

BILL ANALYSIS

C.S.S.B. 943
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Various parts of the electricity continuum, including generation, load, and transmission, are regulated differently. Energy storage is a developing technology that can increase reliability of the provision of electricity and have other benefits. However, it is unclear whether or how energy storage is regulated in Texas since its unique characteristics and capabilities could be considered generation, load, transmission, or a hybrid.

C.S.S.B. 943 seeks to make changes to provisions relating to the classification, use, and regulation of electric energy storage equipment or facilities.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTIONS 2 and 4 of this bill.

ANALYSIS

C.S.S.B. 943 amends the Utilities Code to establish that electric energy storage equipment or facilities that are intended to be used to sell energy or ancillary services at wholesale, including electric energy storage equipment or facilities listed on a power generation company's registration with the Public Utility Commission of Texas (PUC) or, for an exempt wholesale generator, on the generator's registration with the Federal Energy Regulatory Commission, are generation assets and that the owner or operator of such electric energy storage equipment or facilities is a power generation company. The bill requires such an owner or operator to register with the PUC as a power generation company and entitles the owner or operator to interconnect the equipment or facilities, obtain transmission service for the equipment or facilities, and use the equipment or facilities to sell electricity or ancillary services at wholesale in a manner consistent with the provisions of the Public Utility Regulatory Act and PUC rules applicable to a power generation company or an exempt wholesale generator. The bill specifies that its provisions do not affect a determination made by the PUC in a final order issued before December 31, 2010.

C.S.S.B. 943 prohibits its provisions from being construed to determine the regulatory treatment of electricity acquired to charge electric energy storage equipment or facilities and used solely for the purpose of later sale as energy or ancillary services. The bill requires the PUC, not later than January 1, 2012, to adopt or revise rules as necessary to implement the bill's provisions and, not later than April 1, 2012, to ensure that the Electric Reliability Council of Texas adopts or revises the council's protocols, standards, and procedures to implement the bill's provisions. The bill redefines "power generation company" to make a conforming change.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 943 contains a provision not included in the original prohibiting the bill's provisions from being construed to determine the regulatory treatment of electricity acquired to charge electric energy storage equipment or facilities and used solely for the purpose of later sale as energy or ancillary services. The substitute differs from the original by making a technical correction.