

1-1 By: Geren, et al. (Senate Sponsor - Hancock) H.B. No. 3648
 1-2 (In the Senate - Received from the House April 20, 2021;
 1-3 May 10, 2021, read first time and referred to Committee on Business
 1-4 & Commerce; May 14, 2021, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
 1-6 May 14, 2021, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | | | X | |
| 1-13 | X | | | |
| 1-14 | X | | | |
| 1-15 | X | | | |
| 1-16 | X | | | |
| 1-17 | X | | | |

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3648 By: Hancock

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the provision of natural gas and electric services in
 1-22 this state.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter C, Chapter 81, Natural Resources
 1-25 Code, is amended by adding Section 81.073 to read as follows:

1-26 Sec. 81.073. CRITICAL NATURAL GAS FACILITIES AND ENTITIES.

1-27 (a) The commission shall collaborate with the Public Utility
 1-28 Commission of Texas to adopt rules to establish a process to
 1-29 designate certain natural gas facilities and entities associated
 1-30 with providing natural gas in this state as critical customers or
 1-31 critical gas suppliers during energy emergencies.

1-32 (b) The rules must:

1-33 (1) establish criteria for designating persons who own
 1-34 or operate a facility under the jurisdiction of the commission
 1-35 under Section 81.051(a) or engage in an activity under the
 1-36 jurisdiction of the commission under Section 81.051(a) who must
 1-37 provide critical customer and critical gas supply information, as
 1-38 defined by the commission, to the entities described by Section
 1-39 38.074(b)(1), Utilities Code; and

1-40 (2) consider essential operational elements when
 1-41 defining critical customer designations and critical gas supply
 1-42 information for the purposes of Subdivision (1), including natural
 1-43 gas production, processing, transportation, and the delivery of
 1-44 natural gas to generators of electric energy.

1-45 SECTION 2. Subchapter A, Chapter 31, Utilities Code, is
 1-46 amended by adding Section 31.006 to read as follows:

1-47 Sec. 31.006. LIMITED LIABILITY OF CERTAIN ELECTRIC

1-48 UTILITIES. An electric utility that complies with an instruction,
 1-49 directive, order, regulation, or restriction regarding the
 1-50 operation of the electric utility's transmission or distribution
 1-51 system issued by an independent organization certified under
 1-52 Section 39.151 or a regulatory authority is not liable for any
 1-53 direct or consequential damages, including without limitation
 1-54 bodily or other personal injury, emotional injury, death, property
 1-55 damage, loss of profits, loss of revenue, or loss of production
 1-56 capacity, caused by the electric utility's compliance with the
 1-57 instruction, directive, order, regulation, or restriction.

1-58 SECTION 3. Subchapter D, Chapter 38, Utilities Code, is
 1-59 amended by adding Section 38.074 to read as follows:

1-60 Sec. 38.074. CRITICAL NATURAL GAS FACILITIES AND ENTITIES.

2-1 (a) The commission shall collaborate with the Railroad Commission
2-2 of Texas to adopt rules to establish a process to designate certain
2-3 natural gas facilities and entities associated with providing
2-4 natural gas in this state as critical during energy emergencies.

2-5 (b) The rules must:

2-6 (1) ensure that the independent organization
2-7 certified under Section 39.151 for the ERCOT power region and each
2-8 electric utility, municipally owned utility, and electric
2-9 cooperative providing service in the ERCOT power region is provided
2-10 with the information required by Section 81.073, Natural Resources
2-11 Code;

2-12 (2) provide for prioritizing for load-shed purposes
2-13 during an energy emergency the facilities and entities designated
2-14 under Subsection (a); and

2-15 (3) provide discretion to an electric utility,
2-16 municipally owned utility, or electric cooperative providing
2-17 service in the ERCOT power region to prioritize power delivery and
2-18 power restoration among the facilities and entities designated
2-19 under Subsection (a) on the utility's or cooperative's systems, as
2-20 circumstances require.

2-21 SECTION 4. Section 31.006, Utilities Code, as added by this
2-22 Act, applies only to a cause of action that accrues on or after the
2-23 effective date of this Act.

2-24 SECTION 5. (a) The Public Utility Commission of Texas and
2-25 Railroad Commission of Texas shall adopt rules required by Section
2-26 81.073, Natural Resources Code, and Section 38.074, Utilities Code,
2-27 as added by this Act, not later than December 1, 2021.

2-28 (b) The Public Utility Commission of Texas shall provide a
2-29 report to the legislature regarding the implementation by the
2-30 Public Utility Commission of Texas of the designation and
2-31 prioritization requirements in this Act not later than January 1,
2-32 2022.

2-33 SECTION 6. This Act takes effect immediately if it receives
2-34 a vote of two-thirds of all the members elected to each house, as
2-35 provided by Section 39, Article III, Texas Constitution. If this
2-36 Act does not receive the vote necessary for immediate effect, this
2-37 Act takes effect September 1, 2021.

2-38 * * * * *