



88th Legislative Session – ERCOT Status



ERCOT Public
September 2023

This document summarizes ERCOT's progress in implementing statutory requirements that affect the organization and arise from legislation adopted by the 88th Legislature in 2023.


Please note this document does not address the legislative obligations or implementation activities of other organizations, such as, but not limited to, the Public Utility Commission of Texas (PUC), the Railroad Commission of Texas, the Independent Market Monitor (IMM), and ERCOT Market Participants.

This document also includes updates regarding ERCOT's implementation of changes in law enacted by the 87th Legislature that were in progress when the 88th Legislative Session ended. A full status of ERCOT actions from the 87th Legislative Session as of June 1, 2023, is available on [ERCOT.com](https://www.ercot.com).


Texas State Budget: HB 1 is the General Appropriations Act. It includes appropriating State funds for the Department of Transportation (TXDOT) to develop and implement an interagency task force to evaluate medium-duty and heavy-duty vehicle charging infrastructure and capacity.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Designate a task force member to represent ERCOT	TBD	Hobbs	<ul style="list-style-type: none"> Page VII-33 of HB 1 (not codified)
 Not Started	Support Task Force in preparing report on deployment of zero-emission, medium and heavy-duty vehicle charging infrastructure	10/1/24	Hobbs	<ul style="list-style-type: none"> Page VII-33 of HB 1 (not codified)



HB 1500, Section 4, Biennial Report: HB 1500 in part requires the PUC to publish a report that includes suggestions for improvement of utility regulation, an assessment of the effects of competition and industry restructuring, a summary of PUC actions that reflect changes in the scope of competition in regulated electric markets, and recommendations for the Legislature.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	Not Started	Support PUC, as needed, in compiling data for this report.	Odd numbered years starting 1/15/25	Ögelman	• PURA § 12.203


HB 1500, Section 5, Strategic Communications Plan: HB 1500 in part requires PUC to develop a strategic communications plan and update it at least once every two years.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Support the PUC in the development of the Strategic Communications Plan, as needed.	TBD	Black Seely	<ul style="list-style-type: none"> PURA § 12.205

HB 1500, Section 8, Service Interruption Notification: The PUC, by rule, shall require a provider of electric generation service to provide to ERCOT the reason for each unplanned service interruption. ERCOT shall publish this information on its website no later than three business days after service is restored.





Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Monitor and participate in PUC project until complete	TBD	Woodfin	• PURA § 35.0022(b)
 Not Started	Determine whether modifications to Protocols or existing processes for timely posting regarding unplanned outages of Generation Resources are needed	TBD	Woodfin	• PURA § 35.0022(b)

HB 1500, Section 9, Transmission Service Pricing: HB 1500 in part requires postage stamp pricing for wholesale transmission services within ERCOT. Additionally, the PUC, by rule, shall establish a reasonable allowance for Transmission Owners to recover the costs to interconnect, at transmission level, Generation Resources to the ERCOT System. The PUC will review and adjust the allowance at least every 5 years.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	Not Started	Monitor and participate, as necessary, in PUC rulemaking project until complete	2/28/24	Hobbs	<ul style="list-style-type: none"> PURA § 35.004(d), (d-1), (d-2)






HB 1500, Sections 15 and 16, Governance: HB 1500 in part modifies ERCOT governance. A second PUC Commissioner is added as another *ex officio*, non-voting member of the ERCOT Board of Directors; such Commissioner shall be appointed by the PUC presiding officer and the appointment will rotate annually. The ERCOT Board’s authority to convene in executive session is limited to discussions of risk management or matters ERCOT would be authorized to consider in a closed meeting if ERCOT were subject to the Texas Open Meetings Act. The ERCOT Board is authorized to adopt a policy that excludes PUC Commissioners, including those serving on the Board, from attending an executive-session discussion addressing a contested case or a personnel matter unrelated to the ERCOT Board. The PUC is given explicit authority to remand, with suggested modifications, proposed changes to ERCOT’s protocols and rules.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Update bylaws and related documentation to reflect addition of second PUC Commissioner to ERCOT Board	TBD	Seely	• PURA §§ 39.151(g-1) and (g-7)
 Not Started	Update Protocol-approval governance documentation to reflect clarification that PUC may remand proposed changes to ERCOT Protocols and rules.	TBD	Seely	• PURA § 39.151(g-6)
 Not Started	Update bylaws and related documentation to reflect when the Board and its committees may convene an Executive Session	TBD	Seely	• PURA § 39.1511(a),
 Not Started	Create a Board policy regarding when PUC Commissioners, including ERCOT Board members, may be excluded from an Executive Session	TBD	Seely	• PURA § 39.1511(a), (a-1)



