

New Legislation Benefiting Texas' Electric Market

The Regular Session of the 79th Texas Legislature, as well as the First Called Session, brought some changes to Texas' electric market, including the way the market is managed, how Texas will increase its use of electricity generated from renewable sources, and other energy efficiency and environmental matters.

Texas' electric market will continue to be under the scrutiny of the Legislative Oversight Committee on Electric Utility Restructuring, the Public Utility Commission of Texas (PUC) and the Texas Commission on Environmental Quality (TCEQ), helping to ensure that these recently passed laws are enacted consistent with the legislature's policy intent. See below for summaries of key legislation.

Continuation of the PUC: Ensuring Fair Oversight of Texas' Market

With the passage of Senate Bill 408, the Legislature continued the PUC for 6 years, but made several changes to the way the PUC oversees the market. The PUC will have strengthened authority over the activities and finances of the Electric Reliability Council of Texas (ERCOT), the not-for-profit group that operates the largest electric grid in Texas.

The PUC will also coordinate with ERCOT to hire an independent market monitor to detect and prevent market manipulation and recommend measures to enhance the efficiency of the wholesale electric market. This monitoring will help ensure public confidence that the wholesale market is operated fairly and is functioning in a manner that will benefit customers and market participants operating within Texas.

Promoting Renewable Power, A New Source of Clean Electricity for Texas

Senate Bill 20, passed during the First Called Session, will increase Texas' renewable portfolio standard to 5,880 MW of total renewable generation capacity—such as wind power—by 2015. This represents an increase of 3,000 MW of renewable capacity—more than double the previous mandate.

Senate Bill 20 includes provisions to promote construction of transmission lines to those parts of Texas with the richest renewable resources.

Lowering Emissions by Adopting Federal Rules in Texas

Senate Bill 2481 provides a significant benefit for Texas by requiring the state to adopt federal air quality regulations by rule for electric generators, thereby setting the requirements immediately and avoiding a protracted rulemaking process at the state level. The Federal regulations require a 70 percent reduction in sulfur dioxide, a 60 percent reduction of nitrogen oxides, and a 70 percent reduction in mercury emissions. This legislation will allow Texas to implement the new Federal requirements without waiting for the outcome of a regulatory proceeding.

Providing Guidance for Use of Credit Information by Electric Providers

House Bill 412 clarifies the boundaries for use of credit information by retail electric providers (REPs) in the provision of retail electric service.

Research and Development of Energy Efficiency Technologies

Senate Bill 712 allows energy efficiency funds to be used on research and development, continuing Texas' strong support of cost-effective energy efficiency programs by electric utilities. Ultimately, this type of research can help lower the price of energy efficiency technologies, making it easier than ever to build or upgrade an energy-efficient home in the most cost-effective manner.

