

AN ACT

relating to the provision of natural gas and electric services in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 81, Natural Resources Code, is amended by adding Section 81.073 to read as follows:

Sec. 81.073. CRITICAL NATURAL GAS FACILITIES AND ENTITIES.

(a) The commission shall collaborate with the Public Utility Commission of Texas to adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical customers or critical gas suppliers during energy emergencies.

(b) The rules must:

(1) establish criteria for designating persons who own or operate a facility under the jurisdiction of the commission under Section 81.051(a) or engage in an activity under the jurisdiction of the commission under Section 81.051(a) who must provide critical customer and critical gas supply information, as defined by the commission, to the entities described by Section 38.074(b)(1), Utilities Code; and

(2) consider essential operational elements when defining critical customer designations and critical gas supply information for the purposes of Subdivision (1), including natural gas production, processing, and transportation, related produced

1 water handling and disposal facilities, and the delivery of natural
2 gas to generators of electric energy.

3 SECTION 2. Subchapter D, Chapter 38, Utilities Code, is
4 amended by adding Section 38.074 to read as follows:

5 Sec. 38.074. CRITICAL NATURAL GAS FACILITIES AND ENTITIES.

6 (a) The commission shall collaborate with the Railroad Commission
7 of Texas to adopt rules to establish a process to designate certain
8 natural gas facilities and entities associated with providing
9 natural gas in this state as critical during energy emergencies.

10 (b) The rules must:

11 (1) ensure that the independent organization
12 certified under Section 39.151 for the ERCOT power region and each
13 electric utility, municipally owned utility, and electric
14 cooperative providing service in the ERCOT power region is provided
15 with the information required by Section 81.073, Natural Resources
16 Code;

17 (2) provide for prioritizing for load-shed purposes
18 during an energy emergency the facilities and entities designated
19 under Subsection (a); and

20 (3) provide discretion to an electric utility,
21 municipally owned utility, or electric cooperative providing
22 service in the ERCOT power region to prioritize power delivery and
23 power restoration among the facilities and entities designated
24 under Subsection (a) on the utility's or cooperative's systems, as
25 circumstances require.

26 SECTION 3. (a) The Public Utility Commission of Texas and
27 Railroad Commission of Texas shall adopt rules required by Section

1 81.073, Natural Resources Code, and Section 38.074, Utilities Code,
2 as added by this Act, not later than December 1, 2021.

3 (b) The Public Utility Commission of Texas shall provide a
4 report to the legislature regarding the implementation by the
5 Public Utility Commission of Texas of the designation and
6 prioritization requirements in this Act not later than January 1,
7 2022.

8 SECTION 4. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 3648 was passed by the House on April 20, 2021, by the following vote: Yeas 144, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3648 on May 24, 2021, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3648 on May 29, 2021, by the following vote: Yeas 141, Nays 0, 1 present, not voting.

Chief Clerk of the House

H.B. No. 3648

I certify that H.B. No. 3648 was passed by the Senate, with amendments, on May 19, 2021, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3648 on May 29, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor