

By: Schwertner

S.B. No. 3

A BILL TO BE ENTITLED

AN ACT

relating to preparing for, preventing, and responding to weather emergencies, power outages, and other disasters; increasing the amount of administrative and civil penalties.

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

SECTION 1. Chapter 411, Government Code, is amended by adding Subchapter K-1 to read as follows:

SUBCHAPTER K-1. BLACKOUT ALERT

Sec. 411.301. DEFINITION. In this subchapter, "energy emergency alert" means an alert issued by an independent organization certified under Section 39.151, Utilities Code, that power supply on a regional electric network in this state may be inadequate to meet demand.

Sec. 411.302. BLACKOUT ALERT. With the cooperation of the Texas Department of Transportation, the office of the governor, and the Public Utility Commission of Texas, the department shall develop and implement a statewide alert to be activated when an energy emergency alert is issued.

Sec. 411.303. ADMINISTRATION. (a) The director is the statewide coordinator of the blackout alert.

(b) The director shall adopt rules and issue directives as necessary to ensure proper implementation of the blackout alert. The rules and directives must include the procedures to be used by the Public Utility Commission of Texas and the independent

1 organization certified under Section 39.151, Utilities Code, to
2 communicate with the director about the blackout alert.

3 Sec. 411.304. DEPARTMENT TO RECRUIT PARTICIPANTS. The
4 department shall recruit public and commercial television and radio
5 broadcasters, private commercial entities, state or local
6 governmental entities, the public, and other appropriate persons to
7 assist in developing and implementing the blackout alert system.

8 Sec. 411.305. STATE AGENCIES. (a) A state agency
9 participating in the blackout alert system shall:

10 (1) cooperate with the department and assist in
11 developing and implementing the alert system; and

12 (2) establish a plan for providing relevant
13 information to its officers, investigators, or employees, as
14 appropriate, once the blackout alert system has been activated.

15 (b) In addition to its duties as a state agency under
16 Subsection (a), the Texas Department of Transportation shall
17 establish a plan for providing relevant information to the public
18 through an existing system of dynamic message signs located across
19 the state.

20 Sec. 411.306. ACTIVATION OF BLACKOUT ALERT. (a) When the
21 Public Utility Commission of Texas or an independent organization
22 certified under Section 39.151, Utilities Code, notifies the
23 department that an energy emergency alert has been issued or is
24 about to be issued, the department shall confirm the accuracy of the
25 information and, if confirmed, immediately issue an alert under
26 this subchapter in accordance with department rules.

27 (b) In issuing the blackout alert, the department shall send

1 the alert to designated media outlets in this state. Following
2 receipt of the alert, participating radio stations and television
3 stations and other participating media outlets may issue the alert
4 at designated intervals.

5 Sec. 411.307. CONTENT OF BLACKOUT ALERT. The blackout
6 alert must include a statement that electricity customers may
7 experience a power outage.

8 Sec. 411.308. TERMINATION OF BLACKOUT ALERT. The director
9 shall terminate any activation of the blackout alert with respect
10 to a particular energy emergency alert not later than the date the
11 department receives notice that the energy emergency alert has been
12 canceled.

13 Sec. 411.309. LIMITATION ON PARTICIPATION BY TEXAS
14 DEPARTMENT OF TRANSPORTATION. Notwithstanding Section 411.305(b),
15 the Texas Department of Transportation is not required to use any
16 existing system of dynamic message signs in a statewide alert
17 system created under this subchapter if that department receives
18 notice from the United States Department of Transportation Federal
19 Highway Administration that the use of the signs would result in the
20 loss of federal highway funding or other punitive actions taken
21 against this state due to noncompliance with federal laws,
22 regulations, or policies.

