

1-1 By: Sparks, Kolchhorst, Middleton S.B. No. 715
1-2 (In the Senate - Filed January 6, 2025; February 7, 2025,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 April 22, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 4; April 22, 2025,
1-6 sent to printer.)

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|------|----------------|-----|-----|--------|-----|
| 1-7 | COMMITTEE VOTE | | | | |
| 1-8 | | Yea | Nay | Absent | PNV |
| 1-9 | Schwertner | X | | | |
| 1-10 | King | X | | | |
| 1-11 | Blanco | | X | | |
| 1-12 | Campbell | X | | | |
| 1-13 | Creighton | X | | | |
| 1-14 | Johnson | | X | | |
| 1-15 | Kolkhorst | X | | | |
| 1-16 | Menéndez | | X | | |
| 1-17 | Middleton | X | | | |
| 1-18 | Nichols | | | X | |
| 1-19 | Zaffirini | | X | | |

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 715 By: King

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

1-23 relating to reliability requirements for certain electric
1-24 generation facilities.

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

1-26 SECTION 1. Sections 39.1592(a) and (d), Utilities Code, are
1-27 amended to read as follows:

1-28 (a) This section applies only to an electric generation
1-29 facility in the ERCOT power region that is subject to [for which] a
1-30 standard generator interconnection agreement, [is signed on or
1-31 after January 1, 2027, that] has been in operation for at least one
1-32 year, and [that] is not a self-generator.

1-33 (d) The independent organization certified under Section
1-34 39.151 for the ERCOT power region may not impose penalties under
1-35 Subsection (c):

1-36 (1) for resource unavailability due to planned
1-37 maintenance outages or transmission outages;

1-38 (2) on resources that are already subject to
1-39 performance obligations during the highest reliability risk hours
1-40 under the day-ahead market rules or other ancillary or reliability
1-41 services established by the commission or the independent
1-42 organization; ~~[or]~~

1-43 (3) on resources that demonstrate the ability to
1-44 operate when called upon for dispatch for 24 continuous hours at or
1-45 above the seasonal average generation capability through the
1-46 resource's own generation capability or through a contract with an
1-47 on-site or off-site resource, including a battery energy storage
1-48 resource; or

1-49 (4) on resources with dual but separate grid
1-50 interconnections that provide dispatchable generation to the ERCOT
1-51 power region [during hours outside a baseline established by the
1-52 commission that includes morning and evening ramping periods].

1-53 SECTION 2. (a) The Public Utility Commission of Texas shall
1-54 consider the use of a settlement price cap, a fixed reliability fee,
1-55 and other methods of imposing penalties under Section
1-56 39.1592(c)(1), Utilities Code. The Public Utility Commission of
1-57 Texas and the independent organization certified under Section
1-58 39.151, Utilities Code, for the ERCOT power region shall:

1-59 (1) consider rebating penalties collected under
1-60 Section 39.1592 directly to consumers or redirecting a portion of

2-1 the collected penalties toward reliability incentives; and
2-2 (2) for the purposes of Subdivision (1) of this
2-3 subsection, prioritize rebates of penalties or redirection of
2-4 penalties in a manner the commission determines will provide the
2-5 maximum financial benefit to consumers while still ensuring that
2-6 the reliability needs of the ERCOT power region are met.
2-7 (b) Notwithstanding Section [39.1592](#)(c), Utilities Code, the
2-8 Public Utility Commission of Texas may allow the financial
2-9 penalties and incentives required by that subsection to be adopted
2-10 in a phased manner over multiple years to mitigate market
2-11 disruptions that the commission determines would result in net
2-12 increased costs to consumers.
2-13 SECTION 3. This Act takes effect September 1, 2025.

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