

By: Guillen, Morales of Maverick

H.B. No. 5224

A BILL TO BE ENTITLED

AN ACT

relating to the designation of certain natural gas facilities as
seasonally critical.

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

SECTION 1. Section 81.073, Natural Resources Code, is
amended by amending Subsection (b) and adding Subsections (c) and
(d) to read as follows:

(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;

(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
water handling and disposal facilities, and the delivery of natural
gas to generators of electric energy; ~~and~~

(3) require that only facilities and entities that are
prepared to operate during a weather emergency may be designated as
a critical customer under this section; and

1 (4) establish criteria for a facility operating under
2 the jurisdiction of the commission that has been designated as a
3 critical customer under this section to be designated as a seasonal
4 critical customer.

5 (c) For the purposes of Subsection (b)(4), the commission
6 shall establish:

7 (1) standards for determining the seasons during which
8 a facility may be designated as a seasonal critical customer,
9 including the beginning and end dates for each season; and

10 (2) a process to allow a person who owns or operates a
11 facility to apply to the commission to be designated as a seasonal
12 critical customer, including allowing an owner or operator to apply
13 for a seasonal designation as part of a critical infrastructure
14 designation application.

15 (d) The commission shall annually provide a list of
16 facilities designated as seasonal critical customers under
17 Subsection (b)(4) to the Public Utility Commission of Texas. The
18 Public Utility Commission of Texas shall provide each updated list
19 to the independent organization certified under Section [39.151](#),
20 Utilities Code, for the ERCOT power region.

21 SECTION 2. (a) Not later than February 1, 2026, the Railroad
22 Commission of Texas shall adopt rules as necessary to establish
23 criteria in accordance with Section [81.073](#)(b)(4), Natural
24 Resources Code, as added by this Act.

25 (b) Not later than February 1, 2026, the Public Utility
26 Commission of Texas shall adopt rules as necessary to allow the
27 independent organization certified under Section [39.151](#), Utilities

1 Code, for the ERCOT power region to competitively procure demand
2 reductions from a facility that has been designated as a seasonal
3 critical customer under Section 81.073, Natural Resources Code, as
4 amended by this Act, during the season in which the facility has
5 been designated as a seasonal critical customer.

6 (c) Not later than March 31, 2026, the Railroad Commission
7 of Texas shall provide to the Public Utility Commission of Texas the
8 first list of facilities designated as seasonal critical customers
9 under Section 81.073, Natural Resources Code, as amended by this
10 Act. Not later than April 30, 2026, the Public Utility Commission of
11 Texas shall provide the list to the independent organization
12 certified under Section 39.151, Utilities Code, for the ERCOT power
13 region.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2025.