23 SECTION 2. Section 418.043, Government Code, is amended to
24 read as follows:

25 Sec. 418.043. OTHER POWERS AND DUTIES. The division shall:
26 (1) determine requirements of the state and its
27 political subdivisions for food, clothing, and other necessities in

- 1 event of a disaster;
- 2 (2) procure and position supplies, medicines,
3 materials, and equipment;
- 4 (3) adopt standards and requirements for local and
5 interjurisdictional emergency management plans;
- 6 (4) periodically review local and interjurisdictional
7 emergency management plans;
- 8 (5) coordinate deployment of mobile support units;
- 9 (6) establish and operate training programs and
10 programs of public information or assist political subdivisions and
11 emergency management agencies to establish and operate the
12 programs;
- 13 (7) make surveys of public and private industries,
14 resources, and facilities in the state that are necessary to carry
15 out the purposes of this chapter;
- 16 (8) plan and make arrangements for the availability
17 and use of any private facilities, services, and property and
18 provide for payment for use under terms and conditions agreed on if
19 the facilities are used and payment is necessary;
- 20 (9) establish a register of persons with types of
21 training and skills important in disaster mitigation,
22 preparedness, response, and recovery;
- 23 (10) establish a register of mobile and construction
24 equipment and temporary housing available for use in a disaster;
- 25 (11) assist political subdivisions in developing
26 plans for the humane evacuation, transport, and temporary
27 sheltering of service animals and household pets in a disaster;

1 (12) prepare, for issuance by the governor, executive
2 orders and regulations necessary or appropriate in coping with
3 disasters;

4 (13) cooperate with the federal government and any
5 public or private agency or entity in achieving any purpose of this
6 chapter and in implementing programs for disaster mitigation,
7 preparation, response, and recovery;

8 (14) develop a plan to raise public awareness and
9 expand the capability of the information and referral network under
10 Section [531.0312](#);

11 (15) improve the integration of volunteer groups,
12 including faith-based organizations, into emergency management
13 plans;

14 (16) cooperate with the Federal Emergency Management
15 Agency to create uniform guidelines for acceptable home repairs
16 following disasters and promote public awareness of the guidelines;

17 (17) cooperate with state agencies to:

18 (A) encourage the public to participate in
19 volunteer emergency response teams and organizations that respond
20 to disasters; and

21 (B) provide information on those programs in
22 state disaster preparedness and educational materials and on
23 Internet websites;

24 (17-a) create a page on the division's Internet
25 website for each state of disaster declared under Section [418.014](#)
26 to provide information to the public about that disaster;

27 (18) establish a liability awareness program for

1 volunteers, including medical professionals;

2 (19) define "individuals with special needs" in the
3 context of a disaster;

4 (20) establish and operate, subject to the
5 availability of funds, a search and rescue task force in each field
6 response region established by the division to assist in search,
7 rescue, and recovery efforts before, during, and after a natural or
8 man-made disaster; and

9 (21) do other things necessary, incidental, or
10 appropriate for the implementation of this chapter.

11 SECTION 3. Section 418.048, Government Code, is amended to
12 read as follows:

13 Sec. 418.048. MONITORING WEATHER. (a) The division shall
14 keep continuously apprised of weather conditions that present
15 danger of climatic activity, such as precipitation, severe enough
16 to constitute a disaster.

17 (b) The division shall:

18 (1) establish a system to categorize winter storms
19 according to predicted severity; and

20 (2) create a list of suggested actions for state
21 agencies to take to prepare for storms, organized by winter storm
22 category.

23 SECTION 4. Chapter 418, Government Code, is amended by
24 adding Subchapter J to read as follows:

25 SUBCHAPTER J. TEXAS ENERGY RELIABILITY COUNCIL

26 Sec. 418.301. DEFINITIONS. In this subchapter:

27 (1) "Chief" means the division's chief.

1 (2) "Council" means the Texas Energy Reliability
2 Council.

3 Sec. 418.302. COUNCIL ESTABLISHED. The Texas Energy
4 Reliability Council is established to ensure that high priority
5 human needs are met in the event of necessary curtailment of natural
6 gas distribution or supplies.

7 Sec. 418.303. MEMBERSHIP. The council is composed of
8 members as follows:

9 (1) the chairman of the Railroad Commission of Texas;

10 (2) the presiding officer of the Public Utility
11 Commission of Texas;

12 (3) the presiding officer of the Texas Commission on
13 Environmental Quality;

14 (4) the chair of the Texas Transportation Commission;

15 (5) a person to represent the independent organization
16 certified under Section 39.151, Utilities Code, for the ERCOT power
17 region, appointed by the governor;

18 (6) the chief;

19 (7) five persons to represent oil and gas well
20 operators or oil or gas pipeline operators, appointed by the
21 governor;

22 (8) five persons to represent the electric industry,
23 appointed by the governor; and

24 (9) five persons to represent industrial concerns,
25 appointed by the governor.

