

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 5, 2021

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2231 by Hall (Relating to the resilience of the electric grid and certain municipalities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2231, As Introduced : a negative impact of (\$330,696) 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.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$173,661)
2023	(\$157,035)
2024	(\$157,035)
2025	(\$157,035)
2026	(\$157,035)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from Interagency Contracts 777</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$173,661)	(\$120,618)	2.2
2023	(\$157,035)	(\$120,618)	2.2
2024	(\$157,035)	\$0	1.2
2025	(\$157,035)	\$0	1.2
2026	(\$157,035)	\$0	1.2

Fiscal Analysis

The bill would create the Texas Grid Security Commission which would be composed of members from the Texas Division of Emergency Management (TDEM), the State Office of Risk Management (SORM), the Texas Military Department, the Texas Military Preparedness Commission, the Office of State-Federal Relations, and the Department of Information. The Texas Grid Security Commission would report to the Chief of TDEM. The Security Commission would evaluate all hazards to the ERCOT electric grid and investigate steps that could be taken to address grid resilience, as well as prepare a plan to deliver to the legislature for protecting the ERCOT electric grid from all hazards.

The bill would task the SORM with selecting contractors with proven expertise to identify critical systems and components of the ERCOT electric grid vulnerable to "all hazards," as identified in the bill.

The bill would require TDEM to incorporate the plan into the state emergency management plan and update the state emergency management plan as necessary to incorporate progressive resilience improvements.

Methodology

The SORM notes that the agency currently does not have the expertise to select and evaluate the contractors to identify critical systems and components of the ERCOT electric grid vulnerable to "all hazards", and an Engineer VI would be required to advise and evaluate qualifications and execution for FY 2022 and FY 2023. This would create a cost to Interagency Contracts of \$120,618 for FY 2022 and FY 2023.

TDEM notes that it would need 1.0 Planner III and 0.2 Program Specialist V to assist with the execution and regular updating of the plan made by the Texas Grid Security Commission. This would create a cost of \$173,661 from General Revenue in FY 2022, and \$157,035 in FY 2023-26.

Technology

No technological impact is anticipated.

Local Government Impact

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

Source Agencies: 401 Military Department, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 479 State Office of Risk Management, 575 TX Division of Emergency Management

LBB Staff: JMc, SMAT, MB, RRE, AF