

- SUBJECT:** Amending regulations related to electric transmission lines
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 9 ayes — Hunter, Hernandez, Anchía, Dean, Metcalf, Slawson, Smithee, S. Thompson, Turner
- 0 nays
- 4 absent — Geren, Guillen, Raymond, Spiller
- WITNESSES:** For — Jaren Taylor, Oncor Electric; Katie Coleman, Texas Association of Manufacturers; John Gordon (*Registered, but did not testify*: Al Zito; Julie Williams, Chevron; Kari Gibson, ConocoPhillips; Greg Macksood, Devon Energy; Caleb Tash, Diamondback Energy; Keith Strama, ExxonMobil; Julie Moore, Occidental Petroleum; Michael D. Lozano, Permian Basin Petroleum Association; Mark Gipson, Pioneer Natural Resources; Dana Harris, Samsung Austin Semiconductor; Tony Bennett, Texas Association of Manufacturers; Ryan Paylor, Texas Independent Producers & Royalty Owners Association; Shana Joyce, Texas Oil & Gas Association; Thure Cannon, Texas Pipeline Association; Roy Jackson, TNMP; Kenneth Sumberlin, TSAEW/IBEW; Jay Brown, Valero Energy Corporation; Al Zito)
- Against — (*Registered, but did not testify*: Brent Bennett, Texas Public Policy Foundation)
- On — Clif Lange, South Texas Electric Coop.; Michele Richmond, Texas Competitive Power Advocates (TCPA) (*Registered, but did not testify*: Woody Rickerson, ERCOT; Thomas Gleeson, Public Utility Commission)
- BACKGROUND:** Concerns have been raised that the current process for building electric transmission may not keep up with demand or allow adequate advanced planning for large new loads.

DIGEST:

CSHB 5066 would specify that if the Public Utility Commission (PUC) identified a region in which transmission capacity was insufficient to meet the region's existing and forecasted electrical load, PUC would be required to develop and implement a reliability plan to serve existing and forecasted electrical load in the identified region. The plan would be required to ensure timely planning, identification, and approval of necessary transmission service improvements under existing rules. No later than the January 30, 2024, the reliability plan would be required to:

- address extending transmission service to areas where mineral resources had been found;
- address increasing available capacity to meet forecasted load for the next decade; and
- provide available infrastructure to reduce interconnection times in areas without access to transmission services.

These provisions would expire September 1, 2025.

CSHB 5066 would amend the criteria considered by PUC when granting a certificate of public convenience and necessity to electric utilities to include the need for extending transmission service where existing or projected electrical loads would be underserved, including where:

- the existing transmission service was unreasonably remote;
- the available capacity was unreasonably limited at transmission or distribution voltage level; or
- the electrical load could not be interconnected in a timely manner.

Criteria on the effect of granting or denying a certificate on the state's ability to meet its goals for renewable energy would be removed.

The bill would establish that, in considering the need for additional services for a reliability transmission project that served the ERCOT power region or where projected electric loads would be underserved, PUC would be required to consider the load for which the electric utility had yet to sign an interconnection agreement, as determined

by the electric utility with responsibility for serving the load.

CSHB 5066 would reduce the timeframe in which PUC would be required to accept or deny an application for a certificate for a new transmission facility from one year to 180 days after the application was filed.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2023. The bill would apply only to proceedings affecting a certificate of public convenience and necessity that commenced on or after the effective date.