

Monday, August 15, 2022

Railroad Commission of Texas  
P.O. Box 12967  
Austin, Texas 78711-2967

Chairman Wayne Christian  
Commissioner Christi Craddick  
Commissioner Jim Wright

Dear Commissioners,

We appreciate the work the RRC leaders, staff, and other stakeholders have completed in an effort to strengthen our power grid vis-à-vis the recently approved proposed regulations. We write to delineate our sentiment, concerns, and inquiries regarding Proposed New Rule §3.66, Weather Emergency Preparedness Standards (Senate Bill 3, 87th Legislature, 2021).

### **Gas Facility Operations**

The authority the Texas Legislature granted the Commission to ensure consistent natural gas supply was quite broad for both gas supply chain facility operators and gas pipeline facilities. Our intent in SB 3 was to provide regulatory backstops to reduce the risk of another catastrophic energy system failure like Texas experienced in February 2021.

Natural gas systems experienced both cold-related forced outages and preemptive outages designed to minimize risk to facilities. In addition, there has been much speculation about natural gas market manipulation and an investigation by the Federal Emergency Regulation Commission is ongoing. The lack of transparency and minimal required reporting in the Texas natural gas market have been significant barriers to that investigation.

While the rule directly attempts to address weather-related forced outages, it doesn't attempt to address preemptive outages, which began on February 11th, over three days before the blackouts began. (The February 2021 Cold Weather Outages in Texas and the South Central United States | FERC, NERC and Regional Entity Staff Report) In addition, the rule has overly narrow reporting requirements, which both open the door to facilities concealing their forced outages by claiming they were elective and eliminate an

important opportunity to identify the causes of natural gas shortages in future incidents including market manipulation.

We are concerned that the commission is interpreting SB 3 too narrowly and closing off opportunities to ensure energy reliability for Texans. SB 3 reads:

- The commission by rule shall require a gas supply chain facility operator to implement measures to prepare to operate during a weather emergency.
- The railroad commission shall adopt rules regarding...measures a gas pipeline facility operator must implement to prepare the gas pipeline facility to maintain service quality and reliability during extreme weather conditions.

“Measures” is a broad term that the commission is currently interpreting as only applying to physical weatherization and emergency operations planning. In order to avoid a natural gas supply shortage due to preemptive outages, we ask the commission to expand their interpretation and require that facilities establish a standard business practice of continuing normal operations during the weather emergencies.

### **Reporting requirements**

In section (d)(2)(f) Weather-related forced stoppages by a gas pipeline facility or a gas supply chain facility, we recommend requiring notification for all stoppages or curtailments during weather emergencies and for these incidents to be classified by cause.

The current proposed rule allows a loophole whereby operators can circumvent reporting a stoppage by internally classifying it as non-weather-related. Requiring all facilities who experience a stoppage during a weather emergency to report the underlying cause(s) will greatly improve the RRC’s information on these occurrences, better detect and respond to weather-related stoppages, and prevent cases of underreporting.

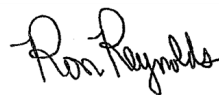
Including curtailments of natural gas supply instead of just stoppages will also ensure that facilities are adequately prepared to operate fully during weather emergencies. In addition, this more comprehensive reporting will provide valuable information about the natural gas system and help deter and detect other issues including market manipulation.

Thank you for your consideration of our comments. Our constituents have entrusted us with ensuring a reliable electric grid, which includes ensuring successful implementation of SB 3 and related legislation. We look forward to continuing to work with the Railroad Commission to keep Texans safe and keep the lights on in all weather conditions.

Sincerely,



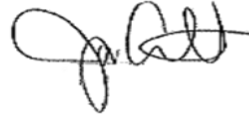
Erin Zwiener, Chair  
State Representative | District 45



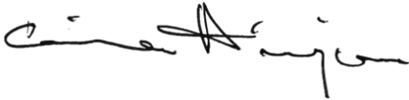
Ron Reynolds, First Vice Chair  
State Representative | District 27



Jon Rosenthal, Second Vice Chair  
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Donna Howard  
State Representative | District 48



Celia Israel  
State Representative | District 50



Penny Morales Shaw  
State Representative | District 148



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State Representative | District 134



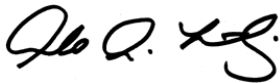
Claudia Ordaz Perez  
State Representative | District 76



Jolanda Jones  
State Representative | District 147



Mary Ann Perez  
State Representative | District 144



Armando "Mando" Martinez  
State Representative | District 39



Carl Sherman  
State Representative | District 109



Terry Meza  
State Representative | District 105



James Talarico  
State Representative | District 52



Ina Minjarez  
State Representative | District 124



Senfronia Thompson  
State Representative | District 141



Christina Morales  
State Representative | District 145

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Chris Turner  
State Representative | District 101

A handwritten signature in black ink, appearing to read "Gene Wu". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gene Wu  
State Representative | District 137