

By: Geren

H.B. No. 3648

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility and designation of certain gas entities and gas facilities as critical during an energy emergency.

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

SECTION 1. Subchapter D, Chapter 38, Utilities Code, is amended by adding Section 38.074 to read as follows:

Sec. 38.074. CRITICAL GAS ENTITIES AND FACILITIES DURING AN ENERGY EMERGENCY. (a) The commission shall work with the Railroad Commission of Texas and adopt rules to designate certain gas entities and facilities as critical during an energy emergency.

(b) At a minimum, the commission's rules shall:

(1) ensure that transmission and distribution utilities, municipally owned utilities, electric cooperatives, and ERCOT are provided with the designations as required by Section 81.073, Natural Resources Code;

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

(3) provide discretion to transmission and distribution utilities, municipally owned utilities, and electric cooperatives to prioritize power delivery and power restoration among the customers on their respective systems, as circumstances require.

SECTION 2. Chapter 81, Natural Resources Code, is amended

1 by adding Section 81.073 to read as follows:

2 Sec. 81.073. CRITICAL GAS ENTITIES AND FACILITIES DURING AN
3 ENERGY EMERGENCY. (a) The commission shall work with the Public
4 Utility Commission of Texas to designate certain gas entities and
5 facilities as critical during an energy emergency.

6 (b) At a minimum, the commission's rules shall:

7 (1) determine eligibility and designation
8 requirements for persons owning, operating, or engaging in the
9 activities set forth in Section 81.051 to provide critical customer
10 designation and critical gas supply information, as defined by the
11 commission, to transmission and distribution utilities,
12 municipally owned utilities, electric cooperatives, and ERCOT, as
13 those terms are defined by Section 31.002, Utilities Code; and

14 (2) consider essential operational elements when
15 defining critical customer designations and critical gas supply
16 information, including natural gas production, processing,
17 transportation, and the delivery of natural gas to generators.

18 SECTION 3. (a) The Public Utility Commission of Texas and
19 Railroad Commission of Texas shall adopt rules, as added by this
20 Act, not later than September 1, 2021.

21 (b) The Public Utility Commission of Texas shall provide a
22 report to the legislature regarding its implementation of the
23 designation and prioritization requirements, as added by the Act,
24 not later than January 1, 2022.

25 SECTION 4. EFFECTIVE DATE. This Act takes effect
26 immediately if it receives a vote of two-thirds of all the members
27 elected to each house, as provided by Section 39, Article III, Texas

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1 Constitution. If this Act does not receive the vote necessary for
2 immediate effect, this Act takes effect September 1, 2021.