

By: Zaffirini

S.B. No. 2074

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a study of the four coincident peak program by the
3 Public Utility Commission of Texas and the independent organization
4 certified to manage the ERCOT power region.

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

6 SECTION 1. DEFINITIONS. In this Act:

7 (1) "Commission" means the Public Utility Commission
8 of Texas.

9 (2) "Independent organization" means the independent
10 organization certified under Section 39.151, Utilities Code, for
11 the ERCOT power region.

12 (3) "Program" means the four coincident peak program
13 used by the independent organization to calculate and assign demand
14 charges.

15 SECTION 2. STUDY. (a) The commission, in coordination with
16 the independent organization, shall conduct a study of the program.
17 The study must include:

18 (1) a review of the program's rate design, with an
19 analysis of:

20 (A) using regional data, the historic and current
21 total amount of cost shifting that occurs due to coincident peak
22 avoidance by retail electric customers who are subject to the
23 program;

24 (B) potential solutions to prevent the avoidance

1 of charges under the program by retail electric customers; and

2 (C) the effects of the program on peak demand;

3 (2) consideration of large loads with backup
4 generation on the customer's side of the meter; and

5 (3) a comparative analysis of other potential methods
6 for calculating and assigning demand charges, including methods
7 based on more frequent coincident peaks or longer coincident peak
8 periods, including a comparison of the reliability and market
9 impact of the program methodology versus other methods.

10 (b) The commission shall establish the scope of the data,
11 timeframes, and comparative methods involved in the study.

12 SECTION 3. REPORT. The commission shall prepare a report
13 with the conclusions of the study and submit the report to the
14 legislature not later than December 1, 2026.

15 SECTION 4. EXPIRATION. This Act expires January 1, 2027.

16 SECTION 5. EFFECTIVE DATE. This Act takes effect September
17 1, 2025.