



## **89<sup>th</sup> Legislative Session – ERCOT Status**

ERCOT Public  
January 2026

## Introduction

This document summarizes ERCOT's progress in implementing statutory requirements that affect the organization and arise from legislation adopted by the 89<sup>th</sup> Legislature in 2025.

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 Independent Market Monitor (IMM), and ERCOT Market Participants.

This document also includes updates regarding ERCOT's implementation of changes in law enacted by the 88<sup>th</sup> Legislature that were in progress when the 89<sup>th</sup> Legislative Session ended, as well as the outstanding items from the 87<sup>th</sup> Legislative Session. A full status of ERCOT actions from the 87<sup>th</sup> and 88<sup>th</sup> Legislative Session is available under Helpful Resources on [ERCOT.com](http://ERCOT.com).



**89<sup>th</sup> Legislative Session**

# Senate Bill 6: Sections 1 & 2, Interconnection Cost Recovery and Interconnection Standards for Large Loads

PURA § 35.004(c)(1) requires the Commission by rule to ensure that a large load customer that is subject to the standards adopted under Section 37.0561 contributes to the recovery of the interconnecting electric utility's costs to interconnect the large load to the utility's system; PURA § 37.0561(b) further requires the Commission by rule to establish standards for interconnection large load customers in the ERCOT power region in a manner designed to support business development in this state while minimizing the potential for stranded infrastructure costs and maintaining system reliability. These two requirements will be addressed in PUC Project No. 58541.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Monitor and participate in PUC rulemaking in Project No. 58481, <i>Rulemaking to Implement Large Load Interconnection Standards</i>	July 2026	Rickerson, Hobbs	PURA § 35.004(c-1)
Not Started	Implement any requirement from adopted rule with respect to the cost recovery mechanism, if applicable	TBD	Rickerson, Hobbs	PURA § 35.004(c-1)
Not Started	Implement any requirement from adopted rule with respect to the standards for interconnection, if applicable	TBD	Rickerson, Hobbs	PURA § 37.0561(b)

PURA § 37.0561(m) requires the Commission by rule to establish criteria for ERCOT to include forecasted demand of large load in its transmission planning and resource adequacy models and reports. Other standards identified in PURA § 37.0561(d) – (h) may be identified as criteria to be used in ERCOT's planning-related forecasts.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Monitor and participate in PUC rulemaking in Project No. 58480, <i>Rulemaking to Establish Large Load Forecasting Criteria</i>	March 2026	Rickerson, Hobbs	PURA § 37.0561(m)
Not Started	Implement any requirement from adopted rule with respect to forecasting criteria for transmission planning and resource adequacy planning	TBD	Rickerson, Hobbs	PURA § 37.0561(m)
Not Started	Establish a process to access information collected by the interconnecting electric utility or MOU to ensure compliance with the standards for transmission planning analysis, effective after adoption of PUC rule	TBD	Rickerson, Hobbs	PURA § 37.0561(k)

Applicable to customer requesting a new or expanded interconnection where load would exceed 75 MW or other threshold set by PUC to accomplish the purposes described by Subsection (b). The standards required to be adopted by the Commission must require the interconnecting electric utility or municipally owned utility (MOU) to provide information about the on-site backup generation for the impacted large load customers to ERCOT. "On-site backup generating facilities" means generation that is not capable of exporting energy to the ERCOT transmission grid and that, in the aggregate, can serve at least 50% of on-site demand. ERCOT must establish a threshold before or during an Energy Emergency Alert (EEA) at which it may issue reasonable notice that large load customers with on-site backup generating facilities may be directed to either deploy the customer's on-site backup generating facilities or curtail load. After ERCOT deploys all available market services, except for frequency responsive services, ERCOT may direct the applicable electric utility or MOU to require the large load customer to either deploy the customer's on-site backup generating facilities or curtail load. ERCOT shall include a deployment under this section as firm load shed when calculating any price adjustments for reliability deployments.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Monitor and participate in PUC rulemaking in Project No. 58481, <i>Rulemaking to Implement Large Load Interconnection Standards</i>	July 2026	Rickerson, Woodfin	PURA § 37.0561(b)
Not Started	After adoption of PUC rule, identify and implement any required items	TBD	Rickerson, Woodfin	PURA § 37.0561
Not Started	After adoption of PUC rule, scope and establish process to receive and retain information about the customer's on-site backup generation	TBD	Rickerson, Woodfin	PURA § 37.0561(e)

