

By: Hancock, Bettencourt

S.B. No. 1750

A BILL TO BE ENTITLED

AN ACT

relating to extreme weather preparedness of critical electric and natural gas infrastructure; authorizing administrative penalties.

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

SECTION 1. The legislature finds that Winter Storm Uri revealed the interconnectedness of the gas and power industries in the face of extreme weather and resolves to protect the citizens of this state from similar events by requiring coordinated enforcement by relevant regulatory bodies.

SECTION 2. Subchapter C, Chapter 86, Natural Resources Code, is amended by adding Section 86.044 to read as follows:

Sec. 86.044. EXTREME WEATHER EMERGENCY PREPAREDNESS. (a)

In this section, "extreme weather emergency" means a period when:

(1) the previous day's highest temperature did not exceed 10 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports; or

(2) the National Weather Service issues a heat advisory for any county in the relevant service territory, or when such an advisory has been issued on any one of the previous two calendar days.

(b) The commission by rule shall require an operator of a gas well to implement measures to prepare the well to operate during an extreme weather emergency.

1 SECTION 3. Section [121.2015](#)(a), Utilities Code, is amended
2 to read as follows:

3 (a) The railroad commission shall adopt rules regarding:

4 (1) public education and awareness relating to gas
5 pipeline facilities; ~~and~~

6 (2) community liaison for responding to an emergency
7 relating to a gas pipeline facility; and

8 (3) measures gas pipeline facility operators must
9 implement to prepare gas pipeline facilities to maintain service
10 quality and reliability during an extreme weather emergency, as
11 defined by Section 86.044, Natural Resources Code.

12 SECTION 4. Subchapter [A](#), Chapter [186](#), Utilities Code, is
13 amended by adding Section 186.008 to read as follows:

14 Sec. 186.008. WINTER WEATHER EMERGENCY PREPAREDNESS AND
15 COORDINATION. (a) In this section:

16 (1) "Coordinating agency" means the Public Utility
17 Commission of Texas, the Railroad Commission of Texas, or the Texas
18 Division of Emergency Management.

19 (2) "Coordinated entity" means a power generation
20 company as defined by Section [31.002](#), the independent organization,
21 or an entity engaged in the transport, storage, or shipping of
22 natural gas to or for a power generation company.

23 (3) "Independent organization" means the independent
24 organization certified under Section [39.151](#) for the ERCOT power
25 region.

26 (b) The Public Utility Commission of Texas and the Railroad
27 Commission of Texas each by rule shall require each coordinated

1 entity subject to the agency's jurisdiction to establish and submit
2 to the respective agency a winter preparedness emergency operations
3 plan. The rules must require a winter preparedness emergency
4 operations plan to include:

5 (1) a plan for operating during extremely cold
6 weather;

7 (2) a plan that addresses any known critical failure
8 points of the entity, including any effects of weather design
9 limits;

10 (3) a plan for operating during an emergency shortage
11 of water or other critical supplies;

12 (4) a plan for identifying potentially extreme weather
13 events;

14 (5) a plan for staffing during extreme weather events;

15 (6) natural gas curtailment priorities and
16 procedures, if applicable;

17 (7) a description of priorities for recovery of
18 operational capacity or restoration of service, as applicable;

19 (8) identification of critical loads necessary to
20 maintain production of electricity or natural gas;

21 (9) a communications plan that describes the
22 procedures and threshold conditions for initiation of
23 communication about a potential extreme weather event with the
24 coordinating agencies, other coordinated entities, the public, the
25 media, and customers; and

26 (10) an affidavit from an owner, partner, officer,
27 manager, or other official with responsibility for the entity's

1 operations affirming that all relevant operating personnel of the
2 entity are familiar with the contents of the emergency operations
3 plan and that the personnel will follow the plan, except to the
4 extent deviations are appropriate under the circumstances during an
5 emergency.

6 (c) An emergency operations plan may be combined or
7 coordinated with other preparedness reporting requirements,
8 including requirements regarding other weather scenarios, natural
9 disasters, cybersecurity events, physical security events, and
10 pandemics. A coordinating agency may authorize a coordinated
11 entity to submit for the purposes of this section a plan required to
12 be submitted to the agency under another provision of law if the
13 plan includes the information required by this section to be
14 included in an emergency operations plan.

