

ADOPTED RULES

Adopted rules include new rules, amendments to existing rules, and repeals of existing rules. A rule adopted by a state agency takes effect 20 days after the date on which it is filed with the Secretary of State unless a later date is required by statute or specified in the rule (Government Code, §2001.036). If a rule is adopted without change to the text of the proposed rule, then the *Texas Register* does not republish the rule text here. If a rule is adopted with change to the text of the proposed rule, then the final rule text is included here. The final rule text will appear in the Texas Administrative Code on the effective date.

TITLE 16. ECONOMIC REGULATION

PART 2. PUBLIC UTILITY COMMISSION OF TEXAS

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS SUBCHAPTER H. CERTIFICATES OF CONVENIENCE AND NECESSITY

16 TAC §24.233

The Public Utility Commission of Texas (commission) adopts amendments to §24.233 relating to Contents of Certificate of Convenience and Necessity Applications. This rule will implement Texas Water Code Chapter §13.245 as revised by HB 3476 during the Texas 87th Regular Legislative Session. The rule will require that for a certificate of public convenience and necessity to be granted for a service area within the extraterritorial jurisdiction of a municipality all water and sewer facilities must be designed and constructed in accordance with the applicable Texas Commission on Environmental Quality (TCEQ) standards. The commission adopts the amendments with no changes to the proposed text as published in the August 15, 2025, issue of the *Texas Register* (50 TexReg 5282). The rule will not be republished.

The commission received no comments about this project and adopts the rule with no changes to the proposal.

Statutory Authority

Texas Water Code §13.041(a), which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by the Texas Water Code that is necessary and convenient to the exercise of that power and jurisdiction; Texas Water Code §13.041(b), which provides the commission with the authority to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; Texas Water Code §13.245, which requires that for a certificate of public convenience and necessity to be granted for a service area within the extraterritorial jurisdiction of a municipality all water and sewer facilities must be designed and constructed in accordance with the commission's standards for water and sewer facilities.

Cross Reference to Statute: Texas Water Code §13.041(a); §13.041(b); and §13.245.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS

SUBCHAPTER D. RECORDS, REPORTS, AND OTHER REQUIRED INFORMATION

16 TAC §25.75

The Public Utility Commission of Texas (commission) adopts new 16 Texas Administrative Code (TAC) §25.75, relating to Annual Report on Dispatchable and Non-dispatchable Generation Facilities with changes to the proposed text as published in the August 15, 2025 issue of the *Texas Register* (50 TexReg 5290). The adopted rule implements Public Utility Regulatory Act §39.1591 (1)(B) which was added by House Bill 1500, Section 23, during the 88th Regular Texas Legislative session. The adopted rule requires transmission service providers (TSPs) to annually report costs incurred in the ERCOT market to interconnect electric generating facilities including battery storage facilities, and transmission connected retail loads in a format prescribed in a commission approved form by October 31, 2025, and October 15 for each subsequent year. The information provided by the TSPs will be included in the annual report on dispatchable and non-dispatchable generation facilities that the commission is required to submit to the Texas Legislature by December 1 of each year. The rule will be republished.

The commission received comments on the proposed new rule from Sierra Club, Texas Public Power Association (TPPA), Oncor Electric Delivery Company LLC (Oncor), CenterPoint Energy Houston Electric, LLC (CenterPoint), and LCRA Transmission Services Corporation (LCRA). All comments, including any not specifically referenced herein, were fully considered by the commission.

Introduction

For enhanced clarity in the reporting requirements, the commission has modified the proposed form and bifurcated it into two reporting sections in the adopted form- (1) Electric generating facility and battery storage facility interconnection costs section (generation interconnection costs), and (2) Transmission connected load interconnection costs section (load interconnection costs). Corresponding updates were made to the adopted Excel sheet template to mirror the changes and structure in the adopted form. The reporting sections in the adopted form require TSPs to provide direct interconnection costs, network transmission line, and network upgrades costs for generation facilities, battery storage facilities, and transmission connected retail load.

