program is less than 10 percent of the total
 1-44 load required by all loads in the program.

1-45 SECTION 2. Subchapter H, Chapter 39, Utilities Code, is
 1-46 amended by adding Section 39.360 to read as follows:

1-47 Sec. 39.360. LARGE FLEXIBLE LOAD REGISTRATION. (a) The
 1-48 commission by rule shall require a person operating a facility who
 1-49 enters into an agreement for retail electric service in the ERCOT
 1-50 power region to register the facility receiving service as a large
 1-51 flexible load under this section if:

1-52 (1) the person anticipates that the facility will
 1-53 require a total load of more than 10 megawatts before the second
 1-54 anniversary of the date the agreement begins;

1-55 (2) the facility load is interruptible; and

1-56 (3) the facility is a computing load.

1-57 (b) The rules must require a person described by Subsection
 1-58 (a) to:

1-59 (1) register the large flexible load with the
 1-60 commission not later than one business day after the date the

2-1 agreement begins; and
2-2 (2) provide the commission with:
2-3 (A) the location of the facility; and
2-4 (B) the anticipated demand from the facility for
2-5 the five-year period beginning on the date of the registration.
2-6 SECTION 3. Subchapter A, Chapter 312, Tax Code, is amended
2-7 by adding Section 312.0022 to read as follows:
2-8 Sec. 312.0022. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN
2-9 VIRTUAL CURRENCY MINING PROPERTY. (a) In this section:
2-10 (1) "Virtual currency" has the meaning assigned by
2-11 Section 12.001, Business & Commerce Code.
2-12 (2) "Virtual currency mining facility" means a
2-13 facility that uses electronic equipment to add virtual currency
2-14 transactions to a distributed ledger.
2-15 (b) This section applies only to a virtual currency mining
2-16 facility registered as a large flexible load under Section 39.360,
2-17 Utilities Code.
2-18 (c) The governing body of a taxing unit may not enter into an
2-19 agreement under this chapter to exempt from taxation a portion of
2-20 the value of real property on which a virtual currency mining
2-21 facility is located or is planned to be located during the term of
2-22 the agreement, or of tangible personal property that is located or
2-23 is planned to be located on the real property during that term.
2-24 SECTION 4. Section 312.0022, Tax Code, as added by this Act,
2-25 applies only to an agreement entered into under Chapter 312, Tax
2-26 Code, on or after the effective date of this Act.
2-27 SECTION 5. This Act takes effect September 1, 2023.

2-28 * * * * *