By:  Geren, et al. (Senate Sponsor - Hancock) H.B. No. 3648

(In the Senate - Received from the House April 20, 2021; May 10, 2021, read first time and referred to Committee on Business & Commerce; May 14, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 0; May 14, 2021, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Hancock              X

Nichols              X

Campbell             X

Creighton                      X

Johnson              X

Menéndez             X

Paxton               X

Schwertner           X

Whitmire             X

COMMITTEE SUBSTITUTE FOR H.B. No. 3648 By:  Hancock

A BILL TO BE ENTITLED

AN ACT

relating to the provision of natural gas and electric services in this state.

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

SECTION 1.  Subchapter C, Chapter 81, Natural Resources Code, is amended by adding Section 81.073 to read as follows:

Sec. 81.073.  CRITICAL NATURAL GAS FACILITIES AND ENTITIES. (a) The commission shall collaborate with the Public Utility Commission of Texas to adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical customers or critical gas suppliers during energy emergencies.

(b)  The rules must:

(1)  establish criteria for designating persons who own or operate a facility under the jurisdiction of the commission under Section 81.051(a) or engage in an activity under the jurisdiction of the commission under Section 81.051(a) who must provide critical customer and critical gas supply information, as defined by the commission, to the entities described by Section 38.074(b)(1), Utilities Code; and

(2)  consider essential operational elements when defining critical customer designations and critical gas supply information for the purposes of Subdivision (1), including natural gas production, processing, transportation, and the delivery of natural gas to generators of electric energy.

SECTION 2.  Subchapter A, Chapter 31, Utilities Code, is amended by adding Section 31.006 to read as follows:

Sec. 31.006.  LIMITED LIABILITY OF CERTAIN ELECTRIC UTILITIES. An electric utility that complies with an instruction, directive, order, regulation, or restriction regarding the operation of the electric utility's transmission or distribution system issued by an independent organization certified under Section 39.151 or a regulatory authority is not liable for any direct or consequential damages, including without limitation bodily or other personal injury, emotional injury, death, property damage, loss of profits, loss of revenue, or loss of production capacity, caused by the electric utility's compliance with the instruction, directive, order, regulation, or restriction.

SECTION 3.  Subchapter D, Chapter 38, Utilities Code, is amended by adding Section 38.074 to read as follows:

Sec. 38.074.  CRITICAL NATURAL GAS FACILITIES AND ENTITIES. (a) The commission shall collaborate with the Railroad Commission of Texas to adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical during energy emergencies.

(b)  The rules must:

(1)  ensure that the independent organization certified under Section 39.151 for the ERCOT power region and each electric utility, municipally owned utility, and electric cooperative providing service in the ERCOT power region is provided with the information required by Section 81.073, Natural Resources Code;

(2)  provide for prioritizing for load-shed purposes during an energy emergency the facilities and entities designated under Subsection (a); and

(3)  provide discretion to an electric utility, municipally owned utility, or electric cooperative providing service in the ERCOT power region to prioritize power delivery and power restoration among the facilities and entities designated under Subsection (a) on the utility's or cooperative's systems, as circumstances require.

SECTION 4.  Section 31.006, Utilities Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act.

SECTION 5.  (a) The Public Utility Commission of Texas and Railroad Commission of Texas shall adopt rules required by Section 81.073, Natural Resources Code, and Section 38.074, Utilities Code, as added by this Act, not later than December 1, 2021.

(b)  The Public Utility Commission of Texas shall provide a report to the legislature regarding the implementation by the Public Utility Commission of Texas of the designation and prioritization requirements in this Act not later than January 1, 2022.

SECTION 6.  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.

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