

BILL ANALYSIS

Senate Research Center

S.B. 1133
By: Hegar
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

On February 2, 2011, Texas faced the state's first electric grid emergency after a huge winter storm sent demand for electricity and gas soaring. Dozens of power plants that were expected to furnish power suddenly reported operating difficulties. As a result, the Electric Reliability Council of Texas (ERCOT), the grid operator, ordered utilities to initiate rolling blackouts with blocks of customers experiencing loss of power for periods of 15 to 45 minutes. Rolling blackouts, though inconvenient, are designed to prevent an uncontrolled catastrophic failure such as the blackout that affected the eastern United States in 2003.

In an effort to understand what caused so many power plants to report problems, a joint committee hearing of the Senate Committee on Business and Commerce and the Senate Committee on Natural Resources was held. At the hearing, generators complained about equipment failure caused by temperatures that were in the single digits, as well as natural-gas shortages which prevented some generators from getting the fuel they needed to run power plants.

S.B. 1133 amends current law relating to a report by the Public Utility Commission of Texas on the ability of electric generators to respond to abnormal weather conditions.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 186.007, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 186, Utilities Code, by adding Section 186.007, as follows:

Sec. 186.007. WEATHER EMERGENCY PREPAREDNESS REPORT. (a) Defines, in this section, "commission."

(a-1) Requires the Public Utility Commission of Texas (PUC) to analyze emergency operations plans developed by electric utilities as defined by Section 31.002 (Definitions), power generation companies, municipally owned utilities, and electric cooperatives that operate generation facilities in this state and prepare a weather emergency preparedness report on power generation weatherization preparedness. Requires PUC in preparing the report, to:

- (1) review the emergency operations plans currently on file with PUC;
- (2) analyze and determine the ability of the electric grid to withstand extreme weather events in the upcoming year;
- (3) consider the anticipated weather patterns for the upcoming year as forecasted by the National Weather Service or any similar state or national agency; and

(4) make recommendations on improving emergency operations plans and procedures in order to ensure the continuity of electric service.

(b) Authorizes PUC to require an electric generation entity subject to this section to file an updated emergency operations plan if it finds that an emergency operations plan on file does not contain adequate information to determine whether the electric generation entity can provide adequate electric generation services.

(c) Authorizes PUC to adopt rules relating to the implementation of the report described by Subsection (a-1).

(d) Requires PUC to submit the report described by Subsection (a-1) to the lieutenant governor, the speaker of the house of representatives, and the members of the legislature not later than September 30, 2012.

(e) Authorizes PUC to submit subsequent weather emergency preparedness reports if PUC finds that significant changes to weatherization techniques have occurred or are necessary to protect consumers or vital services, or if there have been changes to statutes or rules relating to weatherization requirements. Requires that a report under this subsection be submitted not later than:

(1) March 1 for a summer weather emergency preparedness report; and

(2) September 1 for a winter weather emergency preparedness report.

(f) Provides that the emergency operations plans submitted for the report described by Subsection (a-1) and any subsequent plans submitted under Subsection (e) are public information except for the portions of the plan considered confidential under Chapter 552 (Public Information), Government Code, or other state or federal law. Requires that the plan, if portions of a plan are designated as confidential, be provided to PUC in a redacted form for public inspection with the confidential portions removed. Requires that an electric generation entity within the ERCOT power region provide the entity's plan to ERCOT in its entirety.

SECTION 2. Effective date: upon passage or September 1, 2011.