

By: Keffer

H.B. No. 2781

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the development and implementation of a wholesale  
3 market structure for ERCOT.

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

5 SECTION 1. Section 39.151, Utilities Code, is amended by  
6 adding Subsections (n), (o), and (p) to read as follows:

7 (n) In developing or implementing a wholesale market  
8 structure, an independent organization that is certified under this  
9 section may not:

10 (1) directly assign a congestion rent to a buyer or  
11 seller of generation output; or

12 (2) base a generation payment on locational marginal  
13 pricing.

14 (o) An independent organization that is certified under  
15 this section shall establish zonal markets used to determine the  
16 market price of a generation product that are sufficient in size to  
17 produce effective competition among generation resources.

18 (p) In this section:

19 (1) "Congestion rent" means a pricing element that is:

20 (A) added to the average market price of a  
21 generation product; and

22 (B) based on the flow of power between two  
23 discrete locations.

24 (2) "Locational marginal pricing" means the

1 calculation of marginal power prices that correspond to individual  
2 nodes or locations on the power grids.

3 SECTION 2. This Act takes effect immediately if it receives  
4 a vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution. If this  
6 Act does not receive the vote necessary for immediate effect, this  
7 Act takes effect September 1, 2009.