

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1133
By: Hegar
Business & Commerce
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Committee Report (Substituted)

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.

C.S.S.B. 1133 requires better reporting of weather emergency preparedness 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.

C.S.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) Requires the Public Utility Commission of Texas (PUC), along with the Electric Reliability Council of Texas, to analyze emergency operations plans developed by power generation companies and wholesale electric generators within the Electric Reliability Council of Texas and prepare a weather emergency preparedness report on power generation companies' and wholesale electric generators' preparedness to provide continuous electric utility service in the event of a weather-related forced interruption. Requires PUC, in preparing the report, to:

(1) review the emergency operations plans currently on file with PUC;

(2) analyze and determine whether the plans are adequate to ensure ability of the electric grid to withstand abnormal 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 utility service.

(b) Authorizes PUC to require a power generation company or wholesale electric generator 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 company or generator can ensure the continuity of electric utility service in the event of a weather-related forced interruption.

(c) Authorizes 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.

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

(e) Requires 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 submitted under this subsection be submitted not later than March 1 for a summer weather emergency preparedness report, and September 1 for a winter weather emergency preparedness report.

(f) Authorizes PUC to require a power generation company or wholesale electric generator that experiences repeated or major weather-related forced interruptions of electric utility service to obtain a third-party assessment of the company's or generator's weatherization plans, procedures, and operations and to implement any recommendation the third party makes.

(g) Provides that notwithstanding any other provision of state law, the emergency plans of power generation companies and wholesale electric generators considered in the publication of the report described by Subsection (a) and any subsequent plans submitted under Subsection (e) are not confidential or otherwise exempt from disclosure under Chapter 552 (Public Information), Government Code.

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