26 Sec. 418.304. OFFICERS. (a) The chief is designated as the
27 interim presiding officer for purposes of calling and conducting

1 the initial meeting of the council.

2 (b) The council:

3 (1) at its initial meeting, shall select a presiding
4 officer from among its members for the purpose of calling and
5 conducting meetings; and

6 (2) may select an assistant presiding officer and
7 secretary from among its members.

8 Sec. 418.305. COMPENSATION; REIMBURSEMENT. A member of the
9 council is not entitled to compensation or reimbursement of
10 expenses for service on the council.

11 Sec. 418.306. MEETINGS. (a) After its initial meeting, the
12 task force shall meet at least twice each year at a time and place
13 determined by the presiding officer.

14 (b) The council may meet at other times the council
15 considers appropriate. The presiding officer may call a meeting on
16 the officer's own motion.

17 (c) The council may meet by teleconference.

18 Sec. 418.307. ADMINISTRATIVE SUPPORT. The division shall
19 provide administrative support to the council.

20 Sec. 418.308. DUTIES OF COUNCIL. The council shall foster
21 communication and planning to ensure preparedness for natural gas
22 availability and delivery to residences, hospitals, schools,
23 churches, and other human needs customers during a period of
24 necessary curtailment of natural gas distribution or supplies.

25 SECTION 5. Subchapter C, Chapter 86, Natural Resources
26 Code, is amended by adding Section 86.044 to read as follows:

27 Sec. 86.044. WEATHER EMERGENCY PREPAREDNESS. (a) The

1 commission by rule shall require an operator of a gas well to
2 implement measures to prepare the well to operate during a weather
3 emergency.

4 (b) The commission by rule shall require an operator of a
5 gas well that experiences repeated or major weather-related forced
6 interruptions of production to:

7 (1) contract with a person who is not an employee of
8 the provider to assess the operator's weatherization plans,
9 procedures, and operations; and

10 (2) submit the assessment to the commission.

11 (c) If the commission determines that a person has violated
12 a rule adopted under this section, the commission shall notify the
13 attorney general of the violation. The attorney general shall
14 initiate a suit to recover a penalty for the violation in the manner
15 provided by Subchapter G.

16 SECTION 6. Section 86.222, Natural Resources Code, is
17 amended by adding Subsection (a-1) to read as follows:

18 (a-1) Notwithstanding Subsection (a), a person who violates
19 a provision of a rule adopted under Section 86.044 is liable for a
20 penalty of not more than \$1,000,000 for each offense.

21 SECTION 7. Section 15.023, Utilities Code, is amended by
22 adding Subsection (b-1) to read as follows:

23 (b-1) Notwithstanding Subsections (b) and (d), the penalty
24 for a violation of a provision of Subtitle B may be in an amount not
25 to exceed \$1,000,000 for a violation. Each day a violation
26 continues or occurs is a separate violation for purposes of
27 imposing a penalty.

1 SECTION 8. Section 17.003, Utilities Code, is amended by
2 adding Subsection (d-1) to read as follows:

3 (d-1) An electric utility providing transmission service
4 for a retail electric provider, as defined by Section 31.002, shall
5 collaborate with the retail electric provider to ensure that
6 information about the following matters is regularly provided to
7 the retail electric provider's retail customers together with bills
8 sent to the customers:

9 (1) the electric utility's procedures for implementing
10 rolling blackouts;

11 (2) the types of customers who may be considered
12 critical customers or critical load according to commission rules
13 adopted under Section 38.075;

14 (3) the procedure for a customer to apply to be
15 considered a critical customer or critical load according to
16 commission rules adopted under Section 38.075; and

17 (4) reducing electricity use at times when rolling
18 blackouts may be implemented.

19 SECTION 9. Section 17.005, Utilities Code, is amended to
20 read as follows:

21 Sec. 17.005. PROTECTIONS FOR CUSTOMERS OF MUNICIPALLY OWNED
22 UTILITIES. (a) A municipally owned utility may not be deemed to be
23 a "service provider" or "billing agent" for purposes of Sections
24 17.156(b) and (e).

25 (b) The governing body of a municipally owned utility shall
26 adopt, implement, and enforce rules that shall have the effect of
27 accomplishing the objectives set out in Sections 17.004(a) and (b)

1 and 17.102, as to the municipally owned utility within its
2 certificated service area.