Applicable to customer requesting a new or expanded interconnection where load would exceed 75 MW or other threshold set by PUC to accomplish the purposes described by Subsection (b). The standards required to be adopted by the Commission must require the interconnecting electric utility or municipally owned utility (MOU) to provide information about the on-site backup generation for the impacted large load customers to ERCOT. "On-site backup generating facilities" means generation that is not capable of exporting energy to the ERCOT transmission grid and that, in the aggregate, can serve at least 50% of on-site demand. ERCOT must establish a threshold before or during an Energy Emergency Alert (EEA) at which it may issue reasonable notice that large load customers with on-site backup generating facilities may be directed to either deploy the customer's on-site backup generating facilities or curtail load. After ERCOT deploys all available market services, except for frequency responsive services, ERCOT may direct the applicable electric utility or MOU to require the large load customer to either deploy the customer's on-site backup generating facilities or curtail load. ERCOT shall include a deployment under this section as firm load shed when calculating any price adjustments for reliability deployments.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
Not Started	Establish a threshold before or during an EEA at which ERCOT may issue reasonable notice that large load customers with on-site backup generation, to be effective after adoption of PUC rule	TBD	Rickerson, Woodfin	PURA § 37.0561(e)
In Progress	Establish operating procedures for curtailing large load customers with on-site backup generation serving at least 50% of customer load	TBD	Rickerson, Woodfin	PURA § 37.0561(e)
Not Started	Include deployment as firm load shed when calculating price adjustments for reliability deployments	TBD	Collins	PURA § 37.0561(e)

Requires a Power Generating Company (PGC), municipally owned utility (MOU), or electric cooperative to submit a notice to ERCOT before implementing a net metering arrangement between an operating facility registered with ERCOT as a stand-alone generation resource as of 9/1/25, and a new large load customer under Section 37.0561(c), except in certain specified cases. ERCOT is required to study the system impacts of a proposed net metering arrangement and removal of generation for which it receives a notice. The study must be completed and submitted to PUC with recommendations not later than 120 days after ERCOT receives the required information regarding the arrangement, with PUC to approve, deny, or impose conditions within 60 days. Any conditions must include making the dispatchable capacity available to ERCOT. If conditions are not limited to a defined period, PUC must review at least every five years. The parties to a proceeding under this section include only PUC, ERCOT, the interconnecting electric cooperative, Transmission & Distribution Utility (TDU), or MOU, and each party to the net metering arrangement. The PUC shall post its decision on the PUC's website.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Monitor and participate in PUC Project No. 58479, <i>Rulemaking for Net Metering Arrangements Involving a Large Load Co-Located with an Existing Generation Resource Under PURA § 39.169</i> and implement any applicable requirements	March 2026	Rickerson, Hobbs, Woodfin, Collins	PURA § 39.169
In Progress	Establish interim processes for PGCs, MOUs, and cooperatives to initiate the required review, for studying the system impact of each proposed arrangement, and for submitting reports to PUC within 120 days of receiving necessary information; participate in PUC proceedings for review of ERCOT studies and implement any further PUC direction in such proceedings; align processes with final rule, once adopted	TBD	Rickerson, Hobbs, Seely	PURA § 39.169



