

BILL ANALYSIS

Senate Research Center

S.B. 1133

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Business & Commerce

3/18/2011

As Filed

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 requires better reporting of weatherization plans at power plants. This is an important step toward preventing the sort of breakdowns that destabilized the state's electric network as a result of equipment freezing and cracking.

As proposed, S.B. 1133 amends current law relating to weatherization and preparedness reports by the Public Utility Commission.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 186.0021, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 186, Utilities Code, by adding Section 186.0021, as follows:

Sec. 186.0021. WEATHERIZATION AND PREPAREDNESS REPORT. (a) Requires the Public Utility Commission of Texas (PUC), to ensure reliability of electric service during extreme weather events, in consultation with the Electric Reliability Council of Texas (ERCOT), to prepare a report on the weatherization and preparedness of generators within ERCOT. Requires that subsequent reports be submitted only if significant changes to weatherization have occurred or are necessary to protect consumers, vital services, or if there have been changes to statute or rule relating to weatherization requirements. Requires PUC, in preparing the report, to:

- (1) review the weatherization plans currently on file with PUC;
- (2) analyze and determine whether such plans are adequate to ensure reliability of the electric grid for the upcoming summer or winter;

- (3) consider the anticipated weather patterns for the upcoming summer or winter as forecasted by the National Weather Service or any similar state or national agency; and
 - (4) make recommendations as to how weatherization procedures can be improved to carry out the policies stated in this section.
- (b) Requires PUC, in reviewing a weatherization plan described by Subsection (a) and to further the policies stated in this chapter, on finding that a weatherization plan on file is lacking in sufficient detail to determine its adequacy, to require a generator to file an updated report containing sufficient detail.
- (c) Requires PUC to finalize and publish the report described by Subsection (a) not later than March 1st of each year for the summer weatherization and preparedness report, and not later than September 1 of each year for the weatherization and preparedness report.
- (d) Requires PUC to adopt rules relating to the implementation of the report described by Subsection (a) and any other rules necessary to accomplish the purposes of the report.
- (e) Provides that notwithstanding any other provision of state law, the weatherization plans of generators considered in the publication of the report described by Subsection (a) are not confidential or otherwise exempt from disclosure under Chapter 552 (Public Information), Government Code.

SECTION 2. Effective date: September 1, 2011.