87R11990 JXC-D

By:  Johnson S.B. No. 2019

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Public Utility Commission of Texas, with the assistance of the Railroad Commission of Texas, to take action to ensure that natural gas is available to supply power generation facilities.

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

SECTION 1.  Subchapter C, Chapter 86, Natural Resources Code, is amended by adding Section 86.044 to read as follows:

Sec. 86.044.  AUTHORITY OF COMMISSION AND PUBLIC UTILITY COMMISSION DURING DISASTER OR OTHER EMERGENCY. (a) This section applies only to a disaster or other emergency that causes a widespread power outage.

(b)  On a declaration of a disaster or other emergency by the governor, the Public Utility Commission of Texas may issue an order to:

(1)  set the spot price of gas in the manner provided by this section; and

(2)  take any other necessary action related to the gas market to ensure that gas is available to supply power generation facilities in the ERCOT power region, including ordering that all gas be made available for sale for use by power generation facilities in the ERCOT power region before being exported from this state.

(c)  The Railroad Commission of Texas shall enforce an order issued under Subsection (b).

(d)  The Public Utility Commission of Texas and the Railroad Commission of Texas by rule shall adopt a memorandum of understanding on the process the agencies will use to collaborate for the purposes of this section.

(e)  An order issued under Subsection (b):

(1)  may set a spot price for gas that an operator of a gas well may charge only for gas that the agencies determine could reasonably be anticipated to be supplied through intrastate transportation to a power generation facility that:

(A)  is powered primarily by gas; and

(B)  provides generation for the ERCOT power region; and

(2)  is effective only during the declared disaster or other emergency.

SECTION 2.  Section 86.044, Natural Resources Code, as added by this Act, does not apply to a price charged for natural gas under a contract entered into before the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2021.