3 (c) The governing body of a municipally owned utility or its
4 designee shall perform the dispute resolution function provided for
5 by Section 17.157 for disputes arising from services provided by
6 the municipally owned utility to electric customers served within
7 the municipally owned utility's certificated service area.

8 (d) With respect to electric customers served by a
9 municipally owned utility outside its certificated service area or
10 otherwise served through others' distribution facilities, after
11 retail competition begins as authorized by the legislature, the
12 provisions of this chapter as administered by the commission apply.

13 (e) Nothing in this chapter shall be deemed to apply to a
14 wholesale customer of a municipally owned utility.

15 (f) A municipally owned utility shall regularly provide
16 with bills sent to retail customers of the utility information
17 about:

18 (1) the utility's procedure for implementing rolling
19 blackouts;

20 (2) the types of customers who may be considered
21 critical customers or critical load according to commission rules
22 adopted under Section 38.075;

23 (3) the procedure for a customer to apply to be
24 considered a critical customer or critical load according to
25 commission rules adopted under Section 38.075; and

26 (4) reducing electricity use at times when rolling
27 blackouts may be implemented.

1 SECTION 10. Section 17.006, Utilities Code, is amended to
2 read as follows:

3 Sec. 17.006. PROTECTIONS FOR CUSTOMERS OF ELECTRIC
4 COOPERATIVES. (a) An electric cooperative shall not be deemed to
5 be a "service provider" or "billing agent" for purposes of Sections
6 17.156(b) and (e).

7 (b) The electric cooperative shall adopt, implement, and
8 enforce rules that shall have the effect of accomplishing the
9 objectives set out in Sections 17.004(a) and (b) and 17.102.

10 (c) The board of directors of the electric cooperative or
11 its designee shall perform the dispute resolution function provided
12 for by Section 17.157 for electric customers served by the electric
13 cooperative within its certificated service area.

14 (d) With respect to electric customers served by an electric
15 cooperative outside its certificated service area or otherwise
16 served through others' distribution facilities, after the
17 legislature authorizes retail competition, the provisions of this
18 chapter as administered by the commission shall apply.

19 (e) Nothing in this chapter shall be deemed to apply to a
20 wholesale customer of an electric cooperative.

21 (f) An electric cooperative shall regularly provide with
22 bills sent to retail customers of the cooperative information
23 about:

24 (1) the cooperative's procedure for implementing
25 rolling blackouts;

26 (2) the types of customers who may be considered
27 critical customers or critical load according to commission rules

1 adopted under Section 38.075;

2 (3) the procedure for a customer to apply to be
3 considered a critical customer or critical load according to
4 commission rules adopted under Section 38.075; and

5 (4) reducing electricity use at times when rolling
6 blackouts may be implemented.

7 SECTION 11. The heading to Chapter 35, Utilities Code, is
8 amended to read as follows:

9 CHAPTER 35. [~~ALTERNATIVE~~] ENERGY PROVIDERS

10 SECTION 12. Subchapter A, Chapter 35, Utilities Code, is
11 amended by adding Section 35.0021 to read as follows:

12 Sec. 35.0021. WEATHER EMERGENCY PREPAREDNESS. (a) This
13 section applies only to a municipally owned utility, electric
14 cooperative, qualifying facility, power generation company, or
15 exempt wholesale generator, that provides generation service in the
16 ERCOT power region.

17 (b) The commission by rule shall require each provider of
18 generation service described by Subsection (a) to implement
19 measures to prepare the provider's generation assets to provide
20 adequate electric generation service during a winter weather
21 emergency according to reliability standards adopted by the
22 commission.

23 (c) The independent organization certified under Section
24 39.151 for the ERCOT power region shall:

25 (1) inspect generation assets in the ERCOT power
26 region for compliance with the reliability standards; and

27 (2) report to the commission any violation of a rule

1 adopted under Subsection (b) that the independent organization
2 discovers by an inspection conducted under this subsection.

3 (d) The commission by rule shall require a provider of
4 generation service described by Subsection (a) that experiences
5 repeated or major weather-related forced interruptions of service
6 to:

7 (1) contract with a person who is not an employee of
8 the provider to assess the provider's weatherization plans,
9 procedures, and operations; and

10 (2) submit the assessment to the commission and the
11 independent organization certified under Section 39.151 for the
12 ERCOT power region.

