

By: Johnson

S.B. No. 2019

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of the Public Utility Commission of  
3 Texas, with the assistance of the Railroad Commission of Texas, to  
4 take action to ensure that natural gas is available to supply power  
5 generation facilities.

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

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

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

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

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

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

24 (c) The Railroad Commission of Texas shall enforce an order

1 issued under Subsection (b).

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

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

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

11 (A) is powered primarily by gas; and

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

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

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

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