

PUC Rules to Implement Senate Bill 7

Adopted Rules

Project No. 20936

Code of Conduct for Electric Utilities and Affiliates

PURA, Section 39.157

Published 8/20/99, hearing 10/18/99, adopted 11/18/99

The purpose of this project is to establish safeguards to govern the interaction between utilities and their affiliates, to prevent market power abuses and cross-subsidization between regulated and unregulated activities.

Project No. 21023

Repeal of Integrated Resource Planning Rules

PURA, Chapter 34

Published 7/15/99, adopted 9/23/99

The purpose of this project is to repeal the integrated resource planning aspects of electric planning in PURA while maintaining the goals of encouraging renewables, providing for equity in the provision of demand side management services, particularly for renters and low-income customers as outlined in SB 7.

Project No. 21046

Form for Securitization of Stranded Costs of Investor-Owned Utilities

PURA, Section 39.201

Published 7/15/99, adopted 9/23/99

The purpose of this project is to develop a form with guidance on data needs and calculation protocols for electric utilities to file a request for a financing order to securitize regulatory assets pursuant to PURA Subchapter G.

Project No. 21066

ERCOT Independent Organization Funding

PURA, Section 39.151

Published 8/30/99, hearing 9/2/99, adopted 9/9/99

The purpose of this project is to permit the ERCOT Independent System Operator to charge a fee for the use of the transmission system to cover the additional funding required to develop the staff and computer systems that are needed for it to carry out the functions of an independent organization. Key issue resolved: utilities may record the fees paid to the ISO as a fuel expense.

Project No. 21073

Electric Service for Public Retail Customers (GLO Access)

PURA, Sections 40.003, 41.003

Published 8/20/99, hearing 9/1/99, adopted 9/23/99

The purpose of this project is to develop rules to facilitate the sale of power by the General Land Office to public retail customers. The associated form and tariff instructions for the electric utilities will be adopted on 12/1/99.

Project No. 21220

Rules for Interconnecting Distributed Generation

PURA, Section 39.101

Published 9/24/99, hearing 10/25/99, adopted 11/18/99

The purpose of this project is to develop rules to ensure that electric customers have access to on-site distributed generation (< 10MW). The rules prescribe terms and conditions for the connection of small power generation and establish technical requirements to promote the safe and reliable operation of distributed generation. Key issues resolved: processing deadlines for utilities receiving DC interconnection applications, the fees that may be charged for interconnection studies and dispute resolution procedures.

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Proposed Rules

Project No. 20944

Renewable Energy Mandate

PURA, Section 39.904

Published 10/22/99, hearing 11/22/99, adoption 12/16/99

The purpose of this project is to develop rules to carry out the mandate in PURA §39.904 to promote the development of renewable energy technologies. The rules will define the requirement for the purchase of renewable energy by competitive retailers and establish a renewable energy credits trading program.

The goals of the program are to:

- encourage the construction and operation of new renewable energy projects at suitable sites in Texas
- reduce air pollution associated with the generation of electricity using fossil fuels;
- respond to customers' preferences for "clean" energy from renewable resources;
- increase the amount of renewable energy available to supply electricity to consumers in Texas; and
- ensure that all customers have access to energy from renewable energy resources pursuant to PURA §39.101(b)(3).

Key issues to be resolved:

- Whether existing resources may be included in the trading program.
- Whether the owners of existing renewable resources must acquire additional renewable energy credits.
- Whether resources outside of Texas qualify as renewable resources under this program.

Project No. 21072

Goals for Natural Gas Generating Capacity

PURA, Section 39.9044

Published 9/24/99, hearing 11/8/99, adoption 12/1/99

The purpose of this project is to develop rules to implement the legislative mandate that 50 percent of the generating capacity installed in Texas after January 1, 2000, use natural gas. The rule establishes the structure for a credit trading program for natural gas-fired generating capacity, so that a power generation company, municipally owned utility, or electric cooperative may either directly own or buy generating capacity using natural gas or buy gas energy credits; however, the credit trading program will not be implemented until the proportion of new generation capacity in Texas fired by natural gas falls below some trigger level. The rule specifies energy produced by Texas natural gas can be marketed as "green" energy.

