

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 1003

By: Stewart

AS INTRODUCED

An Act relating to the Corporation Commission; defining terms; requiring the Commission to promulgate rules; establishing provisions for the consideration of electric grid qualifications; prohibiting approval of certain actions by the Commission; providing for certain considerations for the retiring of certain electric generation mechanisms; directing coordination with regional transmission organizations; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 295 of Title 17, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Firming power" means power sources that can provide at least forty-eight (48) hours of back-up power to intermittent generation at the expected maximum level of power provided by the

1 intermittent generation, predicted using an industry-standard
2 methodology;

3 2. "Guaranteed power capacity" means the sum of the on-demand
4 power and firming power available, calculated without double-
5 counting any power source;

6 3. "Intermittent generation" means electric generation that
7 requires intermittent sources of energy such as sunlight or wind;

8 4. "On-demand power" means electric power from sources that do
9 not depend on intermittent sources of energy such as sunlight or
10 wind and whose output can be provided within eight (8) hours and
11 controlled to meet changes in demand. Provided, on-demand power
12 does not include electric power from batteries or other storage
13 mechanisms that are charged in whole or in part by intermittent
14 generation; and

15 5. "Peak net load" means the estimated peak demand minus the
16 estimated minimum level of power provided by intermittent generation
17 at the time of peak demand, predicted using an industry-standard
18 methodology.

19 B. The Corporation Commission shall promulgate rules and
20 procedures to ensure that any electric grid serving ratepayers in
21 this state is affordable and reliable as set forth in this act.

22 C. An electric grid shall not be considered affordable and
23 reliable unless:
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1 1. Any new power generation resource is chosen and approved
2 based solely on achieving the lowest total monetary cost among
3 available options. The lowest total monetary cost shall be
4 calculated by adding the total monetary cost of construction and
5 operation of such resource that will be charged to ratepayers, the
6 fiscal costs to any level of government of direct and indirect
7 monetary subsidies applicable to such resource, the monetary cost of
8 providing firming power if required by this act or otherwise, and
9 other system costs necessary to integrate the resource;

10 2. Existing power generation resources are not retired prior to
11 the end of their potential useful lives, including where such useful
12 lives can be extended through repairs or other modifications, unless
13 retirement results in a lower total monetary cost among available
14 options and the requirements of subsection E of this section are
15 met;

16 3. The grid maintains a guaranteed power capacity of at least
17 one hundred fifteen percent (115%) of peak net load;

18 4. Power generation resources serving the grid meet continuous
19 operating requirements for summer and winter peaks, including
20 extreme weather events that necessitate on-site fuel storage, dual
21 fuel capability, or fuel supply arrangements to ensure performance
22 for seven (7) days in the event of extreme weather; and

23 5. System-wide loss of load events, such as power shortages or
24 brownouts, are not expected to occur, to an industry-standard level

1 of certainty, more than once in ten (10) years, and for a duration
2 of five (5) hours or fewer.

3 D. The Corporation Commission shall not take any action
4 approving a new intermittent generation source unless the source has
5 the support of firming power up to the expected maximum output level
6 of the source for forty-eight (48) hours during periods of peak load
7 on the grid, and the cost of constructing or contracting for that
8 firming power shall be included in calculating the total monetary
9 cost of the intermittent generation source.

10 E. Guaranteed power capacity shall be a primary consideration
11 of the Corporation Commission when considering matters related to
12 the retiring or adding of electric generation. The Commission shall
13 not approve retiring any electric generation source that provides
14 on-demand power, including by approving a certificate of convenience
15 or a permit to build or acquire intermittent generation, unless the
16 utility establishes by a preponderance of the evidence that the
17 applicable electric grid will have, at the time of retirement, a
18 guaranteed power capacity equal to or greater than described in
19 paragraph 3 of subsection C of this section.

20 F. The Corporation Commission shall coordinate with regional
21 transmission organizations to develop policies which provide power
22 for the region in a cost-effective manner that is not weather-
23 dependent, can be controlled to meet changes in demand, and meets
24 the requirements prescribed by this section.

1 SECTION 2. This act shall become effective November 1, 2025.

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