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| BILL ANALYSIS |

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| C.S.H.B. 144 |
| By: King |
| State Affairs |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE** During hearings in April 2024, the Investigative Committee on the Panhandle Wildfires discovered that the state lacks sufficient regulation regarding the inspection, maintenance, and replacement of utility poles. Notably, their committee report detailed the Smokehouse Creek Fire, which started in February 2024 as a result of a downed power line. The decayed pole that collapsed and caused the fire had just been inspected in January and given the designation of "priority one replacement." Unfortunately, the fire would become the largest wildfire in Texas history, burning over one million acres of land. C.S.H.B. 144 seeks to address this issue by requiring electric utilities, electric cooperatives, and municipally owned utilities to submit a plan for managing and inspecting transmission and distribution poles to the Public Utility Commission of Texas for approval. |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS** C.S.H.B. 144 amends the Utilities Code to require each electric cooperative, electric utility, and municipally owned utility that distributes electric energy to the public to submit to the Public Utility Commission of Texas (PUC), not later than January 1, 2026, a plan for the management and inspection of transmission and distribution poles in the entity's transmission and distribution system. Each plan must include the following:* a statement of the plan's scope and objectives;
* the roles, responsibilities, and accountability of individuals responsible for overseeing and executing the plan;
* a description of the cooperative's or utility's processes for the following:
	+ the management, repair, and inspection of transmission and distribution poles on the entity's transmission and distribution system;
	+ the training and certifying of personnel, including third-party vendors, who inspect and repair transmission and distribution poles; and
	+ the documentation of and response to a report or complaint made by a landowner regarding the condition or repair of transmission or distribution poles;
* for each transmission and distribution pole to be inspected:
	+ a deadline by which the inspection will be completed;
	+ a process by which inspection records will be submitted; and
	+ a timeline for any remedial action required for a pole identified as unreliable, unsafe, or needing repair; and
* a proposed budget for implementing the plan.

The bill requires the PUC to approve, modify, or reject such a plan not later than the 180th day after the date the plan is submitted. C.S.H.B. 144 requires an applicable entity to submit an update to the PUC at least once every three years detailing the entity's compliance with the plan's objectives, the costs of implementing the plan, and the entity's inspection results and repair schedule. The bill authorizes an electric utility to submit the update in an infrastructure improvement and maintenance report required annually under the Public Utility Regulatory Act. The bill requires an applicable entity, at least once each month, to submit an update to the PUC of the information under the bill's provisions relating to pole inspection completion deadlines, processes for submitting pole inspection records, and timelines for any requisite remedial actions. An update must include for each transmission and distribution pole inspected an indication of whether the pole passed inspection and was determined to be safe, reliable, and able to withstand extreme weather conditions, including high winds. |
| **EFFECTIVE DATE** On passage, or, if the bill does not receive the necessary vote, September 1, 2025. |
| **COMPARISON OF INTRODUCED AND SUBSTITUTE**While C.S.H.B. 144 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.Whereas the introduced required the applicable entities to submit to the PUC a plan for the management and inspection of distribution poles in the entity's distribution system, the substitute requires the applicable entities to submit a plan for the management and inspection of transmission and distribution poles in the entity's transmission and distribution system. The substitute requires the plan to include the following components, which were absent from the introduced:* the accountability of individuals responsible for overseeing and executing the plan;
* a description of the cooperative's or utility's processes for the documentation of and response to a report or complaint made by a landowner regarding the condition or repair of transmission or distribution poles; and
* for each transmission and distribution pole to be inspected, the following:
	+ a deadline by which the inspection will be completed;
	+ a process by which inspection records will be submitted; and
	+ a timeline for any remedial action required for a pole identified as unreliable, unsafe, or needing repair.

Whereas the introduced required the plan to include a description of the cooperative's or utility's processes for the management and inspection of distribution poles on the entity's distribution system and the training and certifying of personnel, including third-party vendors, who inspect distribution poles, the substitute requires the plan to include such a description for the management, repair, and inspection of transmission and distribution poles on the entity's transmission and distribution system and the training and certifying of personnel, including third-party vendors, who inspect and repair transmission and distribution poles.The substitute includes the following requirements that were absent from the introduced: * a requirement for an applicable entity to submit an update to the PUC detailing the entity's inspection results and repair schedule at least once every three years;
* a requirement for an applicable entity, at least once each month, to submit an update to the PUC of the information relating to pole inspection completion deadlines, processes for submitting pole inspection records, and timelines for any requisite remedial actions; and
* a requirement for that monthly update to include for each transmission and distribution pole inspected an indication of whether the pole passed inspection and was determined to be safe, reliable, and able to withstand extreme weather conditions, including high winds.
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