

1-1 By: Hancock S.B. No. 1750
 1-2 (In the Senate - Filed March 12, 2021; March 26, 2021, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 19, 2021, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; April 19, 2021,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|-----------------|-----|-----|--------|-----|
| 1-8 Hancock | X | | | |
| 1-9 Nichols | X | | | |
| 1-10 Campbell | X | | | |
| 1-11 Creighton | X | | | |
| 1-12 Johnson | X | | | |
| 1-13 Menéndez | | | X | |
| 1-14 Paxton | X | | | |
| 1-15 Schwertner | X | | | |
| 1-16 Whitmire | X | | | |

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1750 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to extreme weather preparedness of critical electric and
 1-22 natural gas infrastructure; authorizing administrative penalties.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. The legislature finds that Winter Storm Uri
 1-25 revealed the interconnectedness of the gas and power industries in
 1-26 the face of extreme weather and resolves to protect the citizens of
 1-27 this state from similar events by requiring coordinated enforcement
 1-28 by relevant regulatory bodies.

1-29 SECTION 2. Subchapter C, Chapter 86, Natural Resources
 1-30 Code, is amended by adding Section 86.044 to read as follows:

1-31 Sec. 86.044. EXTREME WEATHER EMERGENCY PREPAREDNESS. (a)
 1-32 In this section, "extreme weather emergency" means a period when:

1-33 (1) the previous day's highest temperature did not
 1-34 exceed 10 degrees Fahrenheit and the temperature is predicted to
 1-35 remain at or below that level for the next 24 hours according to the
 1-36 nearest National Weather Service reports; or

1-37 (2) the National Weather Service issues a heat
 1-38 advisory for any county in the relevant service territory, or when
 1-39 such an advisory has been issued on any one of the previous two
 1-40 calendar days.

1-41 (b) The commission by rule shall require an operator of a
 1-42 gas well to implement measures to prepare the well to operate during
 1-43 an extreme weather emergency.

1-44 SECTION 3. Section 121.2015(a), Utilities Code, is amended
 1-45 to read as follows:

1-46 (a) The railroad commission shall adopt rules regarding:

1-47 (1) public education and awareness relating to gas
 1-48 pipeline facilities; ~~and~~

1-49 (2) community liaison for responding to an emergency
 1-50 relating to a gas pipeline facility; and

1-51 (3) measures gas pipeline facility operators must
 1-52 implement to prepare gas pipeline facilities to maintain service
 1-53 quality and reliability during an extreme weather emergency, as
 1-54 defined by Section 86.044, Natural Resources Code.

1-55 SECTION 4. Subchapter A, Chapter 186, Utilities Code, is
 1-56 amended by adding Section 186.008 to read as follows:

1-57 Sec. 186.008. WINTER WEATHER EMERGENCY PREPAREDNESS AND
 1-58 COORDINATION. (a) In this section:

1-59 (1) "Coordinating agency" means the Public Utility
 1-60 Commission of Texas, the Railroad Commission of Texas, or the Texas

2-1 Division of Emergency Management.

2-2 (2) "Coordinated entity" means a power generation
 2-3 company as defined by Section 31.002, the independent organization,
 2-4 or an entity engaged in the transport, storage, or shipping of
 2-5 natural gas to or for a power generation company.

2-6 (3) "Independent organization" means the independent
 2-7 organization certified under Section 39.151 for the ERCOT power
 2-8 region.

2-9 (b) The Public Utility Commission of Texas and the Railroad
 2-10 Commission of Texas each by rule shall require each coordinated
 2-11 entity subject to the agency's jurisdiction to establish and submit
 2-12 to the respective agency a winter preparedness emergency operations
 2-13 plan. The rules must require a winter preparedness emergency
 2-14 operations plan to include:

2-15 (1) a plan for operating during extremely cold
 2-16 weather;

2-17 (2) a plan that addresses any known critical failure
 2-18 points of the entity, including any effects of weather design
 2-19 limits;

2-20 (3) a plan for operating during an emergency shortage
 2-21 of water or other critical supplies;

2-22 (4) a plan for identifying potentially extreme weather
 2-23 events;

2-24 (5) a plan for staffing during extreme weather events;

2-25 (6) natural gas curtailment priorities and
 2-26 procedures, if applicable;

2-27 (7) a description of priorities for recovery of
 2-28 operational capacity or restoration of service, as applicable;

2-29 (8) identification of critical loads necessary to
 2-30 maintain production of electricity or natural gas;

2-31 (9) a communications plan that describes the
 2-32 procedures and threshold conditions for initiation of
 2-33 communication about a potential extreme weather event with the
 2-34 coordinating agencies, other coordinated entities, the public, the
 2-35 media, and customers; and

2-36 (10) an affidavit from an owner, partner, officer,
 2-37 manager, or other official with responsibility for the entity's
 2-38 operations affirming that all relevant operating personnel of the
 2-39 entity are familiar with the contents of the emergency operations
 2-40 plan and that the personnel will follow the plan, except to the
 2-41 extent deviations are appropriate under the circumstances during an
 2-42 emergency.

