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By:  Slaton H.B. No. 4408

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a strategic fuel reserve program in this state.

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

SECTION 1.  Chapter 418, Government Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. STRATEGIC FUEL RESERVE PROGRAM

Sec. 418.351.  DEFINITIONS. In this subchapter:

(1)  "Commission" means the Railroad Commission of Texas.

(2)  "Gas" means natural gas.

(3)  "Petroleum product" means any product derived by refining petroleum and intended to produce power by burning the product.

(4)  "Program" means the strategic fuel reserve program established under this subchapter.

Sec. 418.352.  PROGRAM ESTABLISHMENT AND PURPOSE. The commission shall establish a program for acquiring and maintaining a strategic fuel reserve of gas and petroleum products for distribution in this state in the event of a disaster to reduce the impact of disruptions in supplies of the gas and petroleum products in this state.

Sec. 418.353.  GUIDELINE FOR PROGRAM ESTABLISHMENT AND OPERATION. The program must be established and operated in a manner that substantially reduces this state's vulnerability to an energy emergency while considering the energy needs and infrastructure of each region of this state.

Sec. 418.354.  POWERS; EXCEPTION. (a) Except as provided by Subsection (b), the commission may purchase, sell, and lease property, including gas and petroleum products, and take any other action reasonable and necessary to establish and operate the program.

(b)  The commission may not distribute gas or petroleum products maintained as part of the strategic fuel reserve unless the governor declares a state of disaster and directs the distribution or determines that a disaster has occurred in another state and that state is in need of gas or petroleum products.

(c)  The governor may direct the distribution of not more than 30 percent of the gas or petroleum products in the strategic fuel reserve to another state under Subsection (b).

Sec. 418.355.  MINIMUM REQUIREMENTS. The strategic fuel reserve established under this subchapter must have the capacity to hold at least the amount of gas and petroleum products needed to provide fuel and power for this state for a period of at least 30 days in the event of a disaster that would likely disrupt the regular distribution of gas and petroleum products throughout this state. The commission shall maintain at least that amount of gas and petroleum products in the reserve except when gas and petroleum products are being distributed in response to a disaster and for a reasonable time needed to replenish the reserve after a disaster.

Sec. 418.356.  RULEMAKING. The commission, in consultation with the governor, shall adopt rules as necessary to implement this subchapter, including rules governing the distribution of gas or petroleum products maintained as part of the strategic fuel reserve in the event of a disaster.

SECTION 2.  (a) As soon as practicable after the effective date of this Act, the Railroad Commission of Texas shall adopt any rules necessary to implement Subchapter K, Chapter 418, Government Code, as added by this Act.

(b)  After the strategic fuel reserve program described by Section 418.352, Government Code, as added by this Act, is established, the Texas Division of Emergency Management shall revise the state emergency management plan described by Section 418.042, Government Code, and the state emergency management plan annex described by Section 418.0425, Government Code, to account for the establishment and operation of a strategic fuel reserve program under Section 1 of this Act.

SECTION 3.  This Act takes effect September 1, 2023.