

1-1 By: King, Alvarado, Bettencourt S.B. No. 231
1-2 (In the Senate - Filed November 12, 2024; February 3, 2025,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 April 9, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 9, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Schwertner	X			
1-10	King			X	
1-11	Blanco	X			
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Johnson	X			
1-15	Kolkhorst	X			
1-16	Menéndez	X			
1-17	Middleton	X			
1-18	Nichols	X			
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 231 By: Schwertner

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to temporary emergency electric energy facilities.
1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-25 SECTION 1. Section 39.918, Utilities Code, is amended by
1-26 amending Subsections (d) and (f) and adding Subsections (f-1),
1-27 (f-2), (f-3), and (f-4) to read as follows:
1-28 (d) A facility ~~[Facilities]~~ described by Subsection (b)(1):
1-29 (1) must be operated in isolation from the bulk power
1-30 system; ~~and~~
1-31 (2) may not be included in independent system
1-32 operator:
1-33 (A) locational marginal pricing calculations;
1-34 (B) pricing; or
1-35 (C) reliability models;
1-36 (3) must be:
1-37 (A) mobile;
1-38 (B) capable of being moved from its staged
1-39 location in less than 12 hours; and
1-40 (C) capable of generating electric energy within
1-41 three hours after being connected to a demand source; and
1-42 (4) must have a maximum generation capacity of not
1-43 more than five megawatts.
1-44 (f) A transmission and distribution utility shall~~[, when~~
1-45 ~~reasonably practicable,~~ use a competitive bidding process to lease
1-46 facilities under Subsection (b)(1).
1-47 (f-1) A transmission and distribution utility may not enter
1-48 into a lease under Subsection (b)(1) unless:
1-49 (1) the commission first, in a rate proceeding or a
1-50 separate contested case hearing, authorizes:
1-51 (A) the total generating capacity the utility may
1-52 lease; and
1-53 (B) the functions for which the utility may lease
1-54 facilities and the generation capacity the utility may lease for
1-55 each function; or
1-56 (2) the lease includes a provision that allows
1-57 alteration of the lease based on commission order or rule.
1-58 (f-2) The commission may limit the period during which an
1-59 authorization issued under Subsection (f-1) is valid.
1-60 (f-3) Notwithstanding Subsections (f) and (f-1)(1), a

transmission and distribution utility may enter into a lease under Subsection (b)(1) without competitive bidding or prior commission approval if:

(1) the transmission and distribution utility lacks the leased generating capacity necessary to aid in restoring power to the utility's customers during a significant power outage;

(2) the amount of leased generating capacity does not significantly exceed the amount of megawatts necessary to restore electric service to the utility's customers during a significant power outage; and

(3) the term of the lease does not significantly exceed the time period that is required to restore electric service to the utility's customers during a significant power outage.

(f-4) A transmission and distribution utility that enters into a lease in the manner provided by Subsection (f-3) shall provide documentation to justify the amount of leased generating capacity during the first base rate proceeding after the date the lease begins.

SECTION 2. The changes in law made by this Act to Section 39.918(d), Utilities Code, apply only to a temporary emergency electric energy facility leased by a transmission and distribution utility on or after the effective date of this Act. A temporary emergency electric energy facility that was leased by a transmission and distribution utility under Section 39.918(b)(1), Utilities Code, before the effective date of this Act is governed by the law in effect at the time the lease was executed, and the former law is continued in effect for that purpose.

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

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