# Senate Bill 6: Section 4, Net Metering Arrangements, Cont.

January 2026

Requires a Power Generating Company (PGC), municipally owned utility (MOU), or electric cooperative to submit a notice to ERCOT before implementing a net metering arrangement between an operating facility registered with ERCOT as a stand-alone generation resource as of 9/1/25, and a new large load customer under Section 37.0561(c), except in certain specified cases. ERCOT is required to study the system impacts of a proposed net metering arrangement and removal of generation for which it receives a notice. The study must be completed and submitted to PUC with recommendations not later than 120 days after ERCOT receives the required information regarding the arrangement, with PUC to approve, deny, or impose conditions within 60 days. Any conditions must include making the dispatchable capacity available to ERCOT. If conditions are not limited to a defined period, PUC must review at least every five years. The parties to a proceeding under this section include only PUC, ERCOT, the interconnecting electric cooperative, Transmission & Distribution Utility (TDU), or MOU, and each party to the net metering arrangement. The PUC shall post its decision on the PUC's website.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Complete	Identify stand-alone generation resources that would be subject to the required study in PURA § 39.169 as of September 1, 2025	9/2/2025	Seely, Rickerson, Hobbs	PURA § 39.169
 In Progress	Establish operating procedures for curtailing large loads co-located with existing generation resources as may be directed by PUC	TBD	Rickerson, Woodfin	PURA § 39.169
 Not Started	Establish process for continuing to monitor proceedings involving PUC review of conditions at least every five years if conditions imposed under § 39.169(d) are not limited to a specific period	TBD	Seely	PURA § 39.169(f)

PURA §39.170(a) requires the PUC to require ERCOT to ensure that each cooperative, Transmission & Distribution Utility (TDU), and municipally owned utility (MOU) serving a transmission-voltage customer develops a protocol, including the installation of any necessary equipment or technology before the customer is interconnected, to allow the load to be curtailed during firm load shed. The electric cooperative, TDU, or MOU shall confer with the customer to the extent feasible to shed load; this is not applicable under certain specified criteria.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
Not Started	Monitor PUC Project No. 58317, <i>SB 6 Implementation</i> , for further guidance as to whether a rulemaking will be needed and what policy decisions will need to be made before this requirement can be implemented, in accordance with PUC Staff's August 1, 2025 memorandum	TBD	Rickerson, Woodfin, Collins	PURA § 39.170(a)
Not Started	Once PUC direction has been received, develop and implement requirement for TDUs, MOUs, and electric cooperatives to develop a protocol that ensures transmission-voltage customers may be curtailed during firm load shed	TBD	Rickerson, Woodfin, Collins	PURA § 39.170(b)



PURA § 39.170(b) requires the PUC to require ERCOT to develop a reliability service to competitively procure demand reductions from large load customers with a demand of at least 75 MW to be deployed in the event of an anticipated emergency condition. The rules governing this service must: (1) specify the periods when the service may be used to assist with maintaining reliability during extreme weather events; (2) ensure that ERCOT provides at least a 24-hour notice to large load customers and requires each large load to remain curtailed for the duration of the Energy Emergency Alert (EEA) or until the load can be recalled safely; and (3) prohibit participation by any large load customer that curtails in response to the wholesale price of electricity, as determined by ERCOT, or that otherwise participates in a different reliability or ancillary service. ERCOT is required to include this deployment when calculating any price adjustments for reliability deployments.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Monitor and participate in PUC Project No. 58482, <i>Rulemaking to Develop a Reliability Service to Competitively Procure Demand Reductions from Large Loads Under PURA § 39.170</i>	August 2026	Rickerson, Woodfin, Collins	PURA § 39.170(a)
Not Started	Develop and implement a reliability service to competitively procure demand reductions from large load customers with a demand of at least 75 MW to be deployed in the event of an EEA, the deployment of which is included as a price adjustment calculation, as required by PUC	TBD	Rickerson, Woodfin, Collins	PURA § 39.170(b)

PURA § 39.170(b) requires the PUC to require ERCOT to develop a reliability service to competitively procure demand reductions from large load customers with a demand of at least 75 MW to be deployed in the event of an anticipated emergency condition. The rules governing this service must: (1) specify the periods when the service may be used to assist with maintaining reliability during extreme weather events; (2) ensure that ERCOT provides at least a 24-hour notice to large load customers and requires each large load to remain curtailed for the duration of the Energy Emergency Alert (EEA) or until the load can be recalled safely; and (3) prohibit participation by any large load customer that curtails in response to the wholesale price of electricity, as determined by ERCOT, or that otherwise participates in a different reliability or ancillary service. ERCOT is required to include this deployment when calculating any price adjustments for reliability deployments.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
Not Started	Establish compliance process to ensure prohibition of participation by any large load customer that curtails in response to the wholesale price of electricity or that otherwise participates in a different reliability or ancillary service, as required by PUC	TBD	Rickerson, Seely	PURA § 39.170(b)