HB 1500, Section 17, Commission Directives to Independent Organization: HB 1500 in part provides that the PUC may only direct ERCOT to take an official action through a contested case, rulemaking, or memorandum or written order adopted by majority vote. Verbal directives for ERCOT official actions are prohibited. In addition, certain specified official actions require a contested case or rulemaking. The PUC shall adopt a rule addressing the PUC directives.



Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Assess whether new governance policies are needed	TBD	Seely	<ul style="list-style-type: none"> • PURA § 39.1514(1), (2), (3), (3)(a-1), (3)(c) • PUC Project No. 52301
 Not Started	Monitor and participate in PUC rulemaking project until complete	TBD	Seely	<ul style="list-style-type: none"> • PURA § 39.1514(3)(b) • PUC Project No. 52301
 Not Started	After adoption of PUC rule changes affecting ERCOT directives, determine if there are ERCOT action items	TBD	Seely	<ul style="list-style-type: none"> • PURA § 39.1514(3)(b) • PUC Project No. 52301

HB 1500, Section 18, Essential Organizations: HB 1500 in part prohibits ERCOT from substantially modifying its contract with the Independent Market Monitor (IMM) unless approved by a majority of PUC Commissioners. The IMM is required to provide independent analysis of proposed material changes to the wholesale market and report in writing to the PUC and PUC Staff all potential market manipulations and rule violations. The PUC may not restrict the IMM from appearing or speaking before or providing analysis to the Legislature, activities and governance. Additionally, the PUC shall submit an annual report to the Legislature that includes instances of IMM reports and formal PUC investigations and enforcement actions.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
●	Not Started	With PUC and IMM, determine whether changes to the contract with PUC and IMM, or any ERCOT-IMM contracting procedures, are needed	TBD	Seely	• PURA § 39.1515(a), (f)



HB 1500, Section 22, Dispatchable Generation: HB 1500 in part requires that ERCOT develop and implement an ancillary services program to procure dispatchable reliability reserve services (DRRS) on a day-ahead and real-time basis to account for market uncertainty.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	Adopt Protocols and other rule changes to implement a new ancillary service program	Q1/24	Ögelman Woodfin	• PURA § 39.159(d),(e)
	Not Started	Implement Dispatchable Reliability Reserve Services (DRRS) enhancement	12/1/24	Ögelman Woodfin	• PURA § 39.159(d),(e)

HB 1500, Section 23, Sec 39.1591: HB 1500 in part requires that the PUC prepare an annual report to the Legislature by December 1 year on annual costs to LSEs for backing up dispatchable and non-dispatchable generation facilities and ERCOT’s calculation of annual costs to facilitate the transmission of dispatchable and non-dispatchable electricity to Loads. Additionally, the reports required on and after December 1, 2024 shall address the status of implementing Subchapter D of PURA Chapter 39. (Subchapter D addresses the competitive market structure of portions of the electric industry.)

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
●	Not Started	Support PUC by providing information needed to create PUC Report on Dispatchable and Non-Dispatchable Generation annually	Annually, beginning 12/1/23	Rickerson	• PURA § 39.1591



HB 1500, Section 23, Sec 39.1592: HB 1500 in part requires that the PUC implement performance requirements for certain generation facilities with interconnection agreements signed on or after January 1, 2027. The owners or operators of such generation facilities shall annually demonstrate compliance; the PUC shall require ERCOT to enforce the requirements and impose financial penalties and incentives.





Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
● Not Started	Monitor and participate in PUC project related to generation performance requirements, penalties, and incentives until complete	12/1/24	Ögelman Woodfin	• PURA § 39.1592(c), (d)
● Not Started	After adoption of any PUC rule changes regarding generation performance requirements, penalties, and incentives, modify Protocols and processes as needed	12/1/27	Ögelman Woodfin	• PURA § 39.1592(c), (d)

HB 1500, Section 23, Sec 39.1593: HB 1500 in part requires that ERCOT evaluate, with input from the Technical Advisory Committee (TAC), the cost allocation of Ancillary Services (AS) and reliability services. The PUC shall evaluate and submit a report to the Legislature by December 1, 2026 on the cost allocation of AS and reliability services.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
● Not Started	Conduct, with TAC input, a cost-allocation analysis of AS and reliability services	TBD	Ögelman Woodfin	• PURA § 39.1593(a)
● Not Started	Support PUC by providing information needed to create PUC's one-time report on cost allocation of AS and reliability services	12/1/26	Ögelman Woodfin	• PURA § 39.1593(b), (c), (d)




HB 1500, Section 23, Sec. 39.1594: HB 1500 in part imposes specified limits on any credit-based resource-adequacy program, such as the Performance Credit Mechanism (PCM), that might be placed on Loads or LSEs. The PUC and ERCOT shall consider comments and recommendations from TAC when adopting and implementing such a program. Before PUC adoption of such a program, the PUC shall require ERCOT and the IMM to provide the PUC and Legislature with a report with an updated assessment that includes specified topics. ERCOT must begin implementing real time co-optimization of energy and ancillary services in the ERCOT wholesale market before the program is implemented.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Monitor and participate in PUC projects related to the PCM until complete	TBD	Ögelman	• PURA § 39.1594
 Not Started	After adoption of any PUC rule changes regarding the PCM, modify Protocols and implement as needed. Ensure TAC comments are considered.	TBD	Ögelman	• PURA § 39.1594
 Not Started	Provide updated assessment and report on PCM costs and benefits to PUC and Legislature.	TBD	Ögelman	• PURA § 39.1594(d)
 Not Started	Sunset all market changes implemented as bridge solutions	One year after PCM go-live	Ögelman	• PURA § 39.1594(a)(9)




HB 1500, Section 23, Sec. 39.1594: HB 1500 in part imposes specified limits on any credit-based resource-adequacy program, such as the Performance Credit Mechanism (PCM), that might be placed on Loads or LSEs. The PUC and ERCOT shall consider comments and recommendations from TAC when adopting and implementing such a program. Before PUC adoption of such a program, the PUC shall require ERCOT and the IMM to provide the PUC and Legislature with a report with an updated assessment that includes specified topics. ERCOT must begin implementing real time co-optimization of energy and ancillary services in the ERCOT wholesale market before the program is implemented.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 In Progress	Begin Realtime Co-optimization (RTC) implementation before PCM implementation	TBD	Ögelman	<ul style="list-style-type: none"> PURA § 39.1594(a)(10)



HB 1500, Section 23, Sec. 39.1595: HB 1500 in part creates the Grid Reliability Legislative Oversight Committee that will oversee the PUC's implementation of legislation from the 87th and 88th Legislatures.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Support PUC in providing information to the Grid Reliability Legislative Oversight Committee as needed	TBD	Rickerson	• PURA § 39.1595

HB 1500, Section 24: HB 1500 in part requires that the PUC, in consultation with ERCOT, prepare a bi-annual Electric Industry report.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
●	Not Started	Consult with and support PUC in development of Electric Industry Report which includes Grid Reliability Assessment, Transmission & Generation capacity	Odd-numbered years beginning 1/15/25	Hobbs	• PURA § 39.166



HB 1500, Section 37: HB 1500 in part addresses that the PUC may adopt rules related to reactive power control capabilities for renewable power facilities; that the PUC and ERCOT are required to submit a new report on the need to increased transmission and generation capacity.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
● Not Started	Determine whether Protocol changes regarding reactive power controls for renewable power facilities are needed	TBD	Woodfin	• PURA § 39.9111
● Not Started	Consult with and support PUC in developing Transmission and Generation Capacity Report	All even numbered years beginning 12/31/24	Hobbs	• PURA § 39.9112



HB 1500, Sections 37, 46, and 53: HB 1500 in part repeals PURA § 39.904 that includes the goals for installed renewable capacity in Texas and the Renewable Energy Credits trading program. The mandatory requirements of the Renewable Energy Credit (REC) program will fully cease, effective Sept. 1, 2025. Until then, by PUC rule, mandatory RECs shall only apply to solar technologies where energy is naturally regenerated over a short time. The voluntary portion of the REC program will continue.


Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
● Not Started	Monitor and participate in PUC project(s), regarding repeal of renewable energy goals and revisions to the REC program, until complete	TBD	Ögelman	<ul style="list-style-type: none"> • PURA §§ 39.9113, 39.916 • Sec. 53 of HB 1500 (not codified)
● Not Started	In consultation with PUC, modify Protocols and modify the mandatory requirements so they only apply to solar	TBD	Ögelman	<ul style="list-style-type: none"> • PURA § 39.9113 • Sec. 53 of HB 1500 (not codified)
● Not Started	In consultation with PUC, modify Protocols and implement cessation of the mandatory requirements altogether	9/1/25	Ögelman	<ul style="list-style-type: none"> • PURA § 39.9113 • Sec. 53 of HB 1500 (not codified)

HB 1500, Section 40: HB 1500 in part authorizes ERCOT (among others) to determine the conditions that may qualify as a “significant power outage” for purposes of a TDU’s lease and operation or a TDU’s procurement, ownership, and operation of certain facilities to aid in restoring power to the TDU’s distribution customers in such an outage.


Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
● Not Started	Monitor and participate in PUC projects related to the determination of a “significant power outage”	TBD	Woodfin	<ul style="list-style-type: none"> • PURA § 39.918(a-1) • PUC Project No. 53404
● Not Started	After adoption of any PUC rule changes regarding “significant power outage”, modify Protocols and implement as needed.	TBD	Woodfin	<ul style="list-style-type: none"> • PURA § 39.918(a-1) • PUC Project No. 53404




HB 1500, Section 52: HB 1500 in part requires PUC and ERCOT to conduct a one-time study on whether implementing an alternative to the single market clearing price for energy, ancillary services, and other products would reduce costs to residential and small commercial customers.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	Not Started	Work with PUC to study and produce the required report	12/1/25	Ögelman	<ul style="list-style-type: none"> Section 52 of HB 1500 (not codified)



HB 2555 permits electric utilities to file, for PUC review and possible approval, plans regarding the resiliency of the utility's transmission and distribution systems. The PUC shall develop a rule governing such plans and their review.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	Not Started	Monitor and participate in PUC rulemaking as needed	TBD	Hobbs	<ul style="list-style-type: none"> • PURA § 38.078 • PUC Project No. 55250

HB 2664 clarifies that a government-operated utility may disclose customer information to ERCOT needed to transition customers among REPs or comply with ERCOT Protocols or rules.


Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	Complete	Determined that Protocols and procedures did not need to be changed to allow receipt of customer information when municipally-owned utility enters retail choice	5/20/23	Ögelman	<ul style="list-style-type: none"> • Tex. Util. Code Ann. § 182.054

HB 3390 states ERCOT may establish Protocols that require a person who owns or operates a distributed generation (DG) facility interconnected, or seeking to be interconnected, to the ERCOT system to provide information about the DG facility that is necessary for system reliability. Provision of such information may be a precondition for interconnection. ERCOT may also establish Protocols that require a TSP to report to ERCOT aggregated information about certain DG facilities and distribution-connected Load that is necessary for system reliability. ERCOT may establish Protocols that require TDUs, MOUs, and electric cooperatives to report information to its TSP for purposes of the TSP’s reporting to ERCOT.




Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Establish any needed reliability Protocols for DG-owner or DG-operator reporting	TBD	Hobbs	• PURA § 39.9165(b)
 Not Started	Establish any needed reliability Protocols for TSP reporting to ERCOT and information sharing to TSPs by TDUs, MOUs, and electric cooperatives regarding DG facilities and distribution-connected Loads	TBD	Hobbs	• PURA § 39.9165(c) through (f)



HB 4553 states, subject to a public-interest determination by the Department of Information Resources (DIR) Executive Director, that ERCOT is eligible for services and commodity items provided by the DIR and statewide technology centers.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	Complete	Determined that ERCOT does not need a new determination from the DIR Executive Director regarding ERCOT qualification as an eligible customer.	7/19/23	Taylor	<ul style="list-style-type: none"> • Tex. Gov't Code Ann. § 2054.0525

