

1-1 By: Creighton S.B. No. 1963
1-2 (In the Senate - Filed March 5, 2025; March 17, 2025, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 April 9, 2025, reported favorably by the following vote: Yeas 9,
1-5 Nays 1; April 9, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
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 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to a financing mechanism allowing electric utilities to
1-22 obtain recovery of costs associated with a weather-related event or
1-23 other natural disaster; granting authority to issue bonds.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 36.451, Utilities Code, is amended by
1-26 amending Subsection (b) and adding Subsection (i) to read as
1-27 follows:

1-28 (b) The purpose of this subchapter is to make available a
1-29 lower-cost, supplemental financing mechanism to allow an electric
1-30 utility [~~operating solely outside of ERCOT~~] to obtain timely
1-31 recovery of system restoration costs under Subchapter I through
1-32 securitization and the issuance of transition bonds or system
1-33 restoration bonds by an issuer other than the electric utility or an
1-34 affiliated special purpose entity. Financing of system restoration
1-35 costs under this subchapter is a valid and essential public
1-36 purpose.

1-37 (i) Notwithstanding Section 36.403(j), an electric utility
1-38 may apply for securitization and the issuance of system restoration
1-39 bonds under this subchapter for estimated and actual system
1-40 restoration costs of \$50 million or more in any calendar year.

1-41 SECTION 2. Section 36.456, Utilities Code, is amended by
1-42 adding Subsections (b-1), (b-2), and (b-3) to read as follows:

1-43 (b-1) Notwithstanding Sections 36.405(c) and (d), an
1-44 electric utility may file an application with the commission under
1-45 this subchapter for:

1-46 (1) a determination of the amount of estimated and
1-47 actual system restoration costs eligible for recovery and
1-48 securitization; and

1-49 (2) a financing order that authorizes the
1-50 securitization of estimated and actual system restoration costs,
1-51 the issuance of system restoration bonds, and the creation of
1-52 system restoration charges for the recovery of qualified costs.

1-53 (b-2) For an application filed under Subsection (b-1), the
1-54 commission shall issue an order that determines the amount of
1-55 estimated and actual system restoration costs eligible for recovery
1-56 and securitization and a financing order that authorizes the
1-57 securitization of estimated and actual system restoration costs,
1-58 the issuance of system restoration bonds, and the creation of
1-59 system restoration charges for the recovery of qualified costs not
1-60 later than the 150th day after the date the application is filed.

1-61 (b-3) For an application filed under Subsection (b-1), the

2-1 estimated system restoration costs shall be subject to true-up and
2-2 reconciliation and system restoration charges shall be adjusted
2-3 after the actual system restoration costs are known.

2-4 SECTION 3. This Act takes effect immediately if it receives
2-5 a vote of two-thirds of all the members elected to each house, as
2-6 provided by Section 39, Article III, Texas Constitution. If this
2-7 Act does not receive the vote necessary for immediate effect, this
2-8 Act takes effect September 1, 2025.

2-9 * * * * *