General Comments

Filing of confidential information

Oncor inquired if the Compliance Reporting Portal (CRP) will have the capability to enable the TSPs to mark part of their filing as confidential or if the TSP will only be able to mark the entire filing as confidential.

Commission response

The commission clarifies that the TSPs may designate the filings submitted in calendar year 2025 using the commission's interchange filer as confidential consistent with existing reporting practices. Starting October 15, 2026, TSPs are required to submit these reports using the CRP where they can elect to mark either or both the Electric Generating and Battery Storage Facility Interconnection Costs or Transmission Connected Load Interconnection Cost' datasets as confidential.

Additional reporting requirements for large loads and back-up generation

Sierra Club recommended that the commission require TSPs to file additional information about large loads and back-up generation in the data requested. Sierra Club commented that because information about back-up generation of different fuel types may impact interconnection costs, this information could be useful to the commission and other policymakers.

Commission Response

The commission declines to expand the proposed reporting requirements to include additional data regarding load characteristics and back-up generation because it is beyond the noticed scope for this rulemaking and may impose compliance burdens on reporting entities that were not contemplated by statute.

Codifying form instructions and definitions of terms 'generation facility', 'transmission level load', and 'transmission upgrade', in the proposed rule

TPPA recommended the commission include a definitions subsection in the adopted rule to clarify scope of reporting requirements associated with terms "generation facility", "transmission level load", and "transmission upgrade" as used in the rule, form, and Excel sheet template. TPPA recommended replacing the term "generation facility" in the proposed rule with "electric generating facility" as defined under §25.5, relating to definitions.

Both CenterPoint and TPPA recommended clarifying that reporting for generation facilities should be limited to facilities that are interconnected at transmission voltage and that reporting for "transmission level loads" should be limited to retail customers directly connected to the transmission system at transmission level voltages.

Additionally, TPPA recommended codifying in the rule the timing for reporting costs and the requirement for submitting data for five years on a rolling basis.

Commission response

The commission declines to add a definitions subsection into the adopted rule to define the terms "generation facility", "transmission level load", and "transmission upgrade", because doing so may inadvertently confuse how these terms are interpreted in the other existing rule sections. The details provided in the form provide the necessary clarity for reporting entities. Similarly, the commission declines to codify timing for reporting costs and the requirement for submitting data for five years on a rolling basis because these topics are addressed and clarified in the adopted form.

The commission, however, agrees with TPPA's recommendation to replace the term "generation facility" with the defined term "electric generating facility" in the form with modifications to specify addition of battery storage facilities to the reporting requirements. The term "transmission level load" was replaced with "transmission connected load". The commission clarifies that reporting is limited to electric generating facilities interconnected at transmission voltage and to retail customers that are directly interconnected at transmission level voltages to the transmission system. With respect to the term "transmission upgrade", the commission notes that related clarification is addressed in detail in response to comments on reporting topic 10 in this order.

Reporting upgrades to existing generation and load facilities, Private Use Networks (PUNs), and co-located facilities

TPPA requested guidance on whether TSPs are required to report interconnection costs for projects where a transmission line was built out, or a transmission system upgrade was required, to support an increase in the capacity of an existing load or generation facility. TPPA also requested clarity on reporting of interconnection costs for PUNs and co-located facilities, that is, transmission level loads and transmission level generation projects that are interconnected behind the same point of interconnection.

Commission Response

The commission clarifies that TSPs must report interconnection costs for transmission line build out and transmission upgrades that were required to support new capacity added at an existing electric generating facility, or to support increased demand at an existing load, and were uplifted to the ratepayers as part of transmission cost of service (TCOS) rates. Interconnection costs for PUNs and co-located loads must be reported if these costs were approved for recovery through TCOS rates.

Transmission interconnection cost categories to be reported

TPPA recommended that only projects that are energized and approved for cost recovery in a full rate case proceeding should be reported. Oncor recommended that only projects that are energized and approved for cost recovery in a base rate case proceeding and interim TCOS proceeding should be reported. Oncor additionally commented that TSPs should not be required to report costs of projects that are energized but not included in a base rate or interim TCOS proceeding for recovery and those projects that are not energized and that may continue to accrue costs while they remain in construction.

Commission Response

The commission agrees with Oncor and clarifies that TSPs must only report costs associated with projects that are energized and approved for cost recovery in a comprehensive base-rate or interim TCOS proceeding.

Reporting of direct interconnection costs and transmission system upgrade costs

LCRA recommended that the adopted rule should require reporting of only direct interconnection costs, that is, the transmission interconnection facilities costs, and not "transmission system upgrades" as that term is defined in 16 TAC § 25.195, relating to Terms and Conditions for Transmission Service.

Commission Response

The commission clarifies that each TSP is required to report direct interconnection costs (radial lines), costs for network transmission lines, and transmission upgrades necessary to interconnect electric generating and battery storage facilities and transmission connected retail load. As discussed in the introduction section, the commission has modified the proposed form by bifurcating it into two reporting sections, generation interconnection costs and load interconnection costs, to facilitate reporting of cost categories.

More details about the updates to the adopted form are discussed under the commission responses to reporting topics 7 and 9.

Comments on the proposed rule

Proposed §25.75(a) - Application

Proposed §25.75(a) establishes that the rule applies to all transmission service providers in the ERCOT region.

CenterPoint recommended that the commission modify proposed §25.75(a) to apply to all TSPs that interconnect transmission level generation facilities and all distribution service providers (DSPs) that are responsible for interconnecting transmission level retail customers. CenterPoint provided redlines to proposed rule §25.75(a) and the proposed form in accordance with its recommendations.

Commission response

The commission modifies the rule to clarify that it is applicable to each TSP operating in the ERCOT region that recover transmission interconnection costs through TCOS rates.

CenterPoint inquired if the scope for reporting extends to interconnection of distribution level energy storage resources, generation resources, and load resources to a DSP's distribution system.

Commission response

The commission modifies the rule to clarify that the scope for reporting is limited to interconnection of transmission level electric generating and battery storage facilities and transmission connected retail load.

Proposed §25.75(b) - Report

Proposed §25.75(b) requires all TSPs in the ERCOT region to file with the commission annual costs to interconnect generation facilities and transmission level loads in a format prescribed in a commission approved form by October 15th of each calendar year.

CenterPoint requested the commission clarify that TSPs are only required to report capital costs associated with infrastruc-

ture build out and upgrades that the TSP installs to interconnect transmission level generation facilities and loads but not the ongoing operations and maintenance costs associated with maintaining these interconnections. CenterPoint provided redlines to the proposed subsection §25.75(b) and the proposed form according to its recommendations.

Commission response

The commission clarifies that the reporting of interconnection costs is limited to capital costs incurred by TSPs to interconnect electric generating and battery storage facilities and transmission connected retail load. The commission modifies the proposed form in accordance with this guidance.

Comments on the proposed form

Inclusion of energy storage facilities

CenterPoint recommended revising the proposed form to include references to energy storage facilities along with electric generation facilities.

Commission response

The commission agrees with CenterPoint's recommendation and modifies the proposed form to state that TSPs are required to report costs related to interconnecting both electric generating and battery storage facilities.

Proposed reporting topic 1

Proposed reporting topic 1 requires TSPs to report the "Project name," described in the proposed form as "Name of the power generation facility or transmission level load."

TPPA recommended that the commission modify the form to specify that the project name, as required by proposed reporting topic 1, should refer to the transmission facilities being constructed or upgraded, rather than the generation facility or transmission level load that is being interconnected.

CenterPoint recommended that the form specify that the project name, as required by proposed reporting topic 1, should be the name of the generator on the standard generation interconnection agreement (SGIA) for generation or storage facilities and the name of the retail customer on the transmission facility extension agreement (TFEA) for transmission level load.

CenterPoint suggested that the commission require TSPs to file information about retail customers' names confidentially.

Commission response

The commission declines to modify the proposed form in accordance with TPPA's and CenterPoint's recommendations because the existing topic description provides sufficient direction for reporting.