HB 5066 in part modifies the PUC’s consideration of need in a proceeding for a certificate of convenience and necessity (CCN) and requires the PUC to direct ERCOT to identify region(s) with insufficient transmission capacity to serve existing and forecasted Load and develop a reliability plan for the region(s). The PUC shall also direct ERCOT, by Jan. 30, 2024, to develop a reliability plan for the Permian Basin region.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Monitor and participate, in PUC rulemaking regarding CCN proceedings and implement rule changes, as needed	TBD	Hobbs	<ul style="list-style-type: none"> • PURA § 37.056(c) and (c-1) • 16 TAC 25.101
 Not Started	When directed by PUC, identify any region(s) with insufficient transmission capacity to serve existing and forecasted load and develop a reliability plan for the region(s)	TBD	Hobbs	<ul style="list-style-type: none"> • PURA § 39.166 • PUC Project No. 55249
 Not Started	When directed by PUC, develop a reliability plan for the Permian Basin	TBD	Hobbs	<ul style="list-style-type: none"> • PURA § 39.167 • PUC Project No. 55249




SB 1170 permits an MOU with retail competition to designate others as providers of last resort (POLRs) or delegate to the PUC the authority to designate POLRs. Additionally, REPs may bill retail customers for distribution, transmission, and generation services.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 In Progress	Update Protocols and Retail Market Guide regarding REP billing responsibilities	10/1/23	Ögelman	<ul style="list-style-type: none"> • PURA §§ 40.053(c) through (e) and 40.057(c) • NPRR1173 • RMGRR174



SB 1699 specifies that REPs may aggregate distributed energy resources; permits a person to generate electricity as part of a registered aggregated distributed energy resource (ADER); and authorizes the PUC to establish rules and registration requirements for ADER aggregators, but states that such aggregators are not power generation companies.

Additionally, retail customers are entitled to participate in demand response programs offered by REPs; REPs are required to notify retail customers when ERCOT issues an Energy Emergency Alert (EEA); and the PUC shall establish a residential demand reduction goal for the ERCOT region and establish a residential demand response program.


Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Monitor and participate in PUC rulemaking regarding ADER aggregators		Ögelman Woodfin	• PURA § 39.3515
 Not Started	Monitor and participate in PUC rulemaking regarding residential demand response, including supporting PUC in its establishment of the goal	12/31/24	Ögelman Woodfin	• PURA § 39.919
 Not Started	After adoption, evaluate PUC rules regarding residential demand response to determine if changes are needed in ERCOT planning or operations	TBD	Ögelman Woodfin	• PURA § 39.919



SB 1929 provides that the PUC, by rule, shall require registration of certain “virtual currency mining facilities” in the ERCOT region as “large flexible loads.” The PUC may share the registration information with ERCOT.





Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
●	Not Started	Monitor and participate in PUC rulemaking, regarding large flexible load registration, until complete	TBD	Hobbs Seely	• PURA § 39.360
●	Not Started	Establish a process for secure receipt and maintenance of the information received from PUC	TBD	Hobbs Seely	• PURA § 39.360

SB 2013, Sections 1 and 3 in part modifies the Lone Star Infrastructure Protection Act (passed by the 87th Legislature) to define an “Affiliate” – for purposes of an agreement in which the critical infrastructure is electric grid equipment – by reference to the definition in the ERCOT Protocols. The bill also adds ERCOT as a “government entity” that is prohibited from entering into agreements that relate to critical infrastructure with certain companies.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 In Progress	Review ERCOT contracting processes to determine whether ERCOT needs to further revise those processes to comply with the Act (ERCOT previously engaged in such review after the initial passage of the Act.)	TBD	Seely Taylor	<ul style="list-style-type: none"> • Tex. Gov't Code Ann. §§ 2274.0101 – 2274.0103