15 (d) The coordinating agencies shall analyze jointly
16 emergency operations plans developed by coordinated entities in
17 each even-numbered year and prepare a weather emergency
18 preparedness report on power generation and natural gas
19 weatherization preparedness in this state. In preparing the
20 report, the coordinating agencies shall:

21 (1) review the emergency operations plans on file with
22 each of the coordinating agencies;

23 (2) analyze and determine the ability of the electric
24 grid and natural gas system to withstand extreme weather events in
25 the upcoming biennium;

26 (3) consider the anticipated weather patterns for the
27 upcoming biennium; and

1 (4) make recommendations on improving emergency
2 operations plans and procedures to ensure the continuity of
3 electric and natural gas service, including identifying and
4 defining potentially appropriate weatherization and emergency
5 operations standards, that may:

6 (A) differentiate between existing and new
7 facilities; and

8 (B) consider geography, suitable alternatives,
9 cost-effectiveness, and other practical constraints.

10 (e) A coordinating agency may require a coordinated entity
11 subject to the agency's jurisdiction and this section to file an
12 updated emergency operations plan if the coordinating agency finds
13 that an emergency operations plan on file does not contain
14 sufficient information to determine whether the coordinated entity
15 can provide adequate services.

16 (f) Each coordinating agency may adopt rules relating to the
17 implementation of the report described by Subsection (d).

18 (g) The coordinating agencies shall submit the report
19 described by Subsection (d) to the lieutenant governor, the speaker
20 of the house of representatives, and the members of the legislature
21 not later than September 30 of each even-numbered year. The
22 coordinating agencies may combine a report required by this section
23 with a report required to be produced by a coordinating agency by
24 another provision of law when making the submission required by
25 this subsection.

26 (h) An emergency operations plan submitted to a state agency
27 under this section is confidential under Chapters 418 and 552,

1 Government Code, and any other applicable law, and is not subject to
2 disclosure under Chapter 552, Government Code. If portions of a
3 plan are directly referenced in the report described by Subsection
4 (d), the information must be in a redacted form for public
5 inspection with the confidential portions removed. A coordinated
6 entity in the ERCOT power region shall provide the entity's entire
7 plan to the independent organization. The independent organization
8 shall maintain the confidentiality of the plan.

9 (i) The Public Utility Commission of Texas and the Railroad
10 Commission of Texas each shall notify coordinated entities under
11 their respective jurisdictions of any potential deficiencies in
12 entity emergency operations plans and describe any applicable
13 winter weatherization and emergency operations standards
14 recommended by the coordinating agencies. Not later than the 30th
15 day after the date a coordinated entity receives notice under this
16 subsection, the entity in writing shall acknowledge to the Public
17 Utility Commission of Texas or the Railroad Commission of Texas, as
18 applicable, that the entity received the notice.

19 (j) The Public Utility Commission of Texas or the Railroad
20 Commission of Texas, after notice and opportunity for hearing, may
21 impose an administrative penalty on a coordinated entity subject to
22 the agency's jurisdiction for failure to submit an emergency
23 operations plan or respond to a notice of potential deficiency by
24 the required time.

25 SECTION 5. The Railroad Commission of Texas shall adopt
26 rules as required by Section 86.044, Natural Resources Code, as
27 added by this Act, and Section 121.2015(a), Utilities Code, as

1 amended by this Act, not later than November 1, 2021.

2 SECTION 6. Not later than January 1, 2022, the Public
3 Utility Commission of Texas and the Railroad Commission of Texas
4 shall adopt the rules required by Section 186.008, Utilities Code,
5 as added by this Act.

6 SECTION 7. The Railroad Commission of Texas is required to
7 implement this Act only if the legislature appropriates money
8 specifically for that purpose. If the legislature does not
9 appropriate money specifically for that purpose, the Railroad
10 Commission of Texas may, but is not required to, implement this Act
11 using other appropriations available for the purpose.

12 SECTION 8. This Act takes effect September 1, 2021.