

**House Bill 3648**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

No equivalent provision.

SECTION 1. Subchapter D, Chapter 38, Utilities Code, is amended by adding Section 38.074 to read as follows:  
Sec. 38.074. CRITICAL GAS ENTITIES AND FACILITIES DURING AN ENERGY EMERGENCY.

(a) The commission shall work with the Railroad Commission of Texas and adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical during an energy emergency.

(b) The commission by rule shall require each electric utility, municipally owned utility, and electric cooperative to exclude any circuits that provide power to an entity or facility designated under Section 81.073, Natural Resources Code, from participation in the utility's or cooperative's attempt to

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

Sec. 31.006. LIMITED LIABILITY OF CERTAIN ELECTRIC UTILITIES. An electric utility that complies with an instruction, directive, order, regulation, or restriction regarding the operation of the electric utility's transmission or distribution system issued by an independent organization certified under Section 39.151 or a regulatory authority is not liable for any direct or consequential damages, including without limitation bodily or other personal injury, emotional injury, death, property damage, loss of profits, loss of revenue, or loss of production capacity, caused by the electric utility's compliance with the instruction, directive, order, regulation, or restriction.

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

Sec. 38.074. CRITICAL NATURAL GAS FACILITIES AND ENTITIES.

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

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shed load in response to a rolling blackout initiated by an independent organization certified under Section 39.151 or another reliability council or power pool in which the utility or cooperative operates.

(c) At a minimum, the commission's rules must:

(1) ensure that transmission and distribution utilities, municipally owned utilities, electric cooperatives, and the independent organization certified under Section 39.151 for the ERCOT power region are provided with the information required by Section 81.073, Natural Resources Code;

(2) provide for a prioritization for load-shed purposes of the entities and facilities designated under Subsection (a) during an energy emergency; and

(3) provide discretion to transmission and distribution utilities, municipally owned utilities, and electric cooperatives to prioritize power delivery and power restoration among the customers on their respective systems, as circumstances require.

SECTION 2. Subchapter C, Chapter 81, Natural Resources Code, is amended by adding Section 81.073 to read as follows:

Sec. 81.073. CRITICAL GAS ENTITIES AND FACILITIES DURING AN ENERGY EMERGENCY.

(a) The commission shall work with the Public Utility Commission of Texas to designate certain natural gas facilities and entities associated with providing natural gas in this state

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(b) The rules must:

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

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

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

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

Sec. 81.073. CRITICAL NATURAL GAS FACILITIES AND ENTITIES.

(a) The commission shall collaborate with the Public Utility Commission of Texas to adopt rules to establish a process to designate certain natural gas facilities and entities associated

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as critical during an energy emergency.

(b) At a minimum, the commission's rules must:

(1) establish eligibility and designation requirements for persons who own or operate a facility under the jurisdiction of the commission under Section 81.051(a) or engage in an activity under the jurisdiction of the commission under Section 81.051(a) who must provide critical customer designation and critical gas supply information, as defined by the commission, to the entities described by Section 38.074(c)(1), Utilities Code; and

(2) consider essential operational elements when defining critical customer designations and critical gas supply information, including natural gas production, processing, and transportation and related produced water handling and disposal facilities and the delivery of natural gas to generators.

No equivalent provision.

SECTION 3. (a) The Public Utility Commission of Texas and Railroad Commission of Texas shall adopt the rules required by this Act not later than September 1, 2021.

(b) The Public Utility Commission of Texas shall provide a report to the legislature regarding its implementation of the

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with providing natural gas in this state as critical customers or critical gas suppliers during energy emergencies.

(b) The rules must:

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

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

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

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

(b) The Public Utility Commission of Texas shall provide a report to the legislature regarding the implementation by the

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designation and prioritization requirements, as added by this Act, not later than January 1, 2022.

SECTION 4. **EFFECTIVE DATE.** This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect **December 1, 2021.**

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**Public Utility Commission of Texas** of the designation and prioritization requirements in this Act not later than January 1, 2022.

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

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