Requires the PUC to evaluate whether the existing four-coincident peak (4CP) methodology used to charge wholesale transmission costs to distribution providers continues to appropriately assign costs for transmission investment. The PUC shall also evaluate: (1) whether the 4CP methodology ensures that all loads appropriately contribute to the recovery of an electric cooperative's, electric utility's, or municipally owned utility's (MOU) costs to provide access to the transmission system; (2) whether alternative methods to calculate wholesale transmission rates would more appropriately assign the cost of providing access to and wholesale service from the transmission system, such as consideration of multiple seasonal peak demands, demand during different length daily intervals, or peak energy intervals; and (3) the portion of costs related to access to and wholesale service from the transmission system that should be nonbypassable. The PUC shall evaluate whether its retail ratemaking practices ensure that transmission cost recovery appropriately charges the system costs that are caused by each customer class. After completion of the evaluation project and not later than 12/31/26, the PUC shall amend rules to ensure that wholesale transmission charges appropriately assign costs for transmission investment.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Monitor and participate in PUC Project No. 58484, <i>Evaluation of Transmission Cost Recovery</i>	12/31/26	Collins, Rickerson, Hobbs	Section 6(a)-(c) (not codified)
Not Started	Implement changes to internal processes to submit annual demand data to the Commission upon any changes to the wholesale transmission methodology, as required by the PUC	12/31/26	Collins	Section 6(c) (not codified)

Requires the PUC and ERCOT to conduct simulated or tabletop exercises with providers of electric generation service and transmission and distribution service in the ERCOT power region to mitigate and prepare for a threat of an attack or an actual physical attack on a critical facility. The exercises required by the subsection are in addition to the load-shedding exercises required by Subsection (b) and NERC Critical Infrastructure Protection (CIP) standards.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References	
<span style="color: green;">●</span>	In Progress	Coordinate with PUC to conduct simulated or tabletop exercises with providers of electric generation and transmission and distribution service in the ERCOT power region to mitigate and prepare for a threat of an attack or actual physical attack on a critical facility, at least once every two years and no later than December 31, 2026	12/31/2026	Bonser, Woodfin	PURA § 38.077(c)-(d), PURA § 38.077(f), Section 4 (not codified)
<span style="color: grey;">●</span>	Not Started	Establish processes for receiving and retaining written attestations from providers of generation service and transmission and distribution service regarding the provider's coordination with law enforcement in identifying roles and responsibilities under subsection (d)	TBD	Seely	PURA § 38.077(f)

Establishes a Texas Grid Security Commission, identifies required members and structure, and requires that the Texas Grid Security Commission evaluate grid resilience in identified essential areas. Section 3 further requires that the Texas Grid Security Commission consider and recommend resilience standards for municipalities and critical infrastructure of the ERCOT electric grid, as well as for all hazards resilience to help support the development of a critical infrastructure resilience report delivered annually to state leadership.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
Not Started	Assign ERCOT designee to serve as a member of the Texas Grid Security Commission and establish processes for designating successors; seek appropriate security clearances	TBD	Bonser	PURA § 44.002(a), § 44.003(a)(1)
Not Started	Support the Texas Grid Security Commission in any information-gathering requests or other engagement as needed	Ongoing	Bonser	PURA § 44.004
Not Started	Support the Texas Grid Security Commission in development of a report to the Legislature for resilience standards and for all-hazards resilience	12/1/2026	Bonser	PURA § 44.005(c), § 44.007
Not Started	Support the Texas Grid Security Commission in its annual report assessing natural and man-made threats to critical infrastructure and efforts to mitigate the threats	TBD	Bonser	PURA § 44.008



