By:  Paddie, Hernandez, Allison, et al. H.B. No. 11

A BILL TO BE ENTITLED

AN ACT

relating to the preparedness for extreme weather emergencies of facilities that provide electricity service; providing an administrative penalty.

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

SECTION 1.  Subchapter A, Chapter 35, Utilities Code, is amended by adding Section 35.0021 to read as follows:

Sec. 35.0021.  WEATHER EMERGENCY PREPAREDNESS. (a) In this section, "extreme weather emergency" means a period when:

(1)  the previous day's highest temperature did not exceed 10 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports; or

(2)  the National Weather Service issues a heat advisory for any county in the relevant service territory, or when such an advisory has been issued on any one of the previous two calendar days.

(b)  This section applies only to a municipally owned utility, electric cooperative, power generation company, or exempt wholesale generator that sells electric energy at wholesale in the ERCOT power region.

(c)  The commission by rule shall require each entity described by Subsection (b) to:

(1)  implement measures to prepare generation facilities to provide adequate electric generation service during an extreme weather emergency;

(2)  make reasonable efforts to prevent electric generation service interruptions during an extreme weather emergency;

(3)  reestablish service in the shortest possible time period after an electric generation service interruption that occurs due to an extreme weather emergency; and

(4)  make reasonable efforts to manage emergencies caused by electric generation service interruptions during extreme weather emergencies, including issuing instructions to employees on procedures to be followed in the event of an extreme weather emergency.

(d)  The rules must address electric generation service for all neighborhoods, rural areas, communities of fewer than 1,000 people, and low-income areas in the ERCOT power region.

(e)  The commission may impose an administrative penalty on an entity, including a municipally owned utility or an electric cooperative, that violates a rule adopted under this section in the manner provided by Chapter 15.

(f)  Rural areas shall have the meaning assigned in Section 12.046(a)(2), Agriculture Code.

(g)  Low-income area shall mean a neighborhood that has at least 52 percent of its households at or below 80 percent of Area Median Family Income (AMFI).

SECTION 2.  Subchapter A, Chapter 35, Utilities Code, is amended by adding Section 35.0022 to read as follows:

Sec. 35.0022.  COMPREHENSIVE EMERGENCY OPERATIONS AND WEATHERIZATION PLAN. (a) Not later than January 1 of each year, the independent organization certified under Section 39.151 for the ERCOT power region shall prepare and deliver to the commission a comprehensive emergency operations and weatherization plan that includes:

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

(2)  declarations of completion of weatherization preparations from all electric generation entities in the ERCOT power region; and

(3)  relevant seasonal assessments of resource adequacy, including projected resource capabilities, peak demand forecasts, and expected unit outage forecasts.

(b)  The commission shall analyze each emergency operations plan developed by the independent organization certified under Section 39.151 for the ERCOT power region and prepare a report on emergency operations and weatherization preparedness in this state that includes recommendations for improving the emergency operations plan, if any.

(c)  The commission shall submit the report described by Subsection (b) to the lieutenant governor, the speaker of the house of representatives, and the members of the legislature not later than September 1 of each year.

(d)  Emergency operations plans described by Subsection (a)(1) are public information except for the portions of the plans considered confidential under Chapter 552, Government Code, or other state or federal law.

SECTION 3.  Subchapter A, Chapter 35, Utilities Code, is amended by adding Section 35.0023 to read as follows:

Sec. 35.0023.  IDENTIFICATION OF CRITICAL CARE CUSTOMERS WITH BACKUP GENERATION. The commission shall coordinate with electric utilities to identify critical care customers who have backup generation and who are capable of being curtailed in the event of firm load shed.

SECTION 4.  Subchapter D, Chapter 38, Utilities Code, is amended by adding Section 38.074 to read as follows:

Sec. 38.074.  WEATHER EMERGENCY PREPAREDNESS. (a) In this section, "extreme weather emergency" has the meaning assigned by Section 35.0021.

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

(1)  implement measures to prepare facilities to maintain service quality and reliability during an extreme weather emergency;

(2)  make reasonable efforts to prevent service interruptions during an extreme weather emergency;

(3)  reestablish service in the shortest possible time period after a service interruption that occurs due to an extreme weather emergency; and

(4)  make reasonable efforts to manage emergencies caused by service interruptions during extreme weather emergencies, including issuing instructions to employees on procedures to be followed in the event of an extreme weather emergency.

(c)  The rules must address service for all neighborhoods, rural areas, communities of fewer than 1,000 people, and low-income areas in the ERCOT power region.

(d)  The commission may impose an administrative penalty on an entity, including a municipally owned utility or an electric cooperative, that violates a rule adopted under this section in the manner provided by Chapter 15.

(e)  Rural areas shall have the meaning assigned in Section 12.046(a)(2), Agriculture Code.

(f)  Low-income area shall mean a neighborhood that has at least 52 percent of its households at or below 80 percent of Area Median Family Income (AMFI).

(g)  Notwithstanding any other provision of this subtitle, the commission shall allow a transmission and distribution utility to design and operate a load management program for nonresidential customers to be used during extreme weather where the independent organization certified under Section 39.151 for the ERCOT power region has declared an emergency. A transmission and distribution utility implementing a load management program under this subsection shall be permitted to recover the reasonable and necessary costs of the load management program under Chapter 36. A load management program operated under this subsection is not considered a competitive service.

SECTION 5.  Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.918 to read as follows:

Sec. 39.918.  COMMUNICATION DURING EXTREME WEATHER EMERGENCY. The commission by rule shall establish best practices for the commission, the independent organization certified under Section 39.151 for the ERCOT power region, and market participants to use when communicating with the public during an extreme weather emergency, as defined by Section 35.0021. The best practices must include practices for communicating in multiple languages and with multiple methods.

SECTION 6.  Subchapter A, Chapter 186, Utilities Code, is amended by adding Section 186.008 to read as follows:

Sec. 186.008.  EMERGENCY OPERATIONS PLAN AUDITS. (a) The Public Utility Commission of Texas by rule shall develop a procedure for auditing emergency operations plans developed by:

(1)  electric utilities, as defined by Section 31.002;

(2)  power generation companies, as defined by Section 31.002;

(3)  municipally owned utilities, as defined by Section 11.003;

(4)  electric cooperatives;

(5)  retail electric providers, as defined by Section 31.002; and

(6)  the independent organization certified under Section 39.151 for the ERCOT power region.

(b)  The procedure for auditing emergency operations plans must:

(1)  require an entity described by Subsection (a) to file an updated emergency operations plan if the Public Utility Commission of Texas finds that the entity's emergency operations plan on file does not contain adequate information to determine whether the entity can provide adequate services during an emergency; and

(2)  ensure that the plans will allow each generation facility in the plan to meet minimum reliability standards or guidelines adopted by the North American Electric Reliability Corporation in or before 2021.

SECTION 7.  The Public Utility Commission of Texas shall adopt the rules required by Sections 35.0021 and 38.074, Utilities Code, as added by this Act, not later than November 1, 2021.

SECTION 8.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.