

By: Keffer

H.B. No. 2561

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of congestion rents in the ERCOT
wholesale market.

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

SECTION 1. Subchapter D, Chapter 39, Utilities Code, is
amended by adding Section 39.159 to read as follows:

Sec. 39.159. CONGESTION RENT IN ERCOT WHOLESALE MARKET.

(a) In this section, "congestion rent" means a pricing element that
is:

(1) added to the average market price of a generation
product; and

(2) based on the flow of power between two discrete
locations.

(b) The commission by rule shall establish a system to
annually prioritize and allocate congestion rents accrued on the
grid in the ERCOT wholesale market to transmission and distribution
utilities for congestion relief projects.

(c) A power generation company may not receive congestion
rent accrued on the grid in the ERCOT wholesale market.

(d) The rules must:

(1) establish a process for a transmission and
distribution utility to submit to the independent organization
certified under Section 39.151 for ERCOT an application to receive
congestion rent to offset the cost of a proposed congestion relief

1 project and for the staff of the organization to evaluate the
2 applications;

3 (2) establish criteria for congestion relief projects
4 for which a transmission and distribution utility is eligible to
5 receive congestion rent;

6 (3) require collected congestion rents to be remitted
7 to the independent organization certified under Section 39.151 for
8 ERCOT to be held by the organization in escrow, by zone, in separate
9 accounts according to zone;

10 (4) establish a system for the commission to
11 prioritize and allocate congestion rents for congestion relief
12 projects; and

13 (5) prohibit a transmission and distribution utility
14 from recovering through allocated congestion rent a capital
15 expenditure the utility has already recovered through its rates.

16 SECTION 2. Not later than January 1, 2016, the Public
17 Utility Commission of Texas shall adopt rules as necessary to
18 implement Section 39.159, Utilities Code, as added by this Act.

19 SECTION 3. This Act takes effect September 1, 2015.