Establishes a Texas Grid Security Commission, identifies required members and structure, and requires that the Texas Grid Security Commission evaluate grid resilience in identified essential areas. Section 3 further requires that the Texas Grid Security Commission consider and recommend resilience standards for municipalities and critical infrastructure of the ERCOT electric grid, as well as for all hazards resilience to help support the development of a critical infrastructure resilience report delivered annually to state leadership.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
Not Started	Coordinate with Grid Security Commission membership to confirm procedures for submitting confidential information to ERCOT for retention; establish internal procedures for receiving, storing, and maintaining confidential Grid Security Commission information	TBD	Seely	PURA § 44.003(d)

Requires ERCOT to share electricity market data, including data related to reliability, generation resource adequacy, long-term transmission planning, and transmission and distribution system resiliency, to OPUC.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
<span style="color: green;">●</span> In Progress	Establish internal team and communications channels to share the required data with OPUC on an ongoing basis	Ongoing	Seely	PURA § 13.003(a)(5)
<span style="color: green;">●</span> In Progress	Establish conforming changes in ERCOT's Protocols to reflect ERCOT's duty to disclose electricity market data, including ERCOT Critical Energy Infrastructure Information (ECEII) and Protected Information, to OPUC	January 2026	Seely	PURA § 13.003(a)(5) NPRR1300

Requires the PUC and ERCOT to conduct simulated or tabletop exercise with providers of electric generation service and transmission and distribution service in the ERCOT power region to mitigate and prepare for a threat of an attack or an actual physical attack on a critical facility. Requires the Commission and ERCOT to conduct the exercise under this subsection at least once every two years and requires identification of the roles and responsibilities of several distinct entities, including ERCOT and the Commission. Requires ERCOT and the Commission to conduct such a simulated or tabletop exercise with each provider of electric generation service and of transmission and distribution service as required by PURA 38.077(c) by 12/31/26.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
<span style="color: green;">●</span> In Progress	Coordinate with PUC to conduct simulated or tabletop exercises with providers of electric generation and transmission and distribution service in the ERCOT power region to mitigate and prepare for a threat of an attack or actual physical attack on a critical facility, at least once every two years and no later than December 31, 2026	12/31/2026	TBD	PURA § 38.077(c)-(d), PURA § 38.077(f), Section 4 (not codified)
<span style="color: grey;">●</span> Not Started	Establish processes for receiving and retaining written attestations from providers of generation service and transmission and distribution service regarding the provider's coordination with law enforcement in identifying roles and responsibilities under subsection (d)	TBD	Seely	PURA § 38.077(f)

Permits the Texas Commission on Environmental Quality (TCEQ) to exercise enforcement discretion to waive enforcement for emissions from electric generation facilities and on-site backup generation facilities in the state during a period requested by an independent system operator (ISO) if the ISO notifies the TCEQ that additional electric generation is necessary to mitigate an emergency condition or a significant risk of an emergency condition. Establishes provisions for an ISO to submit a notification to the TCEQ and requires an ISO to notify Market Participants after such submittal.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
In Progress	Establish processes to notify TCEQ that additional electric generation is necessary to mitigate an emergency condition or a significant risk of an emergency condition	TBD	Seely, Woodfin	Health & Safety Code § 382.086(b)
In Progress	Establish processes to notify Market Participants that ERCOT has invoked enforcement discretion and to specify the period during which limits or standards may not apply to the operation of an electric generation facility or on-site backup generation facility	TBD	Seely, Woodfin	Health & Safety Code § 382.086(b)

Amends the Lone Star Infrastructure Protection Act (LSIPA), including requirements for ERCOT to receive an attestation from a prospective employee regarding any former travel by the prospective employee to a country of concern and any relationship between the prospective employee and a foreign governmental entity or foreign political organization; permits ERCOT to require as a condition of market participant registration that a business entity provide ERCOT with additional information to confirm the accuracy of LSIPA attestation and disclose information or relevant information to the Attorney General or the Commission. Additionally, the amendments permit ERCOT to request to the Attorney General an investigation of the accuracy or sufficiency of the information provided under the LSIPA to ERCOT and provide any new information in relation to the investigation to ERCOT or the Commission.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
 Complete	Establish processes to require prospective employees to submit an attestation regarding past travel to a country of concern and any relationship with a foreign governmental entity or foreign political organization; establish processes to receive and store such attestations	7/1/25	Spak	PURA § 39.151(g-8)
 In Progress	Establish processes for requesting that the Attorney General conduct an investigation and for receiving and using information from the Attorney General after an investigation has been completed	TBD	Seely	PURA § 39.360(j)

