

1-1 By: Phelan, et al. H.B. No. 1397
 1-2 (Senate Sponsor - Nichols, Schwertner)
 1-3 (In the Senate - Received from the House April 8, 2019;
 1-4 April 9, 2019, read first time and referred to Committee on
 1-5 Business & Commerce; April 30, 2019, reported adversely, with
 1-6 favorable Committee Substitute by the following vote: Yeas 9,
 1-7 Nays 0; April 30, 2019, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
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 COMMITTEE SUBSTITUTE FOR H.B. No. 1397 By: Nichols

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to the establishment of rates for certain non-ERCOT
 1-23 utilities.

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

1-25 SECTION 1. Section 36.112(g), Utilities Code, is amended to
 1-26 read as follows:

1-27 (g) This section expires September 1, 2031 [~~2023~~].

1-28 SECTION 2. Section 36.211(f), Utilities Code, is amended to
 1-29 read as follows:

1-30 (f) This section expires September 1, 2031 [~~2023~~].

1-31 SECTION 3. Section 36.212(g), Utilities Code, is amended to
 1-32 read as follows:

1-33 (g) This section expires September 1, 2031 [~~2023~~].

1-34 SECTION 4. Subchapter E, Chapter 36, Utilities Code, is
 1-35 amended by adding Section 36.213 to read as follows:

1-36 Sec. 36.213. RECOVERY OF GENERATION INVESTMENT BY NON-ERCOT
 1-37 UTILITIES. (a) This section applies only to an electric utility
 1-38 that operates solely outside of ERCOT.

1-39 (b) An electric utility may file, and the commission may
 1-40 approve, an application for a rider to recover the electric
 1-41 utility's investment in a power generation facility.

1-42 (c) An application under Subsection (b) may be filed by the
 1-43 electric utility and approved by the commission before the electric
 1-44 utility places the power generation facility in service.

1-45 (d) Any rider approved under Subsection (b) shall take
 1-46 effect on the date the power generation facility begins providing
 1-47 service to the electric utility's customers.

1-48 (e) Amounts recovered through a rider approved under
 1-49 Subsection (b) are subject to reconciliation in the first
 1-50 comprehensive base rate proceeding for the electric utility that
 1-51 occurs after approval of the rider. During the reconciliation, the
 1-52 commission shall determine if the amounts recovered through the
 1-53 rider are reasonable and necessary.

1-54 (f) If a rider approved under Subsection (b) includes
 1-55 recovery for a power generation facility that provides greater than
 1-56 \$200 million of Texas jurisdictional generation capacity, the
 1-57 electric utility that filed the rider shall initiate a
 1-58 comprehensive base rate proceeding at the commission not later than
 1-59 18 months after the date the rider takes effect.

1-60 (g) The commission shall adopt rules as necessary to

2-1 implement this section.

2-2 (h) This section expires September 1, 2031.

2-3 SECTION 5. Not later than September 1, 2020, the Public
2-4 Utility Commission of Texas shall adopt rules required by Section
2-5 36.213(g), Utilities Code, as added by this Act.

2-6 SECTION 6. This Act takes effect immediately if it receives
2-7 a vote of two-thirds of all the members elected to each house, as
2-8 provided by Section 39, Article III, Texas Constitution. If this
2-9 Act does not receive the vote necessary for immediate effect, this
2-10 Act takes effect September 1, 2019.

2-11

* * * * *