

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

1 that substantially reduces this state's vulnerability to an energy  
2 emergency while considering the energy needs and infrastructure of  
3 each region of this state.

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

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

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

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

27 Sec. 418.356. RULEMAKING. The commission, in consultation

1 with the governor, shall adopt rules as necessary to implement this  
2 subchapter, including rules governing the distribution of gas or  
3 petroleum products maintained as part of the strategic fuel reserve  
4 in the event of a disaster.

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

9         (b) After the strategic fuel reserve program described by  
10 Section 418.352, Government Code, as added by this Act, is  
11 established, the Texas Division of Emergency Management shall  
12 revise the state emergency management plan described by Section  
13 418.042, Government Code, and the state emergency management plan  
14 annex described by Section 418.0425, Government Code, to account  
15 for the establishment and operation of a strategic fuel reserve  
16 program under Section 1 of this Act.

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