Establishes the Texas Energy Waste Advisory Committee to make recommendations for coordinating and improving state agency and interagency programs that reduce energy waste, increase energy efficiency, and enhance demand response programs in order to increase the reliability of electric service in the ERCOT power region, requires ERCOT to appoint a designee to serve on the Committee, and requires the Committee to solicit information from and make recommendations to enumerated state agencies and organizations regarding state programs that have the potential to reduce demand for electricity in the ERCOT wholesale market during high risk identified by PUC. The Committee is required to provide a report to the Legislature on the Committee's activities and recommendations no later than December 1 of each even-numbered year.

Status	ERCOT Action Item	Completion Date	Accountable Executive(s)	References
Not Started	Assign ERCOT designee to serve as a member of the Texas Energy Waste Advisory Committee, and establish processes for designating successors	TBD	Collins	PURA § 18.003
Not Started	Support the Texas Energy Waste Advisory Committee on any information-gathering requests or other engagement as needed	Ongoing	Collins	PURA § 18.004

## Outstanding Items from 88<sup>th</sup> Legislative Session

### ERCOT Status

This document includes updates regarding ERCOT's implementation of changes in law enacted by the 88<sup>th</sup> Legislature that were in progress when the 89<sup>th</sup> Legislative Session ended. All other ERCOT action items from the 88<sup>th</sup> Legislative Session are complete.

A full status of ERCOT actions from the 88<sup>th</sup> Legislative Session as of June 1, 2025 is available on [ERCOT.com](https://ercot.com).

**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	
	Complete	Monitor and participate, as necessary, in PUC rulemaking project until complete	2/15/24	Hobbs	<ul style="list-style-type: none"> <li>PURA § 35.004(d), (d-1), (d-2)</li> <li>PUC Project No. 55566</li> </ul>
	Complete	Modify the existing monthly ERCOT Generation Interconnection Status report to add the newly required cost information	1/30/25	Hobbs	<ul style="list-style-type: none"> <li>PURA § 35.004</li> <li>16 TAC 25.195(i)</li> <li>PUC Project No. 55566</li> <li>PGRR088</li> </ul>
	Not Started	Create and publish new, annual report providing cost information totaled for the prior calendar year	4/30/27	Hobbs	<ul style="list-style-type: none"> <li>PURA § 35.004</li> <li>16 TAC 25.195(i)</li> <li>PUC Project No. 55566</li> </ul>

**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
<span data-bbox="107 505 174 570"><input checked="" type="checkbox"/></span> Complete	Add a second PUC Commissioner to ERCOT Board	2/27/24	Seely	<ul style="list-style-type: none"> <li>PURA § 39.151(g-1) and (g-7)</li> </ul>
<span data-bbox="107 721 174 786"></span> Not Started	Update bylaws and related documentation to reflect addition of second PUC Commissioner to ERCOT Board	TBD	Seely	<ul style="list-style-type: none"> <li>PURA § 39.151(g-1) and (g-7)</li> </ul>
<span data-bbox="107 923 174 987"></span> In Progress	Update Protocol-approval governance documentation to reflect clarification that PUC may remand proposed changes to ERCOT Protocols and rules.	TBD	Seely	<ul style="list-style-type: none"> <li>PURA § 39.151(g-6)</li> </ul>
<span data-bbox="107 1153 174 1218"><input checked="" type="checkbox"/></span> Complete	Update ERCOT Board Policies and Procedures to reflect when the Board and its committees may convene an Executive Session	6/18/24	Seely	<ul style="list-style-type: none"> <li>PURA § 39.1511(a),</li> </ul>

