

## **BILL ANALYSIS**

Senate Research Center  
89R23752 SCR-D

C.S.S.B. 715  
By: Sparks  
Business & Commerce  
4/15/2025  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Following Winter Storm Uri, the 88th Legislature made numerous changes to the electric industry to secure the state's power sector. It moved up the sunset date for the Public Utility Commission of Texas (PUC), which has complete authority to oversee ERCOT. H.B. 1500 reauthorized the PUC and attached additional measures, including requiring ERCOT generators (other than battery storage) to execute a generation interconnection agreement on or after January 1, 2027, and meet specific performance standards on an annual basis, or else pay a fine. Generators will need to be able to demonstrate their ability to produce power when called upon by ERCOT. The PUC is required to set the applicable performance standard for each resource type and establish the scale of financial penalties for noncompliance. S.B. 715 removes the 2027 timeline for the reliability requirement in H.B. 1500 so the new reliability standard will be followed by everyone.

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

C.S.S.B. 715 amends current law relating to reliability requirements for certain electric generation 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 Sections 39.1592(a) and (d), Utilities Code, as follows:

(a) Provides that Section 39.1592 (Generation Reliability Requirements) applies only to an electric generation facility in the Electric Reliability Council of Texas (ERCOT) power region that is subject to a standard generator interconnection agreement, has been in operation for at least one year, and is not a self-generator.

Deletes existing text providing that this section applies only to an electric generation facility in the ERCOT power region for which a standard generator interconnection agreement is signed on or after January 1, 2027, that has been in operation for at least one year, and that is not a self-generator.

(d) Prohibits the independent organization certified under Section 39.151 (Essential Organizations) for the ERCOT power region from imposing penalties under Subsection (c) (relating to requiring the Public Utility Commission of Texas (PUC) to certify independent organizations to perform certain functions):

(1) makes no changes to this subdivision;

(2) makes a nonsubstantive change to this subdivision;

(3) on resources that demonstrate the ability to operate when called upon for dispatch for 24 continuous hours at or above the seasonal average generation

capability through the resource's own generation capability or through a contract with an on-site or off-site resource, including a battery energy storage resource; or

(4) on resources with dual but separate grid interconnections that provide dispatchable generation to the ERCOT power region.

Deletes existing text prohibiting the independent organization certified under Section 39.151 for the ERCOT power region from imposing penalties under Subsection (c) during hours outside a baseline established by the PUC that includes morning and evening ramping periods.

SECTION 2. (a) Requires the PUC to consider the use of a settlement price cap, a fixed reliability fee, and other methods of imposing penalties under Section 39.1592(c)(1) (relating to the enforcement of financial penalties for failing to comply with certain performance requirements), Utilities Code. Requires the PUC and the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region to:

(1) consider rebating penalties collected under Section 39.1592 directly to consumers or redirecting a portion of the collected penalties toward reliability incentives; and

(2) for the purposes of Subdivision (1) of this subsection, prioritize rebates of penalties or redirection of penalties in a manner the PUC determines will provide the maximum financial benefit to consumers while still ensuring that the reliability needs of the ERCOT power region are met.

(b) Authorizes the PUC, notwithstanding Section 39.1592(c) (relating to requiring the PUC to require a certain independent organization to perform certain tasks), Utilities Code, to allow the financial penalties and incentives required by that subsection to be adopted in a phased manner over multiple years to mitigate market disruptions that the PUC determines would result in net increased costs to consumers.

SECTION 3. Effective date: September 1, 2025.