



# TEXAS LEGISLATIVE STUDY GROUP

*An Official Caucus of the Texas House of Representatives*

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### LSG Floor Report for GENERAL STATE Calendar– Tuesday, March 30, 2021

Bill	Caption	Committee	Analysis & Evaluation	Recommendation
<b>HB 10</b> By: Paddie   Hernandez	Relating to the governance of the Public Utility Commission of Texas, the Office of Public Utility Counsel, and an independent organization certified to manage a power region.	State Affairs  Vote: 12 Ayes, 0 Nays, 0 PNV, 1 Absent	<p>HB 10 makes changes to the governance of certain electric utility-related agencies. It orders that the presiding officer of the Public Utility Commission (PUC), which oversees the electricity industry, and the CEO of the Office of the Public Utility Counsel (OPUC), which legally advocates for the interests of consumers, be residents of Texas. The bill further changes the make-up of Texas’s independent grid operator’s (ERCOT’s) governing board. It currently must include members of the energy and utility industries and representatives of industrial, commercial, and residential consumer interests, most of which are elected by stakeholders. In place of 5 unaffiliated members selected by the board, this bill orders that more members be politically appointed, at least one of whom must represent residential consumer interests. The governor would select the presiding officer, whereas currently board members elect them. All board members, including ERCOT’s CEO, must be Texas residents, and bars members from receiving compensation for their service on the board.</p> <p>While concerns arise around barring the inclusion of non-Texans, especially those with expertise in cold-weather preparation, HB 10 strengthens PUC, OPUC, and ERCOT officials’ accountability to the people of Texas and provides residential consumers more voice in the decision-making that impacts their electricity and their lives.</p>	<b>Favorable</b> Evaluated by: Hannah Hall (832) 425-1224 Hannah@TexasLSG.org
<b>HB 11</b> By: Paddie   Hernandez   Allison	Relating to the preparedness for extreme weather emergencies of facilities that provide electricity service.	State Affairs  Vote: 12 Ayes, 0 Nays, 0 PNV, 1 Absent	<p>HB 11 orders the Public Utility Commission to implement rules mandating that electricity generators, municipal utilities, electric cooperatives, and transmission and distribution utilities operating in the ERCOT region (covering about 90% of Texas) prepare their facilities to operate in extreme weather and enact policies for reestablishing service as soon as possible should an interruption occur, making sure to include all geographic areas within the ERCOT region. These entities must instruct employees on extreme weather emergency procedures.</p> <p>This bill takes a necessary first step in ensuring that electricity providers weatherize, or prepare for extreme weather, to avoid burdening Texans with further avoidable power outages. However, the definition of extreme weather in this bill is limited to very high or low temperatures, which may exclude other types of weather (hurricanes, tornadoes, etc.). Additionally, to prevent widespread system failures like the one Texas recently experienced, mandating weatherization for all types of facilities that saw weather-related interruptions will be needed.</p>	<b>Favorable</b> Evaluated by: Hannah Hall (832) 425-1224 Hannah@TexasLSG.org