13 (e) A provider of generation service described by
14 Subsection (a) must obtain the approval of the commission and the
15 independent organization certified under Section 39.151 for the
16 ERCOT power region before the provider conducts maintenance during
17 a month in which, historically, as determined by the commission,
18 electricity use has reached a summer or winter peak.

19 (f) The commission shall impose an administrative penalty
20 on a person who violates a rule adopted under this section in the
21 manner provided by Chapter 15.

22 SECTION 13. Section 36.205(d), Utilities Code, is amended
23 to read as follows:

24 (d) The commission may provide a mechanism to allow an
25 electric utility that has a noncontiguous geographical service area
26 and that purchases power for resale for that noncontiguous service
27 area from electric utilities that are not members of the

1 independent organization certified under Section 39.151 for the
2 ERCOT power region [~~the Electric Reliability Council of Texas~~] to
3 recover purchased power costs for the area in a manner that reflects
4 the purchased power cost for that specific geographical
5 noncontiguous area. The commission may not require an electric
6 cooperative corporation to use the mechanism provided under this
7 section unless the electric cooperative corporation requests its
8 use.

9 SECTION 14. Section 36.403(g), Utilities Code, is amended
10 to read as follows:

11 (g) Notwithstanding Section 39.303(c), system restoration
12 costs shall be functionalized and allocated to customers in the
13 same manner as the corresponding facilities and related expenses
14 are functionalized and allocated in the electric utility's current
15 base rates. For an electric utility operating within ERCOT [~~the~~
16 ~~Electric Reliability Council of Texas~~], system restoration costs
17 that are properly includable in the transmission cost of service
18 mechanism adopted under Section 35.004 and associated deferred
19 costs not included under Section 35.004 shall be recovered under
20 the method of pricing provided for in that section and commission
21 rules promulgated under that section; provided, however, that an
22 electric utility operating under a rate freeze or other limitation
23 on its ability to pass through wholesale costs to its customers may
24 defer such costs and accrue carrying costs at its weighted average
25 cost of capital as last approved by the commission in a general rate
26 proceeding until such time as the freeze or limitation expires.

27 SECTION 15. Subchapter D, Chapter 38, Utilities Code, is

1 amended by adding Sections 38.074 and 38.075 to read as follows:

2 Sec. 38.074. WINTER WEATHER EMERGENCY PREPAREDNESS. (a)
3 The commission by rule shall require each electric cooperative,
4 municipally owned utility, and transmission and distribution
5 utility providing transmission service in the ERCOT power region to
6 implement measures to prepare the cooperative's or utility's
7 facilities to maintain service quality and reliability during a
8 winter weather emergency according to standards adopted by the
9 commission.

10 (b) The commission shall impose an administrative penalty
11 on a person who violates a rule adopted under this section in the
12 manner provided by Chapter 15.

13 Sec. 38.075. LOAD SHEDDING DURING ROLLING BLACKOUT. (a)
14 The commission by rule shall adopt a system to allocate load
15 shedding among electric cooperatives, municipally owned utilities,
16 and transmission and distribution utilities providing transmission
17 service in the ERCOT power region during a rolling blackout
18 initiated by an independent organization certified under Section
19 39.151 for the region.

20 (b) The system must provide for allocations for electric
21 cooperatives, municipally owned utilities, and transmission and
22 distribution utilities in different seasons based on typical
23 seasonal usage in the geographic area served by the electric
24 cooperative, municipally owned utility, or transmission and
25 distribution utility.

26 (c) The commission by rule shall:

27 (1) categorize types of critical load that may be

1 excluded from participation in load shedding; and

2 (2) require electric cooperatives, municipally owned
3 utilities, and transmission and distribution utilities providing
4 transmission service in the ERCOT power region to submit to the
5 commission and the independent organization certified under
6 Section 39.151 for the region:

7 (A) customers or circuits the cooperative or
8 utility has designated as critical load; and

9 (B) a plan for participating in load shedding in
10 response to a rolling blackout.

11 (d) The commission by rule shall require electric
12 cooperatives, municipally owned utilities, and transmission and
13 distribution utilities providing transmission service in the ERCOT
14 power region to:

15 (1) maintain lists of customers willing to voluntarily
16 participate in load shedding; and

17 (2) coordinate with municipalities, businesses, and
18 customers that consume large amounts of electricity to encourage
19 voluntary load shedding.