Project No. 21074

Energy Efficient Programs

PURA, Section 39.905

Published 11/12/99, hearing 1/10/00, adoption 2/2000

The purpose of this project is to develop rules to implement the goal for energy efficiency in Section 39.905. Market-based standard offer programs and limited market transformation programs that reduce statewide energy consumption by at least ten percent of each utility's annual growth in demand by 2004

Key issues to be resolved:

- Cost of achieving the statutory goal;
- Whether specific goals or allocations of funds for different customer classes should be adopted; and
- Whether utilities should be required to adopt standard-offer programs now, so that they have the organizational infrastructure in place in 2002 to meet the statutory goal.

Project No. 21076

Electric Reliability Standards

PURA, Section 38.005

Published 9/17/99, hearing 10/27/99, adoption 12/1/99

The purpose of this project is to develop rules to establish reliability standards for electric utilities.

Key issue to be resolved:

- Date for initial application of reliability standards.

Project No. 21077

Securitization of Stranded Costs for River Authorities and Coops

PURA, Sections 40.003, 41.003

Publish 12/1999, hearing 1/12/2000, adoption 2/2000

The purpose of this project is to develop rules to govern the securitization of stranded costs by river authorities and electric cooperatives.

Key issues to be resolved:

- The Commission's role in securitization of stranded costs by river authorities and electric cooperatives; and
- Whether river authorities and electric cooperatives are subject to the standards for securitization applicable to investor-owned utilities

Project No. 21080

Terms and Conditions for Transmission Service, including Tariffs and Modifications to Existing Transmission Rules

PURA, Section 35.004

Published 11/15/99, adoption 12/1/99

This rule is to modify current rules to comply with legislative directive to adopt a postage stamp method for ERCOT transmission pricing.

Project No. 21083

Cost Unbundling and Separation of Business Activities, Including Separation of Competitive Energy Services, and Distributed Services

PURA, Sections 39.051, 39.201

Published 9/10/99, hearing 10/19/99, adoption 12/16/99

This project will develop rules for:

- Separation of competitive energy service business activities from regulated electric utility activities;
- Filing of utility plans to separate business activities into a power generation company, a retail electric provider, and a transmission and distribution utility;

- Determination of non-bypassable delivery charges for transmission and distribution utilities, including transmission and distribution rates, estimation of stranded costs, system benefit fund assessment, and nuclear decommissioning charges.

Key issues to be resolved:

- Allocation of stranded costs among customer classes
- Which utility activities are competitive business activities that must be provided through a utility's unregulated business affiliate rather than by the regulated monopoly utility.

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Future Rules

Project No. 21078

Standards of Reliability and Integrity of Electric Service Aggregators

Closed and placed in Project No. 21082

Adoption target date 5/1/00

Project No. 21079

Certification of Independent Organization to Perform Transmission and Distribution Access

Adoption target date 12/16/99

Project No. 21081

Market Power Mitigation Plans and Generating Capacity Reports

Adoption target date 6/30/00

Project No. 21082

Certification of Retail Electric Providers and Registration of Power Generation Companies and Aggregators

Adoption target date 3/1/00

Project No. 21187

System Benefit Fund Administration, Low-Income Customers

Adoption target date 8/1/01

Project No. 21251

Development and Implementation of a Customer Education Plan

Adoption target date 1/1/00; several workshops have already been held and the RFP is out for the phase of work.

Project No. 21405

Capacity Auction

Adoption target date 11/30/00

Project No. 21406
Standards for Recognition of Costs of Environmental Cleanup or Plant Retirement
Adoption target date 9/1/00

Project No. 21407
Retail Competition Pilot Project
Adoption target date 7/1/00

Project No. 21408
Provider of Last Resort
Adoption target date 10/1/00

Project No. 21409
Price to Beat
Adoption target date 2/1/01

Other Proposed Rules

Project Name	PURA Sections	Date of Publication
Rule Changes to Conform to Electric Restructuring Act (Senate Bill 7), Fuel Cases for Cooperatives	Chapter 41	October 1
Terms and Conditions for Transmission Service, including Tariffs and Modifications to Existing Transmission Rules	35.004	October 15
Rule Changes to Conform to Electric Restructuring Act (Senate Bill 7), Definitions	Numerous	October 22