

Bill Summary
1st Session of the 60th Legislature

Bill No.:	SB 998
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Author:	Sen. Green
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Bill Analysis

SB 998 directs the Corporation Commission to process the application of an energy generation facility that uses natural gas as its primary fuel source within 180 days of the filing. The measure also provides that bids received by an electric utility through a competitive bidding process within the last 12 months following the final shall be considered substantial evidence to satisfy the consideration of reasonable alternatives. The measure directs the Commission to permit a separate rate adjustment mechanism to recover the costs associated with the construction of natural-gas-fired electric generation facilities. The eligible projects for the rate adjustment shall include new natural-gas-fired capacity additions at an existing electric generation facility. The measure requires the utility to refund customers if it fails to construct or expand the facility over a maximum period of 90 days. Utilities shall be required to secure a firm contract to transport natural gas to the generating facility.

Public utilities shall be required to defer to a regulatory asset 90% of all depreciation expenses and return associated with all qualifying electric plants placed in service. The measure directs the Commission to conduct a prudence review of the associated qualifying electric plant resulting in the regulatory asset balances prior to moving such balances into the public utility's rate base. Each general rate proceeding concluded on or after July 1, 2025, shall include the balance of the regulatory asset as of the end of the test year with the rate base without any offset. Regulatory asset balances created in this manner shall accrue carrying costs at the public utility's weighted average cost of capital plus applicable federal, state, and local income or excise taxes. Deferred depreciation expenses shall account for any qualifying electric plant placed into service.

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