

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 14, 2021

TO: Honorable Craig Goldman, Chair, House Committee on Energy Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB14 by Goldman (Relating to the creation of the Texas Electricity Supply Chain Security and Mapping Committee.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB14, Committee Report 1st House, Substituted : a negative impact of (\$565,418) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

This bill relates to the creation of the Texas Electricity Supply Chain Security and Mapping Committee.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$435,199)
2023	(\$130,219)
2024	(\$130,219)
2025	(\$130,219)
2026	(\$130,219)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$435,199)	1.0
2023	(\$130,219)	1.0
2024	(\$130,219)	1.0
2025	(\$130,219)	1.0
2026	(\$130,219)	1.0

Fiscal Analysis

This bill would establish the Texas Electricity Supply Chain Security and Mapping Committee (Committee) and sets forth the Committee's composition and responsibilities. The Committee is composed of members from the Railroad Commission, Public Utility Commission, Texas Division of Emergency Management, and ERCOT and meets at least quarterly. The bill requires the PUC to create, maintain, and annually update a database identifying critical infrastructure sources with priority electricity needs during extreme weather events. Additionally, the Committee is required to produce a report on its findings no later than January 1, 2022.

Methodology

The PUC projects that the cost of implementing the provisions of the bill would be \$130,219. This includes 1.0 Program Specialist VII at \$95,000, \$1,000 in Other Operating Expense, and \$1,900 in equipment to increase the laptop lease by 1 laptop. All other associated costs are variable and cannot be estimated at this time; however, it is assumed they could be absorbed with existing resources initially. The final portion of the total cost is \$32,319 for benefits costs.

The Railroad Commission notes that the significant challenge presented by the bill is the coordination of data and GIS resources within several different departments within the Commission and with resources external to the Railroad Commission (PUC, ERCOT, TDEM, and industry) to build, update and maintain the electric supply map, database, and communication system. The Railroad Commission notes that it has many infrastructure components under its jurisdiction (gas wells, pipelines, gas utilities). The Railroad Commission would need to verify that the information for these infrastructure components is complete and accurate so that effective communication can occur during an extreme weather event.

Technology

The bill would require the PUC to increase its computer lease. Each additional laptop costs \$1,900.

In order to provide the data to PUC, the Railroad Commission would have to integrate and maintain existing disparate data systems containing the necessary data related to the industry sources (such as, but not limited to, gas wells and oil wells, gas plants, underground storage facilities, pipelines, etc.) in the supply chain. Additionally, the Railroad Commission would have to develop mechanisms to collect additional data points from operators (such as compressor stations, operator equipment that requires electricity or gas to function, pipeline's capacity, and any other infrastructure that qualifies), in order to provide a comprehensive view of all supply chain critical infrastructure under the Commission's jurisdiction. The Commission would also make this data accessible (in an agreed to format, most likely some GIS format) to the Texas Electricity Supply Chain Security and Mapping Committee for the PUC database. The anticipated technological impact to the Railroad Commission is \$304,980.

Local Government Impact

The PUC anticipates that the bill may have a local government impact. In order for the Texas Electricity Supply Chain Security and Mapping Committee to implement the provisions of this bill, information from municipalities and municipally-owned utilities is required.

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 455 Railroad Commission, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 575 TX Division of Emergency Management

LBB Staff: JMc, AJL, MB, RRE, DA