RAILROAD COMMISSION OF TEXAS Critical Infrastructure Division



NOTICE TO OIL & GAS AND PIPELINE OPERATORS

Rules Adopted for Critical Designation of Natural Gas Infrastructure

The Railroad Commission of Texas (RRC) has adopted rules to implement a process for designating certain natural gas entities as critical during an energy emergency as specified in Senate Bill 3 and House Bill 3648 passed by the 87th Legislature (Regular Session). The adopted rules are effective on December 20, 2021.

On November 30, 2021, the RRC Commissioners adopted proposed new rule 16 Texas Administrative Code (TAC) §3.65, *relating to Critical Designation of Natural Gas Infrastructure*, and amendments to 16 TAC §3.107, *relating to Penalty Guidelines for Oil and Gas Violations*. To view the adopted rules, visit the RRC website at https://www.rrc.texas.gov/general-counsel/rules/proposed-rules/ under "Chapter 3: Oil and Gas."

In conjunction with the adopted rules, the RRC has also adopted two new forms related to 16 TAC §3.65.

- Form CI-D, Acknowledgement of Critical Customer/Critical Gas Supplier Designation, and its attachment would be submitted by an operator of a facility designated as critical acknowledging the facility's critical status.
- Form CI-X, *Critical Designation Exception Application*, and its attachment would be submitted by an operator certifying a facility seeks an exception to critical designation because the facility is not prepared to operate in a weather emergency.

The new rules define the types of natural gas facilities that are critical gas suppliers and critical customers. Critical customers are critical gas suppliers that require electricity to operate. The Form CI-D is required to be filed bi-annually with the RRC. Critical Customers are also required to submit Form CI-D and its attachment to their electric providers. In the year 2022, the form must be filed by January 15, then updated and refiled by either September 1, or 30 days following the date the map is produced by the Texas Electricity Supply Chain Security and Mapping Committee, whichever is later. Beginning in 2023, the form must be filed bi-annually by March 1 and September 1 of each year. The form can be submitted to the RRC via email at FormCID@rrc.texas.gov or the RRC Online System. It is anticipated online form submissions will become available via the RRC Online System on December 20, 2021, the effective date for this rule.

As provided by legislation, an eligible facility may seek an exception to be designated as critical. For this purpose, operators would file the Form CI-X and pay the required filing fee. It is important to note that the newly adopted rules exclude certain types of facilities from being able to apply for an exception. The form is required to be filed bi-annually with the RRC. In the year 2022, the form must

Austin, Texas

be filed by January 15, then updated and refiled by either September 1, or 30 days following the date the map is produced by the Texas Electricity Supply Chain Security and Mapping Committee, whichever is later. Beginning in 2023, the form must be filed bi-annually by March 1 and September 1 of each year. The form can be submitted to the RRC via email at <u>FormCIX@rrc.texas.gov</u> or the RRC Online System. Again, it is anticipated online form submissions will become available via the RRC Online System on December 20, 2021. Form CI-X does not need to be filed with the electric providers.

To download the forms, visit the RRC website at <u>https://www.rrc.texas.gov/about-us/organization-and-activities/rrc-divisions/critical-infrastructure/</u>.

The RRC will provide training on the rules and forms prior to the rules' effective date. To receive email notice of the training and other related announcements, signup for the Oil & Gas News or Pipeline Safety News email subscriptions on the RRC website at <u>https://www.rrc.texas.gov/resource-center/subscription-services/</u>.

Please Forward to the Appropriate Section of Your Company