

**SUBJECT:** Including aggregated distributed energy resources in the ERCOT market

**COMMITTEE:** State Affairs — favorable, without amendment

**VOTE:** 12 ayes — Hunter, Hernandez, Anchía, Dean, Geren, Guillen, Metcalf, Raymond, Slawson, Smithee, Spiller, Turner

0 nays

1 absent — S. Thompson

**SENATE VOTE:** On final passage (April 12) — 31 - 0

**WITNESSES:** For — Jason Ryan, CenterPoint Energy; Matthew Boms, Texas Advanced Energy Business Alliance; Larry Linenschmidt (*Registered, but did not testify*; Mark Bell, Association of Electric Companies of Texas; Luke Metzger, Environment Texas; Sandra Haverlah, Environmental Defense Fund; Robert King, Good Company Associates; Cyrus Reed, Lone Star Sierra Club; Brandy Marquez, Sunrun; John Pitts, Texas Solar Power Association)

Against — (*Registered, but did not testify*: Susan Stewart)

On — John Gordon (*Registered, but did not testify*: Pablo Vegas, ERCOT; Mariah Benson, Public Utility Commission; Katie Coleman, Texas Association of Manufacturers)

**BACKGROUND:** Some have suggested that statute should be revised to integrate owners and aggregators of distributed energy resources into the Texas grid and provide more consistency for grid regulators seeking to evaluate and track Texas' growing energy repository.

**DIGEST:** SB 1699 would establish that a person who aggregated distributed energy resources would:

- not be required to register as a power generation company to

- aggregate the resources;
- be required to comply with rules, guidelines, and registration requirements established by the Public Utility Commission of Texas (PUC) and with provisions of the Public Utility Regulatory Act;
- remain accountable for compliance with any applicable statutes and rules by a subcontractor, an agent, or any other entity compensated by the person for activities conducted on the person's behalf.

The bill would authorize PUC to establish rules and registration requirements for the aggregation of distributed energy resources.

The bill also would specify that a retail electric provider could aggregate distributed energy resources. A person would not be authorized to generate electricity unless the electricity was generated as part of a registered aggregate distributed energy resource.

The bill would take effect September 1, 2023.