

## **BILL ANALYSIS**

C.S.H.B. 3915  
By: Goldman  
Energy Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Critical load premises refer to infrastructure that is vital to municipal operations, including utilities used in hospitals, emergency response, and police and fire protection. The purpose of a critical load premise designation is to keep specific operations from being taken offline during an emergency. Without a critical load premises designation, these premises relating to energy production could be intentionally shut off even though they are essential in producing electricity and helping to provide for the public health and safety. Prioritizing and ensuring that power is maintained at these premises relating to energy production will lessen the effects of an energy load shed emergency. C.S.H.B. 3915 seeks to address this issue by requiring the Public Utility Commission of Texas to establish a process for designating and prioritizing the designation of certain premises as critical load premises and to adopt related eligibility criteria.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 3915 amends the Utilities Code to require the Public Utility Commission of Texas (PUC) by rule to establish a process for a transmission and distribution utility to designate and prioritize the designation of certain premises as critical load premises and adopt criteria for determining eligibility for the designation and priority. The bill requires the PUC, in establishing the process and adopting the criteria, to coordinate with other agencies that have primary jurisdiction over entities that own or operate premises that may be designated as critical load premises and requires the PUC to adopt the rules by the following deadlines:

- if the bill takes effect on passage, not later than September 1, 2021; or
- if the bill takes effect September 1, 2021, not later than November 1, 2021.

C.S.H.B. 3915 requires the adopted eligibility criteria to allow for premises used for the following activities to be eligible for designation as critical load premises:

- upstream natural gas production;
- midstream natural gas transportation;
- fuel production;
- nitrogen supply;
- hydrogen supply;
- water supply; and
- telecommunications.

C.S.H.B. 3915 requires the PUC to annually submit to the legislature a report regarding critical load premises designations, including analysis of the implementation and results of the designations, with the first report required to be submitted not later than January 1, 2022.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 3915 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions and by making a technical correction.

The substitute specifies that the requirement in the original for the PUC to coordinate with other agencies having primary jurisdiction over entities with critical load designation premises applies with respect to agencies with that jurisdiction over entities that own or operate premises that may be designated as critical load premises. The substitute also specifies that the purpose of this coordination is for establishing the process and adopting the eligibility criteria for the critical load premises designation and prioritization, which was not specified in the original.