With respect to CenterPoint's recommendation to file the names of the retail customers confidentially, the commission clarifies that TSPs have the ability to mark their filings as confidential and must comply with any existing requirements related to disclosing customer information.

Proposed reporting topics 3 and 4

Proposed reporting topic 3 requires TSPs to report the "Generator Type," of an interconnecting generation facility. Proposed reporting topic 4 requires TSPs to report the "Nameplate Capacity Rating," of an interconnecting generation facility.

CenterPoint recommended that both the generator type and nameplate capacity rating descriptions provided by the TSP should be the same as described in the SGIs of the generation facility.

Commission response

The commission declines to modify the proposed form to require the TSPs to mirror the descriptions of generator type and nameplate capacity rating as described in the SGIs of the interconnecting electric generating and battery storage facilities because the existing topic descriptions provide sufficient clarity to reporting entities.

Proposed reporting topics 7 and 9

Proposed reporting topic 7 requires TSPs to report miles of transmission line buildout to interconnect (i) a new generation facility and (ii) transmission level load. Proposed reporting topic 9 requires TSPs to report generation facilities' interconnection costs for transmission line buildout that are approved to be recovered in a rate proceeding.

Oncor requested the commission to clarify whether the TSPs are required to submit information about radial lines serving a specific customer, or networked transmission lines required to interconnect generation and load. Additionally, Oncor requested guidance on whether the TSPs are required to report information about linear transmission miles and circuit miles.

Commission Response

The commission clarifies that information about transmission line miles required under proposed reporting topic 7 and the interconnection cost required under proposed reporting topic 9 must include information about both radial lines and network transmission lines required to interconnect electric generating and battery storage facilities. When reporting the miles for transmission line buildout, the TSPs must also provide details about linear and circuit miles. Similar breakdown of information is also required for transmission connected retail loads.

Relationship between proposed reporting topics 8, 9, 10, and 11

TPPA requested clarification on the relationship between reporting topics 8, 9, 10, and 11. Additionally, TPPA requested that consistent language be used across the adopted form and Excel sheet.

CenterPoint recommended deleting proposed reporting topic 11 and splitting proposed reporting topic 8 into two parts to differentiate between generation and storage facility interconnection projects and transmission load interconnection projects. CenterPoint provided redlines in accordance with its recommendations.

Commission response

The following describes the relationship between reporting topics 8 through 11 in the generation interconnection costs section of the adopted form. Reporting topic 8 requires each TSP to report "estimates" of total generation interconnection costs that are approved to be uplifted to rates in rate proceedings. This dollar amount includes costs for transmission lines buildout and upgrades incurred to connect electric generating and battery storage facilities. Reporting topic 9 requires TSPs to report approved transmission line buildout costs. Each TSP is required to provide a breakdown of these costs into direct interconnection (radial line) costs using reporting topic 9A and, as applicable network line costs assigned to a single customer or split evenly among

multiple customers that signed a SGIA prior to the start of construction using reporting topic 9B. Reporting topic 10 requires TSPs to report approved transmission upgrade costs. Reporting topic 11 requires TSPs to report approved interconnections costs on a 5-year rolling basis.

The following describes the relationship between reporting topics 6 through 9 in the load interconnection costs section of the adopted form. Reporting topic 6 requires TSPs to report "estimates" of total transmission load interconnection costs approved to be uplifted to rates in rate proceedings. Reporting topic 7 requires TSPs to provide approved transmission line buildout costs. Each TSP is required to provide a cost breakdown of direct interconnection (radial line) costs using reporting topic 7A, and as applicable network line costs assigned to a single customer or split evenly among multiple customers that signed a TFEA prior to the start of construction using reporting topic 7B. Reporting topic 8 requires TSPs to report approved costs for transmission upgrades. Reporting topic 9 requires TSPs to report approved load interconnection costs on a 5-year rolling basis.

Proposed reporting topic 8

Proposed reporting topic 8 requires TSPs to report costs to interconnect a new generation facility and transmission level load that are approved to be recovered in a transmission rate proceeding (the TCOS and comprehensive base-rate cases).

