

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 4952
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are ever-increasing threats to our electric grid security. As such, the state needs to adequately protect critical transmission substations that ensure power remains flowing through the grid.

H.B. 4952 seeks to address these security threats by expanding the tabletop exercise to also include a threat of an attack or an actual physical attack on a critical facility. It does not require a transmission and distribution service provider to disclose a list of the critical substations.

The committee substitute to H.B. 4952 removes Section 2 of the House engrossed version, clarifies the simulated or tabletop exercises already in statute for a winter and a summer month of each year consists of load shedding, and includes an attestation provision to ensure service providers participating in a simulated or tabletop exercise coordinate with relevant law enforcement.

C.S.H.B. 4952 amends current law relating to the reliability of the electricity supply chain.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 38.077, Utilities Code, as follows:

Sec. 38.077. New heading: RELIABILITY EXERCISES. (a) Defines "critical facility."

(b) Requires the Public Utility Commission of Texas (PUC) and the independent organization certified for the Electric Reliability Council of Texas (ERCOT) power region (independent organization) under Section 39.151 (Essential Organizations) to conduct certain exercises. Requires the PUC to ensure that each year at least one simulated or tabletop load shedding exercise is conducted during a summer month and one simulated or tabletop load shedding exercise is conducted during a winter month.

(c) Requires the PUC and the independent organization to conduct simulated or tabletop exercises with providers of electric generation service and transmission and distribution service in the ERCOT power region to mitigate and prepare for a threat of an attack or an actual physical attack on a critical facility. Provides that the exercises required by this subsection are in addition to the exercises required by Subsection (b) (relating to requiring the PUC and the independent organization to conduct certain exercises) and any requirements of the North American Electric Reliability Corporation Critical Infrastructure Protection plan standards. Requires the PUC and the independent organization to conduct the exercises under this subsection at least once every two years.

(d) Requires that a simulated or tabletop load shedding exercise conducted under Subsection (c) identify the roles and responsibilities of the following in the event of a threat of an attack or an actual physical attack on a critical facility:

- (1) transmission and distribution service providers;
- (2) providers of electric generation services;
- (3) law enforcement;
- (4) the independent organization; and
- (5) the PUC.

(e) Provides that a transmission and distribution service provider is not required to disclose the specific location of the provider's critical substations to the PUC or the independent organization for the purposes of a simulated or tabletop exercise conducted under Subsection (c).

(f) Requires each provider of electric generation service and of transmission and distribution service that participates in a simulated or tabletop exercise conducted under Subsection (c) to provide to the independent organization a written attestation that the provider has coordinated with law enforcement when identifying roles and responsibilities under Subsection (d).

SECTION 2. Requires the PUC and the independent organization, not later than December 31, 2024, to conduct a simulated or tabletop exercise with each provider of electric generation service and of transmission and distribution service as required by Section 38.077(c), Utilities Code, as added by this Act.

SECTION 4. Effective date: upon passage or September 1, 2023.