**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 when the Board and its committees may convene an Executive Session	TBD	Seely	• PURA § 39.1511(a),
<input checked="" type="checkbox"/>	Create a Board policy regarding when PUC Commissioners, including ERCOT Board members, may be excluded from an Executive Session	6/18/24	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
In Progress	Assess whether new governance policies are needed	TBD	Seely	<ul style="list-style-type: none"> <li>PURA § 39.1514</li> <li>PUC Project No. 52301</li> </ul>
In Progress	Monitor and participate in PUC rulemaking project until complete	TBD	Seely	<ul style="list-style-type: none"> <li>PURA § 39.1514(b)</li> <li>PUC Project No. 52301</li> <li>PUC Project No. 57883</li> </ul>
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"> <li>PURA § 39.1514(b)</li> <li>PUC Project No. 52301</li> <li>PUC Project No. 57883</li> </ul>

**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	
	Complete	Design and develop the structure and rules for Dispatchable Reliability Reserve Services (DRRS)	11/20/25	Collins, Woodfin	<ul style="list-style-type: none"> <li>PURA § 39.159(d),(e)</li> <li>PUC Project No. 55797</li> <li>NP RR1309</li> <li>NP RR1310</li> </ul>
	In Progress	Adopt Protocols and other rule changes to implement Dispatchable Reliability Reserve Services (DRRS)	August 2026	Collins, Woodfin	<ul style="list-style-type: none"> <li>PURA § 39.159(d),(e)</li> <li>PUC Project No. 55797</li> </ul>
	Not Started	Implement Dispatchable Reliability Reserve Services (DRRS) enhancement	TBD	Collins, Woodfin	<ul style="list-style-type: none"> <li>PURA § 39.159(d),(e)</li> <li>PUC Project No. 55797</li> </ul>

**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
<span data-bbox="103 519 165 577" style="border: 1px solid green; padding: 2px 5px; display: inline-block;">✓</span> Complete	Monitor and participate in PUC Project No. 58198, <i>Rulemaking to Implement Firming Reliability Requirements for Electric Generating Facilities in the ERCOT Region Under PURA § 39.1592</i>	December 2025	Rickerson	<ul style="list-style-type: none"> <li>• PURA § 39.1592(c), (d)</li> <li>• PUC Project No. 58198</li> </ul>
<span data-bbox="103 807 165 851" style="border: 1px solid green; border-radius: 50%; padding: 2px 5px; display: inline-block;">●</span> In Progress	After adoption of any PUC rule changes regarding generation performance requirements, penalties, and incentives, modify Protocols and processes as needed. May result in substantial changes to ERCOT systems and processes.	12/1/27	Rickerson	<ul style="list-style-type: none"> <li>• PURA § 39.1592(c), (d)</li> </ul>

**HB 1500, Section 23, Sec 39.1593:** HB 1500 in part requires that the PUC direct ERCOT to evaluate, with input from the Technical Advisory Committee, 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
In Progress	Monitor and participate in PUC Project No. 58555, <i>ERCOT Ancillary and Reliability Services Cost Allocation Study Pursuant to PURA § 39.1593</i>	December 2026	Rickerson, Woodfin	• PUC Project No. 58555
Not Started	Conduct, with Technical Advisory Committee input, a cost-allocation analysis of AS and reliability services	August 2026	Rickerson, Woodfin	• PURA § 39.1593(a)
In Progress	Support PUC by providing information needed to create PUC's one-time report on cost allocation of AS and reliability services	12/1/26	Rickerson, Woodfin	• PURA § 39.1593(b), (c), (d) • PUC Project No. 58555

**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 Transmission Service Provider (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 Transmission and Distribution Utilities (TDUs), municipally owned utilities (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
In Progress	Establish any needed reliability Protocols for DG-owner or DG-operator reporting	TBD	Hobbs	<ul style="list-style-type: none"> <li>PURA § 39.9165(b)</li> <li>NPRR1265</li> </ul>
In Progress	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	<ul style="list-style-type: none"> <li>PURA § 39.9165(c) through (f)</li> <li>NPRR1265</li> </ul>