TPPA requested that the commission modify the description for reporting topic 8 in the proposed form to explicitly state which costs TSPs should and should not include in their reporting.

Oncor requested that the commission clarify the term "estimates", as used in column 8A in the proposed Excel sheet, and requested further direction on how trailing costs should be reported. Additionally, Oncor requested clarification on the cutoff dates for reporting total costs in each year's report.

Both TPPA and Oncor requested the commission to clarify the meaning of the term "other heads" of costs that need to be excluded when reporting costs under proposed reporting topics 8 and 11. Oncor also provided proposed language edits.

Commission response

The commission clarifies that under reporting topic 8 in the generation interconnection costs section and reporting topic 6 in the load interconnection costs section of the adopted form TSPs are required to provide interconnection costs for energized transmission facilities that are approved to be recovered in either an interim TCOS or comprehensive base-rate proceeding. The commission further clarifies that the term "estimates", as used in the reporting topics reflects the possibility that the costs approved for recovery in an interim TCOS proceeding may need to be subsequently adjusted for trailing costs or potential disallowances. The TSPs reporting the projects where such adjustments have occurred must provide explanatory notes in the comments' column of the adopted Excel sheet.

Additionally, the commission replaces the term "other heads" with language that clarifies that any customer contributions that offset the TSP's capital investment in the project must be excluded from costs reported under topics 8, 9, and 10 of the generation interconnection costs section and reporting topic 6, 7, and 8 of the load interconnections costs section of the adopted form.

Finally, the commission confirms that the cutoff date for including rate orders approving project costs in the October 31, 2025, report is January 1, 2020, through December 31, 2024.

Proposed reporting topic 9

Proposed reporting topic 9 requires TSPs to report generation facilities' interconnection costs approved to be recovered in a rate proceeding.

TPPA requested clarification about costs that are categorized as "other associated costs" under proposed reporting topic 9.

Commission Response

The commission modifies the term "other associated costs" in the proposed form to "other capital costs" to capture miscellaneous capital costs. The commission made this change to reporting topics across both the generation and load cost sections of the adopted form.

Proposed reporting topic 10

Proposed reporting topic 10 requires TSPs to report costs approved to be recovered for transmission upgrades that are necessary to interconnect new generation facilities.

TPPA requested clarity on what constitutes a "transmission upgrade" and how costs of transmission upgrades should be assigned to individual interconnection projects. TPPA noted in its comments that requiring TSPs to allocate and report upgrade costs that are separate from project-specific interconnection costs may not accurately represent project-specific interconnection costs as such upgrades have larger benefits to the transmission system rather than a single project. Accordingly, TPPA recommended that the commission only require reporting of project costs that are associated with interconnecting generation resources and retail transmission customers and not require reporting of costs for general system upgrades unless those costs are truly project-specific interconnection costs.

TPPA also recommended defining "transmission system upgrade" as it appears under §25.195(b)(2). Both TPPA and LCRA recommended modifications to the existing definition to extend the scope of the definition to include transmission upgrades for interconnecting transmission level loads. LCRA requested clarity on the scope of information required to be reported under this topic and provided redlines to the rule.

Commission response

The commission notes that the term "transmission system upgrade" is defined under §25.195(b)(2) for purposes of policy clarification specific to that rule subsection. The commission declines to adopt that definition for purposes of delineating the scope of reporting under this rule, as recommended by TPPA. Instead, the commission uses the term "transmission upgrade" and defines the term to establish the scope for required reporting within reporting topic 10 and reporting topic 8 of both the generation and load sections of the adopted form.

Proposed reporting topic 11

Proposed reporting topic 11 requires TSPs to report costs approved for recovery for interconnecting transmission level loads. The proposed reporting topic also instructs TSPs to split interconnection costs evenly among multiple concurrent customers that requested to be interconnected.

