Senate Research Center   S.B. 2142
                                                                                          By: Hughes
                                                                                       Jurisprudence
                                                                                          3/15/2021
                                                                                           As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Winter Storm Uri brought unprecedented challenges to the Texas electric grid. During the storm, the Public Utility Commission of Texas set the price of electricity at $9,000 per megawatt hour. Even after there was no longer a shortage of power available to the grid, the Commission maintained that price for approximately 32 more hours. Continuing to charge this price, even after balance had been restored in the grid, was wrong. This pricing intervention ultimately led to billing errors for the price of the electricity.

These erroneous prices were billed as a result of governmental intervention into the electricity marketplace. Because that governmental intervention was performed in error, the commission has both the authority and the responsibility to correct the mistake. S.B. 2142 acknowledges that the commission has the authority to correct these billing errors under Section 39.151(d), Utilities Code. It also orders the commission to correct the mistake so that prices charged reflect the actual market price of wholesale power and ancillary services that would have been paid during that period absent ERCOT intervention to artificially set prices.

As proposed, S.B. 2142 amends current law relating to correcting the prices of wholesale power and ancillary services sold in the ERCOT market during a certain period.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Defines "ERCOT" for this Act.

SECTION 2. Provides that the legislature finds that:

> (1) there is a compelling public interest in correcting the prices of wholesale power and ancillary services sold in the Electric Reliability Council of Texas (ERCOT) market during the period beginning 11:55 p.m., February 17, 2021, and ending 9 a.m., February 19, 2021; and

> (2) the Public Utility Commission of Texas (PUC) has all necessary authority under Section 39.151(d) (relating to the requirement that the PUC adopt and enforce rules relating to the reliability of the regional electrical network and accounting for the production and delivery of electricity), Utilities Code, to order a correction of prices of wholesale power and ancillary services sold in the ERCOT market during the period described by Subdivision (1) of this section in accordance with this Act.

SECTION 3. (a) Requires the PUC to order the independent organization certified for the ERCOT power region under Section 39.151 (Essential Organizations), Utilities Code, to correct the prices of wholesale power and ancillary services sold in the ERCOT market during the period beginning 11:55 p.m., February 17, 2021, and ending 9 a.m., February 19, 2021, to reflect the prices of wholesale power and ancillary services that would have been paid in the ERCOT

market during that period absent any action of the independent organization or commission to raise prices.

(b) Requires the PUC, by the order described by Subsection (a) of this section, to require the independent organization to issue all orders and take all other actions necessary to correct the prices not later than March 20, 2021.

(c) Provides that, notwithstanding any other law, Chapter 551 (Open Meetings), Government Code, does not apply to a meeting of the PUC called for the purpose of discussing or issuing an order as required by Subsection (a) of this section, and the action of a single member of the PUC is sufficient to issue that commission's order as required by Subsection (a) of this section if on the effective date of this Act there is a vacancy in the office of a commissioner of that commission.

SECTION 4. (a) Requires the governor, immediately on the governor's signing of this Act, to file this Act with the secretary of state, and to notify the PUC that this Act has been signed.

(b) Requires the PUC to issue the order required by Section 3 of this Act immediately on receiving notice under Subsection (a) of this section.

SECTION 5. Effective date: upon passage.