**SB 1699** specifies that Retail Electric Providers (REPs) may aggregate distributed energy resources; permits a person to generate electricity as part of a registered aggregated distributed energy resource (ADER); and permits 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
<span data-bbox="117 544 168 591" style="background-color: green; border-radius: 50%; width: 25px; height: 25px; display: inline-block;"></span> In Progress	Evaluate the participation of Aggregate Distributed Energy Resources (ADERs) in the ERCOT wholesale market.	TBD	Collins	<ul style="list-style-type: none"> <li>• Project No. 53911</li> </ul>
<span data-bbox="117 717 168 764" style="background-color: grey; border-radius: 50%; width: 25px; height: 25px; display: inline-block;"></span> Not Started	Monitor and participate in PUC project regarding ADER aggregators	TBD	Collins	<ul style="list-style-type: none"> <li>• PURA § 39.3515</li> <li>• Project No. 54311</li> </ul>
<span data-bbox="117 904 168 951" style="background-color: green; border: 1px solid green; border-radius: 50%; width: 25px; height: 25px; display: inline-block; text-align: center; line-height: 25px; font-size: 14px;">✓</span> Complete	Monitor and participate in PUC rulemaking regarding residential demand response, including supporting PUC in its establishment of the goal	12/12/24	Collins	<ul style="list-style-type: none"> <li>• PURA § 39.919</li> <li>• Project No. 56966</li> <li>• 16 TAC § 25.186</li> </ul>
<span data-bbox="117 1120 168 1167" style="background-color: green; border-radius: 50%; width: 25px; height: 25px; display: inline-block;"></span> In Progress	After adoption, evaluate PUC rules regarding residential demand response to determine if changes are needed in ERCOT planning or operations	TBD	Hobbs, Collins, Woodfin	<ul style="list-style-type: none"> <li>• PURA § 39.919</li> <li>• NPPR1291</li> </ul>

## Outstanding Items from 87<sup>th</sup> Legislative Session

### ERCOT Status

This document includes updates regarding ERCOT's implementation of changes in law enacted by the 87<sup>th</sup> Legislature that were in progress when the 89<sup>th</sup> Legislative Session ended. All other ERCOT action items from the 87<sup>th</sup> Legislative Session are complete.

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

**SB 3 Section 16, Involuntary Load Shedding:** PUC shall establish by rule involuntary load-shed provisions for Transmission Service Providers (TSPs) 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
<span style="color: green;">●</span> In Progress	Monitor and participate in PUC project, regarding Critical Load Standards and Processes, until complete	Ongoing	Hobbs, Woodfin	<ul style="list-style-type: none"> <li>• PURA § 38.076(a)</li> <li>• Project No. 51888</li> </ul>
<span style="color: gray;">●</span> 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"> <li>• PURA § 38.076(a)</li> <li>• Project No. 51888</li> </ul>
<span style="color: green; border: 1px solid green; padding: 2px;">✓</span> Complete	Conduct simulated or tabletop load shedding exercises as part of semi-annual training activities.  First conducted for Winter 21/22 and will continue at least every following summer and winter	Ongoing	Woodfin	<ul style="list-style-type: none"> <li>• PURA § 38.077(a), (b)</li> </ul>

**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, Scheel	• PURA § 39.160(c)



### 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 \(PURPA\)](#) maintained by the PUC is available on the PUC's website.

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

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

# Glossary of Acronyms

4CP	Four Coincident Peak
ADER	Aggregated Distribution Energy Resource
AS	Ancillary Services
DG	Distributed Generation
DRRS	Dispatchable Reliability Reserve Service
ECEII	ERCOT Critical Energy Infrastructure Information
EEA	Energy Emergency Alert
IMM	Independent Market Monitor
ISO	Independent System Operator
LSIPA	Lone Star Infrastructure Protection ACT
MOU	Municipally Owned Utility
MP	ERCOT Market Participant
MW	Megawatt
NPRR	ERCOT Nodal Protocol Revision Request
OPUC	Office of Public Utility Counsel
PGC	Power Generation Company
PUC	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
REP	Retail Electric Provider
TAC	Technical Advisory Committee
TDU	Transmission and Distribution Utility
TSP	Transmission Service Provider