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S.B. No. 1978

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to the interconnection of a facility in the ERCOT power  
3 region to certain other facilities.

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

5 SECTION 1. Section 37.051, Utilities Code, is amended by  
6 amending Subsections (c), (c-1), (c-2), and (c-3) and adding  
7 Subsection (c-4) to read as follows:

14 (c-1) In this subsection, "facility" means a facility that  
15 consumes, generates, transmits, or distributes electricity.  
16 Notwithstanding any other provision of this title except Section  
17 11.009, and except as provided by Subsection (c-3) [ (c-2) ], an  
18 electric cooperative, [a person, including] an electric utility, a  
19 [or] municipally owned utility, or another person[ - ] may not  
20 interconnect a facility in [to] the ERCOT power region to a facility  
21 located wholly or partly outside of this state or to a facility that  
22 is connected directly or indirectly with a facility located wholly  
23 or partly outside of this state, [transmission grid that enables  
24 additional power to be imported into or exported out of the ERCOT

1 ~~power grid~~] unless:

2                   (1) the proposed interconnection will not subject the  
3 ERCOT power region to additional federal control or jurisdiction;

4                   (2) the commission first determines that the proposed  
5 interconnection is in the public interest after considering:

6                   (A) the technical attributes of the proposed  
7 interconnection;

8                   (B) the expected costs to the public to install,  
9 operate, and maintain the interconnection;

10                   (C) the results of relevant criteria adopted by  
11 the commission under Section 37.056(d);

12                   (D) the results of a reliability assessment  
13 conducted by the independent organization certified under Section  
14 39.151 for the ERCOT power region; and

15                   (E) any other information the commission  
16 considers appropriate;

17                   (3) the cooperative, utility, or person applies for a  
18 public interest determination from the commission under  
19 Subdivision (2) [the person obtains a certificate from the  
20 commission stating that public convenience and necessity requires  
21 or will require the interconnection. The person must apply for the  
22 certificate] not later than the 180th day before the date the  
23 cooperative, utility, or person seeks any order from the Federal  
24 Energy Regulatory Commission related to the proposed  
25 interconnection; and

26                   (4) after the cooperative, utility, or person obtains  
27 any order from the Federal Energy Regulatory Commission related to

1 the proposed interconnection, the commission grants a certificate  
2 stating that public convenience or necessity requires or will  
3 require the interconnection.

4       (c-2) The commission shall apply Section 37.056 in  
5 considering an application under Subsection (c-1) [~~this~~  
6 ~~subsection~~]. [~~In addition, the commission must determine that the~~  
7 ~~application is consistent with the public interest before granting~~  
8 ~~the certificate.~~] The commission may adopt rules necessary to  
9 implement Subsection (c-1) [~~this subsection~~]. Subsection (c-1)  
10 [~~This subsection~~] does not apply to a facility that is in service on  
11 December 31, 2014.

12       (c-3) [~~(c-2)~~] The commission, not later than the 185th day  
13 after the date the application is filed, shall approve an  
14 application filed under Subsection (c-1) for a facility that is to  
15 be constructed under an interconnection agreement appended to an  
16 offer of settlement approved in a final order of the Federal Energy  
17 Regulatory Commission that was issued in Docket No. TX11-01-001 on  
18 or before December 31, 2014, directing physical connection between  
19 the ERCOT and SERC regions under Sections 210, 211, and 212 of the  
20 Federal Power Act (16 U.S.C. Sections 824i, 824j, and 824k). In  
21 approving the application, the commission may prescribe reasonable  
22 conditions to protect the public interest that are consistent with  
23 the final order of the Federal Energy Regulatory Commission.

24       (c-4) [~~(c-3)~~] Nothing in Subsection (c-1), [~~or~~] (c-2), or  
25 (c-3) is intended to restrict the authority of the commission or the  
26 independent organization certified under Section 39.151 for the  
27 ERCOT power region to adopt rules or protocols of general

1 applicability.

2 SECTION 2. The changes in law made by this Act in Section  
3 [37.051](#), Utilities Code, apply only to an interconnection made on or  
4 after the effective date of this Act. An interconnection made  
5 before the effective date of this Act is governed by the law in  
6 effect when the interconnection was made, and the former law is  
7 continued in effect for that purpose.

8 SECTION 3. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section [39](#), Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2025.