

By: Rosenthal

H.B. No. 228

A BILL TO BE ENTITLED

AN ACT

relating to electricity supply chain risk mitigation planning.

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

SECTION 1. Sections 86.044(d) and (e), Natural Resources Code, as added by S.B. No. 3, Acts of the 87th Legislature, Regular Session, 2021, are amended to read as follows:

(d) The commission by rule shall require an operator of a gas supply chain facility to provide to the commission:

(1) a summary report of a criticality analysis of the facility;

(2) a plan to mitigate risk factors identified in the criticality analysis; and

(3) proof that the operator has implemented the plan described by Subdivision (2) over a reasonable period, in a form satisfactory to the commission, which may be in the form of inspections or documents[+;

~~[(1) inspect gas supply chain facilities for compliance with rules adopted under Subsection (c);~~

~~[(2) provide the owner of a facility described by Subdivision (1) with a reasonable period of time in which to remedy any violation the commission discovers in an inspection; and~~

~~[(3) report to the attorney general any violation that is not remedied in a reasonable period of time].~~

(e) The commission shall report to the attorney general any

1 violation of a rule adopted under Subsection (c) that is not
2 remedied in a reasonable period of time [~~prioritize inspections~~
3 ~~conducted under Subsection (d)(1) based on risk level, as~~
4 ~~determined by the commission~~].

5 SECTION 2. Section 35.0021(c), Utilities Code, as added by
6 S.B. No. 3, Acts of the 87th Legislature, Regular Session, 2021, is
7 amended to read as follows:

8 (c) The commission by rule shall require a provider of
9 electric generation service described by Subsection (a) to provide
10 to the commission:

11 (1) a summary report of a criticality analysis of the
12 provider's generation assets;

13 (2) a plan to mitigate risk factors identified in the
14 criticality analysis; and

15 (3) proof that the provider has implemented the plan
16 described by Subdivision (2) over a reasonable period, in a form
17 satisfactory to the commission, which may be in the form of
18 inspections or documents [~~independent organization certified under~~
19 ~~Section 39.151 for the ERCOT power region shall:~~

20 ~~[(1) inspect generation assets in the ERCOT power~~
21 ~~region for compliance with the reliability standards;~~

22 ~~[(2) provide the owner of a generation asset with a~~
23 ~~reasonable period of time in which to remedy any violation the~~
24 ~~independent organization discovers in an inspection; and~~

25 ~~[(3) report to the commission any violation].~~

26 SECTION 3. Section 38.075(b), Utilities Code, as added by
27 S.B. No. 3, Acts of the 87th Legislature, Regular Session, 2021, is

1 amended to read as follows:

2 (b) The commission by rule shall require each electric
3 cooperative, municipally owned utility, and transmission and
4 distribution utility providing transmission service in the ERCOT
5 power region to provide to the commission:

6 (1) a summary report of a criticality analysis of the
7 cooperative's or utility's facilities;

8 (2) a plan to mitigate risk factors identified in the
9 criticality analysis; and

10 (3) proof that the cooperative or utility has
11 implemented the plan described by Subdivision (2) over a reasonable
12 period, in a form satisfactory to the commission, which may be in
13 the form of inspections or documents [~~independent organization~~
14 ~~certified under Section 39.151 for the ERCOT power region shall.~~

15 [~~(1) inspect the facilities of each electric~~
16 ~~cooperative, municipally owned utility, and transmission and~~
17 ~~distribution utility providing transmission service in the ERCOT~~
18 ~~power region for compliance with the reliability standards;~~

19 [~~(2) provide the owner of a facility described by~~
20 ~~Subdivision (1) with a reasonable period of time in which to remedy~~
21 ~~any violation the independent organization discovers in an~~
22 ~~inspection; and~~

23 [~~(3) report to the commission any violation that is~~
24 ~~not remedied in a reasonable period of time].~~

25 SECTION 4. Sections 121.2015(c-1) and (c-2), Utilities
26 Code, as added by S.B. No. 3, Acts of the 87th Legislature, Regular
27 Session, 2021, are amended to read as follows:

1 (c-1) The railroad commission by rule shall require an
2 operator of a gas pipeline facility described by Subsection (a)(3)
3 to provide to the railroad commission:

4 (1) a summary report of a criticality analysis of the
5 facility;

6 (2) a plan to mitigate risk factors identified in the
7 criticality analysis; and

8 (3) proof that the operator has implemented the plan
9 described by Subdivision (2) over a reasonable period, in a form
10 satisfactory to the commission, which may be in the form of
11 inspections or documents [+

12 [~~(1) inspect gas pipeline facilities described by~~
13 ~~Subsection (a)(3) for compliance with rules adopted under~~
14 ~~Subsection (a)(3);~~

15 [~~(2) provide the owner of a facility described by~~
16 ~~Subsection (a)(3) with a reasonable period of time in which to~~
17 ~~remedy any violation the railroad commission discovers in an~~
18 ~~inspection; and~~

19 [~~(3) report to the attorney general any violation that~~
20 ~~is not remedied in a reasonable period of time].~~

21 (c-2) The railroad commission shall report to the attorney
22 general any violation of a rule adopted under Subsection (a)(3)
23 that is not remedied in a reasonable period of time [~~prioritize~~
24 ~~inspections conducted under Subsection (c-1)(1) based on risk~~
25 ~~level, as determined by the railroad commission].~~

26 SECTION 5. Sections 35.0021(c-1) and 38.075(c), Utilities
27 Code, as added by S.B. No. 3, Acts of the 87th Legislature, Regular

1 Session, 2021, are repealed.

2 SECTION 6. This Act takes effect on the 91st day after the
3 last day of the legislative session.