

## **BILL ANALYSIS**

Senate Research Center

S.B. 1750  
By: Hancock  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

As proposed, S.B. 1750 amends current law relating to coordinating severe weather preparedness in critical electric and natural gas infrastructure, and authorizes an administrative penalty.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 2 (Section 186.0071, Utilities Code) of this bill.

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 2 (Section 186.0071, Utilities Code) of this bill.

Rulemaking authority is expressly granted to the Texas Department of Emergency Management in SECTION 2 (Section 186.0071, Utilities Code) of this bill.

Rulemaking authority previously granted to the Public Utility Commission of Texas is rescinded in SECTION 3 (Section 186.007, Utilities Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Provides that the legislature finds that Winter Storm Uri revealed the interconnectedness of the gas and power industries in the face of severe weather and resolves to protect the citizens of Texas from similar events in the future by requiring coordinated enforcement across relevant regulatory bodies.

SECTION 2. Amends Subchapter A, Chapter 186, Utilities Code, by adding Section 186.0071, as follows:

Sec. 186.0071. WINTER WEATHER EMERGENCY PREPAREDNESS AND COORDINATION. (a) Defines "coordinating agencies," "coordinated entities," and "ERCOT."

(b) Requires the Public Utility Commission of Texas (PUC) and the Railroad Commission of Texas (RRC) to each establish rules to require each coordinated entity subject to their respective jurisdictions to establish and submit a winter preparedness emergency operations plan. Requires that the rules require the winter preparedness emergency operations plans to include:

- (1) a plan that addresses severely cold weather;
- (2) a plan that addresses any known critical failure points, including any effects of weather design limits;
- (3) a plan that addresses an emergency shortage of water or other critical supplies;
- (4) a plan for identification of potentially severe weather events;

- (5) a plan that addresses staffing during severe weather events;
- (6) curtailment priorities and procedures;
- (7) priorities for recovery of operational capacity or restoration of service, as applicable;
- (8) identification of critical loads necessary to maintain production of electricity or natural gas;
- (9) a communications plan that describes the procedures and threshold conditions for initiation of communication about a potential severe weather event with the coordinating agencies, other coordinated entities, the Electric Reliability Council of Texas (ERCOT), the public, the media, and customers; and
- (10) an affidavit from an owner, partner, officer, manager, or other official with responsibility for the entity's operations affirming that all relevant operating personnel of the entity are familiar with the contents of the emergency operations plan and that such personnel are committed to following the plan except to the extent deviations are appropriate under the circumstances during the course of an emergency.

(c) Authorizes the emergency operations plans to be combined or coordinated with other preparedness reporting requirements, including for other weather scenarios, natural disasters, cybersecurity events, physical security events, and pandemics.

(d) Requires the coordinating agencies to jointly analyze emergency operations plans developed by coordinated entities in each even-numbered year and prepare a weather emergency preparedness report on power generation and natural gas weatherization preparedness. Requires the coordinating agencies, in preparing the report, to:

- (1) review the emergency operations plans currently on file with each of the coordinating agencies;
- (2) analyze and determine the ability of the electric grid and natural gas system to withstand extreme weather events in the upcoming biennium;
- (3) consider the anticipated weather patterns for the upcoming biennium; and
- (4) make recommendations on improving emergency operations plans and procedures in order to ensure the continuity of electric and natural gas service, including the identification and definition of potentially appropriate weatherization and emergency operations standards, which may differentiate between existing and new facilities and may consider geography, suitable alternatives, cost-effectiveness, and other practical constraints.

(e) Authorizes a coordinating agency to require a coordinated entity subject to its jurisdiction and this section to file an updated emergency operations plan if the coordinating agency finds that an emergency operations plan on file does not contain sufficient information to determine whether the coordinated entity can provide adequate services.

(f) Authorizes each coordinating agency to adopt rules relating to the implementation of the report described by Subsection (d).

(g) Requires the coordinating agencies to submit the report described by Subsection (d) to the lieutenant governor, the speaker of the Texas House of Representatives, and the members of the legislature not later than September 30 of each even-numbered year.

(h) Provides that the emergency operations plans submitted for the report described by Subsection (d) are confidential under Chapters 418 (Emergency Management) and 552 (Public Information), Government Code, and other state or federal law. Requires that, if portions of a plan are directly referenced in the report described by Subsection (d), such information be in a redacted form for public inspection with the confidential portions removed. Requires a coordinated entity within the ERCOT power region to provide the entity's plan to ERCOT in its entirety, and requires ERCOT to maintain the confidentiality of the plan.

(i) Requires the PUC and RRC to each notify coordinated entities under their respective jurisdictions of any potential deficiencies in their emergency operations plans, including winter weatherization and emergency operations standards recommended by the coordinating agencies. Requires each entity to respond to such notice in writing within 30 days.

(j) Authorizes the PUC and RRC, after notice and opportunity for hearing, to impose an administrative penalty on entities subject to their respective jurisdictions for failure to timely submit an emergency operations plan or respond to a notice of potential deficiency.

SECTION 3. Repealer: Section 186.007 (Weather Emergency Preparedness Report), Utilities Code.

SECTION 4. Requires the PUC and RRC, not later than January 1, 2022, to adopt the rules required by Section 186.0071(b), Utilities Code, as added by this Act.

SECTION 5. Effective date: September 1, 2021.