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H.B. No. 5200

A BILL TO BE ENTITLED

AN ACT

relating to the evaluation and use of grid enhancing technologies  
and high-performance conductors.

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

SECTION 1. Subchapter D, Chapter 39, Utilities Code, is  
amended by adding Section 39.171 to read as follows:

Sec. 39.171. EVALUATION AND USE OF GRID ENHANCING  
TECHNOLOGY AND HIGH-PERFORMANCE CONDUCTORS. (a) In this section:

(1) "Grid enhancing technology" means any hardware or  
software technology that enables or provides enhanced or more  
efficient performance from the electric transmission system.

(2) "High-performance conductors" means modern  
conductor technologies that have improved performance  
characteristics, such as increased capacity, higher efficiency,  
and reduced or no thermal sag.

(b) The commission shall ensure that the independent  
organization certified under Section 39.151 for the ERCOT power  
region evaluates on a periodic basis, to be determined by the  
commission, the potential use of grid enhancing technologies and  
high-performance conductors for the purpose of:

(1) increasing transmission capacity;

(2) reducing transmission system congestion;

(3) increasing reliability of electric services;

(4) increasing safety of transmission system

1 crossings over water; and

2 (5) reducing the risk of wildfires.

3 (c) An evaluation under Subsection (b) must include  
4 considerations of the availability, technical feasibility,  
5 repairability, durability, operational risks, long-term load  
6 support viability, and cost-effectiveness of grid enhancing  
7 technologies and high-performance conductors.

8 (d) The independent organization certified under Section  
9 39.151 for the ERCOT power region may prepare a report of available  
10 grid enhancing technologies and high-performance conductors for  
11 electric utilities and electric cooperatives to consider in  
12 constructing and operating the utilities' or cooperatives'  
13 facilities. The independent organization may decline to recommend  
14 the use of a particular grid enhancing technology or  
15 high-performance conductor if the independent organization  
16 determines the technology or conductor is not readily available or  
17 implementation of the technology or conductor would not be feasible  
18 or cost-effective for the ERCOT power region.

19 (e) If the independent organization certified under Section  
20 39.151 for the ERCOT power region determines that the use of a grid  
21 enhancing technology or high-performance conductor is technically  
22 feasible and cost-effective, an electric cooperative, electric  
23 utility, or municipally owned utility may use the technology or  
24 conductor.

25 (f) An electric utility shall include with each application  
26 for a new or amended certificate of convenience and necessity for a  
27 transmission project under Chapter 37 an evaluation of the

1 potential for integration into the project of technologies  
2 recommended in a report produced under Subsection (d).

3       SECTION 2. Not later than January 1, 2026, the Public  
4 Utility Commission of Texas shall adopt any rules necessary to  
5 implement Section 39.171, Utilities Code, as added by this Act.

6       SECTION 3. This Act takes effect September 1, 2025.