2-43 (c) An emergency operations plan may be combined or
 2-44 coordinated with other preparedness reporting requirements,
 2-45 including requirements regarding other weather scenarios, natural
 2-46 disasters, cybersecurity events, physical security events, and
 2-47 pandemics. A coordinating agency may authorize a coordinated
 2-48 entity to submit for the purposes of this section a plan required to
 2-49 be submitted to the agency under another provision of law if the
 2-50 plan includes the information required by this section to be
 2-51 included in an emergency operations plan.

2-52 (d) The coordinating agencies shall analyze jointly
 2-53 emergency operations plans developed by coordinated entities in
 2-54 each even-numbered year and prepare a weather emergency
 2-55 preparedness report on power generation and natural gas
 2-56 weatherization preparedness in this state. In preparing the
 2-57 report, the coordinating agencies shall:

2-58 (1) review the emergency operations plans on file with
 2-59 each of the coordinating agencies;

2-60 (2) analyze and determine the ability of the electric
 2-61 grid and natural gas system to withstand extreme weather events in
 2-62 the upcoming biennium;

2-63 (3) consider the anticipated weather patterns for the
 2-64 upcoming biennium; and

2-65 (4) make recommendations on improving emergency
 2-66 operations plans and procedures to ensure the continuity of
 2-67 electric and natural gas service, including identifying and
 2-68 defining potentially appropriate weatherization and emergency
 2-69 operations standards, that may:

3-1 (A) differentiate between existing and new
3-2 facilities; and

3-3 (B) consider geography, suitable alternatives,
3-4 cost-effectiveness, and other practical constraints.

3-5 (e) A coordinating agency may require a coordinated entity
3-6 subject to the agency's jurisdiction and this section to file an
3-7 updated emergency operations plan if the coordinating agency finds
3-8 that an emergency operations plan on file does not contain
3-9 sufficient information to determine whether the coordinated entity
3-10 can provide adequate services.

3-11 (f) Each coordinating agency may adopt rules relating to the
3-12 implementation of the report described by Subsection (d).

3-13 (g) The coordinating agencies shall submit the report
3-14 described by Subsection (d) to the lieutenant governor, the speaker
3-15 of the house of representatives, and the members of the legislature
3-16 not later than September 30 of each even-numbered year. The
3-17 coordinating agencies may combine a report required by this section
3-18 with a report required to be produced by a coordinating agency by
3-19 another provision of law when making the submission required by
3-20 this subsection.

3-21 (h) An emergency operations plan submitted to a state agency
3-22 under this section is confidential under Chapters 418 and 552,
3-23 Government Code, and any other applicable law, and is not subject to
3-24 disclosure under Chapter 552, Government Code. If portions of a
3-25 plan are directly referenced in the report described by Subsection
3-26 (d), the information must be in a redacted form for public
3-27 inspection with the confidential portions removed. A coordinated
3-28 entity in the ERCOT power region shall provide the entity's entire
3-29 plan to the independent organization. The independent organization
3-30 shall maintain the confidentiality of the plan.

3-31 (i) The Public Utility Commission of Texas and the Railroad
3-32 Commission of Texas each shall notify coordinated entities under
3-33 their respective jurisdictions of any potential deficiencies in
3-34 entity emergency operations plans and describe any applicable
3-35 winter weatherization and emergency operations standards
3-36 recommended by the coordinating agencies. Not later than the 30th
3-37 day after the date a coordinated entity receives notice under this
3-38 subsection, the entity in writing shall acknowledge to the Public
3-39 Utility Commission of Texas or the Railroad Commission of Texas, as
3-40 applicable, that the entity received the notice.

3-41 (j) The Public Utility Commission of Texas or the Railroad
3-42 Commission of Texas, after notice and opportunity for hearing, may
3-43 impose an administrative penalty on a coordinated entity subject to
3-44 the agency's jurisdiction for failure to submit an emergency
3-45 operations plan or respond to a notice of potential deficiency by
3-46 the required time.

3-47 SECTION 5. The Railroad Commission of Texas shall adopt
3-48 rules as required by Section 86.044, Natural Resources Code, as
3-49 added by this Act, and Section 121.2015(a), Utilities Code, as
3-50 amended by this Act, not later than November 1, 2021.

3-51 SECTION 6. Not later than January 1, 2022, the Public
3-52 Utility Commission of Texas and the Railroad Commission of Texas
3-53 shall adopt the rules required by Section 186.008, Utilities Code,
3-54 as added by this Act.

3-55 SECTION 7. The Railroad Commission of Texas is required to
3-56 implement this Act only if the legislature appropriates money
3-57 specifically for that purpose. If the legislature does not
3-58 appropriate money specifically for that purpose, the Railroad
3-59 Commission of Texas may, but is not required to, implement this Act
3-60 using other appropriations available for the purpose.

3-61 SECTION 8. This Act takes effect September 1, 2021.

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