2021S0195-1 03/11/21

By:  Hancock S.B. No. 1750

A BILL TO BE ENTITLED

AN ACT

relating to coordinating severe weather preparedness in critical electric and natural gas infrastructure; authorizing an administrative penalty.

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

SECTION 1.  The legislature finds that Winter Storm Uri revealed the interconnectedness of the gas and power industries in the face of severe weather and resolves to protect the citizens of Texas from similar events in the future by requiring coordinated enforcement across relevant regulatory bodies.

SECTION 2.  Subchapter A, Chapter 186, Utilities Code, is amended by adding Section 186.0071 to read as follows:

Sec. 186.0071.  WINTER WEATHER EMERGENCY PREPAREDNESS AND COORDINATION. (a) In this section:

(1)  "Coordinating agencies" means the Public Utility Commission of Texas, the Railroad Commission of Texas, and the Texas Division of Emergency Management.

(2)  "Coordinated entities" means public utilities, power generation companies, ERCOT, and entities engaged in the production, transport, gathering, storage, or shipping of natural gas.

(3)  "ERCOT" means the Electric Reliability Council of Texas.

(b)  The Public Utility Commission of Texas and the Railroad Commission of Texas shall each establish rules to require each coordinated entity subject to their respective jurisdictions to establish and submit a winter preparedness emergency operations plan. The rules must require the winter preparedness emergency operations plans to include:

(1)  a plan that addresses severely cold weather;

(2)  a plan that addresses any known critical failure points, including any effects of weather design limits;

(3)  a plan that addresses an emergency shortage of water or other critical supplies;

(4)  a plan for identification of potentially severe weather events;

(5)  a plan that addresses staffing during severe weather events;

(6)  curtailment priorities and procedures;

(7)  priorities for recovery of operational capacity or restoration of service, as applicable;

(8)  identification of critical loads necessary to maintain production of electricity or natural gas;

(9)  a communications plan that describes the procedures and threshold conditions for initiation of communication about a potential severe weather event with the coordinating agencies, other coordinated entities, ERCOT, the public, the media, and customers; and

(10)  an affidavit from an owner, partner, officer, manager, or other official with responsibility for the entity's operations affirming that all relevant operating personnel of the entity are familiar with the contents of the emergency operations plan and that such personnel are committed to following the plan except to the extent deviations are appropriate under the circumstances during the course of an emergency.

(c)  The emergency operations plans may be combined or coordinated with other preparedness reporting requirements, including for other weather scenarios, natural disasters, cybersecurity events, physical security events, and pandemics.

(d)  The coordinating agencies shall jointly analyze emergency operations plans developed by coordinated entities in each even-numbered year and prepare a weather emergency preparedness report on power generation and natural gas weatherization preparedness. In preparing the report, the coordinating agencies shall:

(1)  review the emergency operations plans currently on file with each of the coordinating agencies;

(2)  analyze and determine the ability of the electric grid and natural gas system to withstand extreme weather events in the upcoming biennium;

(3)  consider the anticipated weather patterns for the upcoming biennium; and

(4)  make recommendations on improving emergency operations plans and procedures in order to ensure the continuity of electric and natural gas service, including the identification and definition of potentially appropriate weatherization and emergency operations standards, which may differentiate between existing and new facilities and may consider geography, suitable alternatives, cost-effectiveness, and other practical constraints.

(e)  A coordinating agency may require a coordinated entity subject to its jurisdiction and this section to file an updated emergency operations plan if the coordinating agency finds that an emergency operations plan on file does not contain sufficient information to determine whether the coordinated entity can provide adequate services.

(f)  Each coordinating agency may adopt rules relating to the implementation of the report described by Subsection (d).

(g)  The coordinating agencies shall submit the report described by Subsection (d) to the lieutenant governor, the speaker of the house of representatives, and the members of the legislature not later than September 30 of each even-numbered year.

(h)  The emergency operations plans submitted for the report described by Subsection (d) are confidential under Chapters 418 and 552, Government Code, and other state or federal law. If portions of a plan are directly referenced in the report described by Subsection (d), such information shall be in a redacted form for public inspection with the confidential portions removed. A coordinated entity within the ERCOT power region shall provide the entity's plan to ERCOT in its entirety, and ERCOT shall maintain the confidentiality of the plan.

(i)  The Public Utility Commission of Texas and the Railroad Commission of Texas shall each notify coordinated entities under their respective jurisdictions of any potential deficiencies in their emergency operations plans, including winter weatherization and emergency operations standards recommended by the coordinating agencies. Each entity shall respond to such notice in writing within 30 days.

(j)  The Public Utility Commission of Texas and the Railroad Commission of Texas may, after notice and opportunity for hearing, impose an administrative penalty on entities subject to their respective jurisdictions for failure to timely submit an emergency operations plan or respond to a notice of potential deficiency.

SECTION 3.  Section 186.007, Utilities Code, is repealed.

SECTION 4.  Not later than January 1, 2022, the Public Utility Commission of Texas and the Railroad Commission of Texas shall adopt the rules required by Section 186.0071(b), Utilities Code, as added by this Act.

SECTION 5.  This Act takes effect September 1, 2021.