20 SECTION 16. Section 39.051(c), Utilities Code, is amended
21 to read as follows:

22 (c) An electric utility may accomplish the separation
23 required by Subsection (b) either through the creation of separate
24 nonaffiliated companies or separate affiliated companies owned by a
25 common holding company or through the sale of assets to a third
26 party. An electric utility may create separate transmission and
27 distribution utilities. Notwithstanding any other provision of

1 this chapter, an electric utility that does not have stranded costs
2 described by Section 39.254 and that on September 1, 2005, has not
3 finalized unbundling pursuant to a commission order approving an
4 unbundling plan may also meet the requirements of Subsection (b)
5 for generation facilities existing on September 1, 2005, in ERCOT
6 [~~the Electric Reliability Council of Texas~~] if it meets and
7 maintains compliance with the following requirements:

8 (1) the electric utility has no more than 400
9 megawatts of Texas jurisdictional capacity from generating units
10 within ERCOT [~~the Electric Reliability Council of Texas~~] that have
11 not been mothballed or retired;

12 (2) the electric utility has a contract or contracts
13 with separate nonaffiliated companies or separate affiliated
14 companies for the sale of all of the output from its generating
15 units that have not been mothballed or retired with a contract term
16 that is no shorter than 20 years or the life of the generating
17 units, whichever is shorter; and

18 (3) the electric utility has a separate division
19 within the electric utility for its generation business activities.

20 SECTION 17. Subchapter C, Chapter 39, Utilities Code, is
21 amended by adding Section 39.1026 to read as follows:

22 Sec. 39.1026. VARIABLE RATE PLANS FOR ELECTRIC SERVICE
23 PROHIBITED. The commission by rule shall require a retail electric
24 provider to offer service under a fixed-price contract. A retail
25 electric provider may not offer a contract for service at a variable
26 rate.

27 SECTION 18. Subchapter D, Chapter 39, Utilities Code, is

1 amended by adding Sections 39.159 and 39.160 to read as follows:

2 Sec. 39.159. MARKET PROCEDURES FOR CERTAIN GENERATORS. The
3 commission by rule shall require the operator of a wind power
4 generating unit or solar power generating unit providing output in
5 the ERCOT power region to:

6 (1) commit to the independent organization certified
7 under Section 39.151 for the ERCOT power region to provide a
8 specific load; and

9 (2) if the operator cannot meet the load commitment
10 using the generating unit, meet the load commitment using electric
11 energy storage or through a purchase from another generating unit.

12 Sec. 39.160. WHOLESALE PRICING PROCEDURES. (a) The
13 commission by rule shall establish an emergency system-wide offer
14 cap program for the wholesale electric market.

15 (b) If the program includes more than one system-wide offer
16 cap:

17 (1) the program may not authorize the high system-wide
18 offer cap to be in effect for a continuous period of more than one
19 hour;

20 (2) the program may only allow for a low system-wide
21 offer cap that cannot exceed the high system-wide offer cap; and

22 (3) the price of ancillary services may not exceed the
23 high system-wide offer cap.

24 SECTION 19. Subchapter 7, Chapter 39, Utilities Code, is
25 amended by adding Section 39.9165 to read as follows:

26 Sec. 39.9165. DISTRIBUTED GENERATION REPORTING. (a) In
27 this section, "distributed generation" is an electrical generating

1 facility that:

2 (1) is located at a customer's point of delivery;

3 (2) has a capacity of not more than 10 megawatts;

4 (3) is connected at a voltage less than or equal to 60
5 kilovolts; and

6 (4) may be connected in parallel operation to the
7 utility system.

8 (b) An independent organization certified under Section
9 39.151 shall require an owner or operator of distributed generation
10 to report to the organization the type of generation owned or
11 operated, including whether the generation is powered by a
12 renewable source or uses battery storage.

13 (c) This section does not apply to distributed generation
14 located on residential property.

15 SECTION 20. Section 105.023, Utilities Code, is amended by
16 adding Subsection (b-1) to read as follows:

17 (b-1) Notwithstanding Subsection (b), a civil penalty under
18 this section shall be in an amount of not less than \$1,000 and not
19 more than \$1,000,000 for each violation of Section 104.258(c).

