

SUBJECT: Revising required reporting by the ERCOT electric market monitor

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 13 ayes — Hunter, Hernandez, Anchía, Dean, Geren, Guillen, Metcalf, Raymond, Slawson, Smithee, Spiller, S. Thompson, Turner

0 nays

SENATE VOTE: On final passage (April 4) — 31 - 0

WITNESSES: None (*considered in a formal meeting on May 2*)

BACKGROUND: Utilities Code sec. 39.1515 requires the Electric Reliability Council of Texas (ERCOT) to contract with an entity selected by the Public Utility Commission (PUC) to act as a wholesale electric market monitor to detect and prevent market manipulation. Subsection (f) requires the market monitor to immediately report directly to PUC any potential market manipulations and any discovered or potential violations of PUC or ERCOT rules.

Some have suggested that lawmakers need greater access to information about potential market manipulations currently being investigated in the state's wholesale electric market as well as PUC's related enforcement actions.

DIGEST: SB 2010 would require the Public Utility Commission (PUC) to submit an annual report to the Legislature no later than December 1 of each year that described for the preceding 12 months:

- the number of instances in which the ERCOT market monitor reported potential market manipulation;
- the statutes, PUC rules, and ERCOT rules alleged to have been violated by the reported entities; and
- the number of instances reported for which PUC instituted a formal investigation or PUC staff initiated an enforcement action.

The bill would specify that reports under Utilities Code sec. 29.1515(f) would have be in writing and delivered to both PUC and PUC staff.

The bill would take effect September 1, 2023.