

By: Paddie, Hernandez, Allison, et al.

H.B. No. 11

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the preparedness for extreme weather emergencies of
3 facilities that provide electricity service; providing an
4 administrative penalty.

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

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

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

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

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

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

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

24 (1) implement measures to prepare generation

1 facilities to provide adequate electric generation service during
2 an extreme weather emergency;

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

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

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

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

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

21 (f) Rural areas shall have the meaning assigned in Section
22 12.046(a)(2), Agriculture Code.

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

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

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

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

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

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

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

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

25 (d) Emergency operations plans described by Subsection
26 (a)(1) are public information except for the portions of the plans
27 considered confidential under Chapter 552, Government Code, or

1 other state or federal law.

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

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

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

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

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

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

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

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

26 (4) make reasonable efforts to manage emergencies
27 caused by service interruptions during extreme weather

1 emergencies, including issuing instructions to employees on
2 procedures to be followed in the event of an extreme weather
3 emergency.

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

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

11 (e) Rural areas shall have the meaning assigned in Section
12 12.046(a)(2), Agriculture Code.

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

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

27 SECTION 5. Subchapter 2, Chapter 39, Utilities Code, is

1 amended by adding Section 39.918 to read as follows:

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

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

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

- 15 (1) electric utilities, as defined by Section 31.002;
16 (2) power generation companies, as defined by Section
17 31.002;
18 (3) municipally owned utilities, as defined by Section
19 11.003;
20 (4) electric cooperatives;
21 (5) retail electric providers, as defined by Section
22 31.002; and
23 (6) the independent organization certified under
24 Section 39.151 for the ERCOT power region.

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

- 27 (1) require an entity described by Subsection (a) to

1 file an updated emergency operations plan if the Public Utility
2 Commission of Texas finds that the entity's emergency operations
3 plan on file does not contain adequate information to determine
4 whether the entity can provide adequate services during an
5 emergency; and

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

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

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