20 SECTION 21. Section 121.2015, Utilities Code, is amended by
21 amending Subsection (a) and adding Subsections (d) and (e) to read
22 as follows:

23 (a) The railroad commission shall adopt rules regarding:

24 (1) public education and awareness relating to gas
25 pipeline facilities; ~~and~~

26 (2) community liaison for responding to an emergency
27 relating to a gas pipeline facility; and

1 (3) measures gas pipeline facility operators must
2 implement to prepare gas pipeline facilities to maintain service
3 quality and reliability during extreme weather conditions.

4 (d) The commission by rule shall require a gas pipeline
5 facility operator that experiences repeated or major
6 weather-related forced interruptions of service to:

7 (1) contract with a person who is not an employee of
8 the provider to assess the operator's weatherization plans,
9 procedures, and operations; and

10 (2) submit the assessment to the commission.

11 (e) The commission shall assess an administrative penalty
12 against a person who violates a rule adopted under Subsection
13 (a)(3) in the manner provided by Subchapter E.

14 SECTION 22. Section [121.206](#), Utilities Code, is amended by
15 adding Subsection (b-1) to read as follows:

16 (b-1) Notwithstanding Subsection (b), the penalty for each
17 violation may not exceed \$1,000,000 for a violation of a rule
18 adopted under Section [121.2015](#)(a)(3). Each day a violation
19 continues may be considered a separate violation for the purpose of
20 penalty assessment.

21 SECTION 23. Subchapter [E](#), Chapter [13](#), Water Code, is
22 amended by adding Section 13.151 to read as follows:

23 Sec. 13.151. BILLING FOR SERVICES PROVIDED DURING EXTREME
24 WEATHER EMERGENCY. A retail public utility that is required to
25 possess a certificate of public convenience and necessity or a
26 district and affected county that furnishes retail water or sewer
27 utility service, shall defer collection of the full payment of

1 bills that are due during an extreme weather emergency until after
2 the emergency is over and shall work with customers to establish a
3 pay schedule for deferred bills.

4 SECTION 24. Section 13.414, Water Code, is amended by
5 adding Subsection (a-1) to read as follows:

6 (a-1) Notwithstanding Subsection (a), a retail public
7 utility or affiliated interest that violates Section 13.151 is
8 subject to a civil penalty of not less than \$100 nor more than
9 \$1,000,000 for each violation.

10 SECTION 25. Section 13.4151, Water Code, is amended by
11 adding Subsection (a-1) to read as follows:

12 (a-1) Notwithstanding Subsection (a), the penalty for a
13 violation of Section 13.151 may be in an amount not to exceed
14 \$1,000,000 a day. Each day a violation continues may be considered a
15 separate violation.

16 SECTION 26. (a) The State Energy Plan Advisory Committee is
17 composed of 12 members. The governor, lieutenant governor, and
18 speaker of the house of representatives each shall appoint four
19 members to the advisory committee.

20 (b) Not later than September 1, 2022, the State Energy Plan
21 Advisory Committee shall prepare a comprehensive state energy plan.
22 The plan must:

23 (1) evaluate barriers in the electricity and natural
24 gas markets that prevent sound economic decisions;

25 (2) evaluate methods to improve the reliability,
26 stability, and affordability of electric service in this state; and

27 (3) provide recommendations for removing the barriers

1 described by Subdivision (1) and using the methods described by
2 Subdivision (2).

3 (c) The state energy plan prepared under this section must
4 be submitted to the legislature not later than September 1, 2022.

5 SECTION 27. The Public Utility Commission of Texas and the
6 independent organization certified under Section 39.151, Utilities
7 Code, shall review statutes, rules, protocols, and bylaws that
8 apply to conflicts of interest for commissioners and for members of
9 the governing body of the independent organization and submit to
10 the legislature a report on the effects the statutes, rules,
11 protocols, and bylaws have on the ability of the commission and the
12 independent organization to fulfill their duties.

13 SECTION 28. This Act takes effect immediately if it
14 receives a vote of two-thirds of all the members elected to each
15 house, as provided by Section 39, Article III, Texas Constitution.
16 If this Act does not receive the vote necessary for immediate
17 effect, this Act takes effect September 1, 2021.