SB 2013, Section 5 - SB 2013 in part prohibits ERCOT from registering or maintaining the registration of a business entity unless it attests to its compliance with Chapter 113 of the Business and Commerce Code. A business entity registered with ERCOT must submit a report and attestation to ERCOT regarding any purchase of critical electric grid equipment or service from certain companies. The Attorney General may audit the required attestations. ERCOT may immediately suspend or terminate a registration or access to ERCOT systems when ERCOT has a reasonable suspicion that the company meets certain criteria.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not Started	Review and modify Protocols, Planning Guides, or Other Binding Documents to ensure only entities in compliance with the Act may register and qualify as an ERCOT Market Participant (MP)	TBD	Seely	• PURA §§ 39.360(a) and (b)
 Not Started	Review and modify Protocols, Planning Guides, or Other Binding Documents to suspend or terminate the registration and access of an ERCOT MP, as required under the Act	TBD	Seely	• PURA § 39.360(e)
 Not Started	Review and modify Protocols, Planning Guides, or Other Binding Documents to address reports and attestations from ERCOT MPs	TBD	Seely	• PURA §§ 39.360(c) and (d)
 Not Started	Provide support for Attorney General audits of MP attestations	Ongoing	Seely	• PURA § 39.360(i)

SB 2013, Sections 2 and 4 - The bill also grants ERCOT access to criminal history or other background information from the Department of Public Safety (DPS) that relates to a person who has or is seeking ERCOT employment, or access to ERCOT systems, that can affect the security of the electric grid. Limited circumstances under which information obtained from DPS may be disclosed are listed. Further, ERCOT is required to identify all ERCOT-employee positions that are critical to the security of the electric grid; before hiring for such a position, ERCOT shall obtain criminal history and any other necessary background information regarding the potential employee.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	Review and modify ERCOT hiring and contracting processes to identify relevant ERCOT-employee and contractor positions	TBD	Seely Spak	<ul style="list-style-type: none"> • PURA § 39.151(g-7) • Tex. Gov't Code Ann. §§ 411.183
	In Progress	Review ERCOT hiring and contracting processes to determine whether ERCOT needs to modify its existing background-check requirements or establish a process for requesting DPS information	TBD	Seely Spak	<ul style="list-style-type: none"> • PURA § 39.151(g-7) • Tex. Gov't Code Ann. §§ 411.183

SB 2627 establishes, if approved by voters, the Texas Energy Fund and the Texas Power Promise program that are funding mechanisms to support the construction, maintenance, modernization, and operation of qualifying electric generating facilities.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
●	Not Started	Participate in PUC rulemaking regarding funding mechanisms to support generating facilities and implement rules as needed	6/1/24	Ögelman	<ul style="list-style-type: none"> • PURA § 35.005(d), (e), (f), (g) • PUC Project No. 54999




Outstanding Items from 87th Legislative Session

ERCOT Status



This document includes updates regarding ERCOT's implementation of changes in law enacted by the 87th Legislature that were in progress when the 88th Legislative Session ended. All other ERCOT action items from the 87th Legislative Session are complete.

A full status of ERCOT actions from the 87th Legislative Session as of June 1, 2023 is available on [ERCOT.com](https://ercot.com).



SB 3, Sections 4 and 16 and HB 3648, Critical Natural Gas Facilities and Entities: The RRC and PUC will collaborate to adopt rules establishing a process for designating certain natural gas facilities and entities associated with providing natural gas in Texas as critical customers or critical gas suppliers during an energy emergency.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	Monitor PUC Project regarding Review of Critical Load Standards and Processes to determine if there are ERCOT action items	TBD	Hobbs	<ul style="list-style-type: none"> • PURA § 38.074 • PUC Project No. 51888




SB 3, Section 14, Review of Wholesale Market Design: The PUC shall review the type, volume, and cost of Ancillary Services (AS) to determine whether they will continue to meet the needs of the electricity market and evaluate whether additional services are needed for reliability while providing adequate incentives for dispatchable generation. ERCOT shall modify AS design, procurement, and cost allocation consistent with cost-causation principles and on a nondiscriminatory basis.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	Monitor and participate in PUC projects, regarding ERCOT wholesale market redesign, until complete	TBD	Ögelman, Woodfin	<ul style="list-style-type: none"> • PURA § 35.004(g) and (h) • PUC Project No. 52373 and 53298
	Complete	Implement ERCOT Contingency Reserve Service (ECRS) enhancement	7/1/23	Ögelman, Woodfin	<ul style="list-style-type: none"> • PURA § 35.004(g) and (h) • PUC Project No. 52373 • NPRR863

SB 3 Section 16, Involuntary Load Shedding: PUC shall establish by rule involuntary load-shed provisions for transmission service providers during an energy emergency. The PUC and ERCOT shall conduct simulated or tabletop load shedding exercises at least twice a year with at least one during a summer month and at least one during a winter month.



Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	Monitor and participate in PUC project, regarding Critical Load Standards and Processes, until complete	TBD	Hobbs Woodfin	<ul style="list-style-type: none"> • PURA § 38.076(a) • Project No. 51888
	Not Started	After adoption of any PUC rule changes regarding critical load standards and processes, determine if there are ERCOT action items	TBD	Hobbs Woodfin	<ul style="list-style-type: none"> • PURA § 38.076(a) • Project No. 51888

SB 3, Section 18, Dispatchable Generation: ERCOT must establish requirements to meet the reliability needs of the power region; at least annually determine quantities and characteristics of Ancillary Services (AS) or reliability services necessary for reliability during extreme heat, extreme cold, and times of low non-dispatchable power production; procure AS or reliability services on a competitive basis for reliability during the same; develop appropriate qualification and performance requirements and penalties for such services; and size such services to prevent prolonged rotating outages due to net load variability in high demand and low supply scenarios. For PURA § 39.159, a generation facility is considered non-dispatchable if its output is controlled primarily by forces outside of human control.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 In Progress	File specification and design requirements for Voltage Support Service with PUC and continue to work with PUC as needed	TBD	Ögelman, Woodfin	<ul style="list-style-type: none"> • PURA § 39.159 • PUC Project No. 52373
 In Progress	File specification and design requirements for Load-side Reliability Mechanism with PUC and continue to work with PUC as needed	TBD	Ögelman, Woodfin	<ul style="list-style-type: none"> • PURA § 39.159 • PUC Project No. 52373
 In Progress	Monitor and participate in PUC project, regarding Reliability Standard until complete	3/1/24	Hobbs	<ul style="list-style-type: none"> • PURA § 39.159(b) • PUC Projects Nos. 52373 and 54584




SB 3, Section 18, Dispatchable Generation: ERCOT must establish requirements to meet the reliability needs of the power region; at least annually determine quantities and characteristics of Ancillary Services (AS) or reliability services necessary for reliability during extreme heat, extreme cold, and times of low non-dispatchable power production; procure AS or reliability services on a competitive basis for reliability during the same; develop appropriate qualification and performance requirements and penalties for such services; and size such services to prevent prolonged rotating outages due to net load variability in high demand and low supply scenarios. For PURA § 39.159, a generation facility is considered non-dispatchable if its output is controlled primarily by forces outside of human control.


Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 PUC has not moved forward with BRS	Pending PUC Phase 2 decision: File specification and design requirements for Backstop Reliability Service with PUC and continue to work with PUC as needed	N/A	Ögelman, Woodfin	<ul style="list-style-type: none"> • PURA § 39.159 • PUC Project No. 52373
 In Progress	Adopt Protocol changes which provide Nodal settlement for Controllable Load Resources (CLRs)	TBD	Ögelman, Woodfin	<ul style="list-style-type: none"> • PURA § 39.159 • PUC Project No. 52373 • NPRR1188





SB 3, Sections 18 and 35, Wholesale Pricing Procedures: PUC shall establish an emergency pricing program, including an Ancillary Services (AS) cap during emergency pricing; the low system-wide offer cap (LCAP) may not exceed the high system-wide offer cap (HCAP); and PUC shall review each system-wide offer cap at least once every five years.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	Monitor and participate in PUC rulemaking regarding emergency pricing	TBD	Ögelman	<ul style="list-style-type: none"> • PURA § 39.160 • PUC Project No. 54585

Use of Electric Energy Storage Facilities in the ERCOT Power Region: Transmission and Distribution Utilities may, with prior Commission approval, contract with Power Generation Companies for energy from an Energy Storage Facility for reliable distribution service. PUC shall review contracts and may authorize specified rate TDU rate treatment.


Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Not started	Monitor PUC rulemaking to determine if there are ERCOT action items or market or operational impacts	TBD	Woodfin, Ögelman	<ul style="list-style-type: none"> PURA § 35.153

Relating to certificates of public convenience and necessity (CCN) for certain transmission projects: Specifies certain transmission lines that do not require a CCN, directs factors PUC must consider for a reliability transmission project or an economic transmission project, and requires ERCOT to conduct a biennial assessment of the ERCOT grid’s reliability in extreme weather scenarios.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 In Progress	Engage consultant to advise ERCOT on conducting a consumer congestion-cost-savings analysis	12/31/23	Hobbs	<ul style="list-style-type: none"> • PURA § 37.056(d) • PUC Subst. R. 25.101 • PUC Project No. 53403
 Not Started	Adopt Protocol and other rule changes to implement consumer congestion-cost-savings analysis	TBD	Hobbs	<ul style="list-style-type: none"> • PURA § 37.056(d) • PUC Subst. R. 25.101 • PUC Project No. 53403





Electric cooperatives' use of securitization to address extraordinary costs and expenses created by Winter Storm Uri. PURA chapter 41, subchapter D enables electric cooperatives to issue securitized bonds to finance the payment of extraordinary costs and expenses incurred during the period of emergency. Under sections added to PURA chapter 39, ERCOT shall report Market Participants (MPs) who fail to fully repay amounts incurred during the period of emergency. The PUC and ERCOT shall pursue full collection of amounts owed.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
	In Progress	ERCOT shall pursue full collection of amounts owed by defaulting MPs.	Ongoing	Seely Ögelman	• PURA § 39.160(c)



Relating to utility facilities for restoring service after widespread outage: Permits a TDU to (1) lease and operate facilities that provide temporary emergency electric energy to aid in restoring distribution service during certain widespread power outages; and (2) procure or enter cooperative agreement with other TDU to jointly own and operate facilities that have a \geq six-month lead time and would aid in restoring power to distribution customers, but not energy storage equipment. The leased facilities that provide temporary emergency electric energy may not be included in ERCOT Locational Marginal Pricing calculations, pricing, or reliability models.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 In Progress	Analyze whether changes to offer-submission processes are needed to prevent TDU from offering energy or AS from TDU-leased temporary electric energy facilities, prevent such facilities from being included in LMPs or pricing	TBD	Ögelman	<ul style="list-style-type: none"> • PURA § 39.918(c) and (d) • PUC Project No. 53404
 In Progress	Monitor and provide support to PUC in PUC rulemaking, regarding restoration of electric service after a widespread outage, until complete	TBD	Woodfin	<ul style="list-style-type: none"> • PURA § 39.918 • PUC Project No. 53404

References:

The enrolled text of the bills are available at the [Texas Legislature Online website](#).

The Texas Codes are available at the [official Texas Constitution and Statutes website](#).

A version of the [Public Utility Regulatory Act \(PURA\)](#) maintained by the PUC is available on the PUC's website.

The [PUC's substantive rules](#) are available at the PUC website.

The [RRC's substantive rules](#) are available at the RRC website.

[ERCOT's Protocols](#) are available at the ERCOT website.

ADER – Aggregated Distribution Energy Resource
AS – Ancillary Services
CLRs – Controllable Load Resources
CCN – Certificate of Convenience and Necessity
DG – Distributed Generation
DIR – Department of Information Resources (Texas)?
DRRS – Distribution Reliability Reserve Service
ECRS – ERCOT Contingency Reserve Service
EEA – Energy Emergency Alert
ERCOT – Electric Reliability Council of Texas, Inc.
HCAP – High Offer Cap
IMM – Independent Market Monitor
LCAP – Low Offer Cap
LMP – Locational Marginal Pricing
LSE – Load Serving Entity
MOU – Municipally Owner Utility
MPs – ERCOT Market Participants
NPRR – ERCOT Nodal Protocol Revision Request
OPUC – Office of Public Utility Counsel
PCM – Performance Credit Mechanism
POLR – Provider of Last Resort
PUC – Public Utility Commission of Texas
PUC Subst. R. – a substantive rule of the Public Utility Commission of Texas
PURA – Public Utility Regulatory Act
REC – Renewable Energy Credit
REP – Retail Electric Provider
RRC – Railroad Commission of Texas
RMGRR – Retail Market Guide Revision Request
RTC – Real time Co-optimization
TAC – Technical Advisory Committee
TDU or T&D – Transmission and Distribution Utility
TSP – Transmission Service Provider
TXDOT – Texas Department of Transportation