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<p><b>HB 12</b> By: Raymond   Paddie   Hernandez   Bonnen   Button</p>	<p>Relating to a study on a statewide disaster alert system and implementation of that system.</p>	<p>State Affairs  Vote: 12 Ayes, 0 Nays, 0 PNV, 1 Absent</p>	<p>HB 12 directs the Texas Division of Emergency Management to conduct a study into the efficacy of mass notification systems deployed by local governments and the feasibility of a statewide alert system for disasters. The study would analyze the costs and benefits of state-local coordination, barriers to outreach on the local level, and communication between local governments and ERCOT, the Public Utility Commission, and electric utilities. If determined beneficial and cost-effective by TDEM and the governor's office, TDEM shall establish and implement it.</p> <p>This alert system would be authorized to notify all regions of the state about anticipated or declared disasters, including widespread power outages, and may operate in conjunction with existing alert systems. The bill allows local governments to put local funds towards the system and determine when to activate the alert in their region. It directs electric utilities to participate in the alert system and notify ERCOT, the PUC, and TDEM of expected extended power outages.</p> <p>Both the study and the potential creation of a statewide alert system would cause TDEM to require additional funding. However, a statewide alert system, informed by better communication between local entities, state agencies, and electric utilities, would give individuals the opportunity to make informed decisions during the next disaster.</p>	<p><b>Favorable</b> Evaluated by: Hannah Hall 832-425-1224 Hannah@TexasLSG.org</p>
<p><b>HB 13</b> By: Paddie</p>	<p>Relating to the establishment of the Texas Energy Disaster Reliability Council.</p>	<p>State Affairs  Vote: 12 Ayes, 0 Nays, 0 PNV, 1 Absent</p>	<p>HB 13 establishes the Texas Energy Disaster Reliability Council, made up of leaders from the Public Utility Commission and the Railroad Commission, the CEO of the independent grid operator (currently ERCOT), and the chief of the Texas Division of Emergency Management as presiding officer, with the primary purpose of preventing extended disaster-related power outages such as were experienced during Winter Storm Uri. The council's duties include implementing emergency management procedures, maintaining records of critical infrastructure facilities to ensure service is maintained during a disaster, coordinating between fuel suppliers and electric generators during, monitoring for potential supply chain-related disruptions in service, and, every two years, reporting to the legislature recommendations for maintaining the reliability of the state's electric grid.</p> <p>The council is to meet semiannually and as needed during a disaster that could impact the electric grid and may consult and coordinate with other entities, including members of the electricity or natural gas industries who must cooperate with the council. It is not subject to open meetings and public information laws.</p> <p>This bill is meant to address the specific problems in agency and supply chain coordination revealed by the recent winter storm and prevent them - and the following deadly blackouts - from happening again.</p>	<p><b>Favorable</b> Evaluated by: Hannah Hall (832) 425-1224 Hannah@TexasLSG.org</p>
<p><b>HB 17</b> By: Deshotel   Paddie   Reynolds   Perez   Harris</p>	<p>Relating to a restriction on the regulation of utility services and infrastructure based on the energy source to be used or delivered.</p>	<p>State Affairs  Vote: 12 Ayes, 0 Nays, 0 PNV, 1 Absent</p>	<p>HB 17 prohibits political subdivisions and other government entities from banning or restricting through policies or building codes the connection or construction of certain utility services based on their energy source. Entities may not impose pricing differences on utility infrastructure permit applicants that encourage or discourage the usage of certain energy sources, but they may still choose utility services for properties they own.</p> <p>This bill would ban certain municipalities considering phasing out the use of natural gas utilities in new developments. During the winter storm, gas utilities did not experience nearly as many outages as electric utilities, allowing customers to keep their heat on during the freeze. However, electric generators had to compete with those utilities for scarce natural gas, which contributed to much electricity loss, so this bill would likely not address any weather-related outage problems in the future. Its broad language risks going beyond preserving customer choice and may limit local governments' ability to incentivize, educate, or otherwise encourage green energy choices within their jurisdictions.</p> <p><i>An amendment authored by Chairman Chris Turner intends to improve HB 17 and will address concerns above. If accepted by the author, the voting recommendation will change to favorable.</i></p>	<p><b>Favorable with Concerns</b> Evaluated by: Hannah Hall (832) 425-1224 Hannah@TexasLSG.org</p>



<p><b>HB 16</b> By: Hernandez   Paddie</p>	<p>Relating to a prohibition on the sale of wholesale indexed products by retail electric providers.</p>	<p>State Affairs  Vote: 11 Ayes, 1 Nay, 0 PNV, 1 Absent</p>	<p>HB 16 bans retail electric providers from selling wholesale indexed products or electricity plans that directly pass on the real-time prices of the wholesale market, to residential consumers, and allows the Public Utility Commission to adopt and enforce related rules. Wholesale market prices can rapidly and wildly fluctuate, as was the case during the recent winter storm when wholesale market prices increased from \$30 per megawatt hour to over \$9,000 per megawatt hour because of a scarcity of electric generation. This resulted in some consumers being charged thousands of dollars. These spikes can occur anytime that demand for electricity strains supply, particularly on the hottest, and now coldest, days of the year.</p> <p>HB 16 will protect Texans from the astronomically high electric bills that result from industry's failures to prepare for extreme weather and other emergencies.</p>	<p><b>Favorable</b> Evaluated by: Hannah Hall (832) 425-1224 Hannah@TexasLSG.org</p>
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