Oncor requested the commission provide guidance on appropriately assigning interconnection costs to multiple concurrent

customers. Specifically, Oncor requested guidance on appropriate customer contracting threshold and precise timing for when customer counts should be made to accurately report data for multiple customer projects. Oncor provided recommendations for both customer contracting thresholds and timing for customer counts. Additionally, Oncor requested the commission clarify that allocation of interconnection costs among multiple customers is a one-time calculation for a project, and interconnection cost would not be re-divided in subsequent years if additional customers later interconnected to the same line.

Commission Response

The commission clarifies that, in instances where multiple customer interconnection requests resulted in the need for network transmission line buildout or upgrades, the miles for network transmission line buildout and interconnection costs may be assigned to a single customer or to multiple customers. If assigned to multiple customers, it must be split evenly among all customers that established the need for network transmission line buildout or upgrades and signed a SGIA or TFEA, as applicable, prior to the start of construction. When splitting miles or costs among multiple customers, the TSPs must identify such allocation in the "comments" column of the Excel sheet template. Further, the commission revises the term "multiple concurrent customers" to "multiple customers" for clarity. The commission also confirms that allocation of interconnection costs to a single customer or among multiple customers is a one-time calculation for a project. Interconnection costs will not be allocated to customers that sign a SGIA or TFEA after the network transmission line or upgrades construction has started. Although these customers would benefit from the network transmission line buildout, they would not have established the need for the network transmission line or upgrades' construction, which prompted the incurrence of costs by the TSP.

Comments on the proposed Excel sheet

TPPA recommended that the commission revise the proposed Excel sheet template to match the reporting topics and descriptions in the form. Additionally, TPPA recommended that the commission revise clause (v) in the proposed Excel sheet's "Notes" section that clarifies that "rate proceedings" include both TCOS and comprehensive rate cases, to only include full rate cases.

Oncor requested that the commission clarify the relationship between proposed reporting topic 11 and the information required in cell 12H, as described by clause (iii) of the proposed Excel sheet's "Notes" section.

Commission response

The commission has modified the proposed Excel sheet template to ensure consistency with the structure of the adopted form.

With respect to TPPA's recommendation to revise clause (v) of the proposed Excel sheet's "Notes" section to include only full rate cases, the commission declines to adopt TPPA's recommendation. The commission finds that limiting clause (v) to costs approved solely in a comprehensive base-rate case would unduly narrow the scope of reporting and potentially result in omissions during periods between comprehensive base-rate proceedings. The commission clarifies that interconnection costs approved for recovery in an interim TCOS and comprehensive base-rate proceeding are required to be reported. Further the commission clarifies that the notes section was removed from the adopted excel sheet template because

explanatory notes were added within reporting topic descriptions of the adopted form.

Regarding Oncor's request for clarification on clause (iii) of the proposed Excel sheet's "Notes" section, which instructs TSPs to enter data for reporting topic 11 in cell 12H, the commission clarifies that this instruction was removed to align with the structure of the adopted form.

Statutory Authority

This rule is adopted under the following provisions of PURA: §14.001, which provides the commission the general power to regulate and supervise the business of each public utility within its jurisdiction and to do anything specifically designated or implied by PURA that is necessary and convenient to the exercise of that power and jurisdiction; §14.002, which provides the commission with the authority to adopt and enforce rules reasonably required in the exercise of its powers and jurisdiction; and §39.1591, which directs the commission to submit an annual report on dispatchable and non-dispatchable generation facilities to the Texas Legislature.

Cross Reference to Statutes: Public Utility Regulatory Act §14.001, §14.002, and §39.1591.

§25.75. *Annual Report on Dispatchable and Non-dispatchable Generation Facilities.*

(a) Application. This rule applies to all transmission service providers (TSPs) operating in the ERCOT region.

(b) Report. Each TSP must annually submit to the commission costs to interconnect electric generating facilities, including battery storage facilities, and retail loads connected to the ERCOT transmission system at transmission level voltage as prescribed by a commission approved form. For 2025, each TSP must submit the required information by filing it on the interchange filer located on the commission's website by October 31, 2025. Starting in 2026, the required information must be submitted by October 15th of each year using the commission's compliance reporting portal unless another method of submission is provided by commission staff.

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Filed with the Office of the Secretary of State on October 2, 2025.

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