From: <u>aulloa@everyactioncustom.com</u> on behalf of <u>Angel Ulloa</u>

To: Rules Coordinator

Subject: New §3.66, Weather Emergency Preparedness Standards (Senate Bill 3, 2021)

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Dear Critical Infrastructure Division Director Jared Ware,

Over ten years ago Texas experienced widespread power outages affecting 4 million power customers in the state. Federal regulators recommended that the Railroad Commission (RRC) "investigate whether minimum standards for the winterization of gas production and processing facilities should be adopted." After the commission declined to pass such standards, Texas experienced widespread power outages again during a February 2021 winter storm event. The 2021 event affected 4.5 million power customers in Texas, leading to hundreds of deaths and the largest carbon monoxide poisoning event in state history.

After last year's winter's storms, the Texas legislature required the RRC and the Public Utility Commission to assure that the gas wells, pipelines and generating plants were weatherized so that we don't face another big blackout. A 2021 FERC investigation noted that natural gas fuel supply issues were the second largest cause of outages, other than electric generator freezing issues. It's critical that all the gas wells, pipelines, and parts of the gas supply chain are prepared to operate in winter storms.

As the commission prepares its first major weatherization rule, please consider making the following improvements:

- 1. Ensure that potential penalties are higher than the potential cost of non-compliance.
- 2. Encourage operators to come back into compliance swiftly by significantly reducing the "time out of compliance" for each factor value in the penalty classification system.
- 3. Create a fair and ethical playing field for operators by developing a definition for a "Major weather-related forced stoppage" that is not subjectively determined by RRC staff.
- 4. Create a process for ensuring that emergency contact information is updated on the Electricity Supply Chain Map in a timely manner. Operators who acquire facilities between critical infrastructure filing deadlines should immediately update the RRC by filing forms CI-D and CI-X for the acquired facilities.
- 5. Facilitate operator compliance by issuing guidance or a notice to operators clarifying deadlines for filing and implementation, and explaining how RRC will enforce weatherization standards for critical gas supply chain facilities that are on the final Electricity Supply Chain Map to be published on September 1.
- 6. Consider notifying facilities of their status on the Electricity Supply Chain map by email rather than physical mail, which many operators have said they have trouble receiving.

It is essential that the commission creates a weatherization rule and internal processes that result in a safer, more reliable natural gas supply chain – and not simply more paperwork or bureaucracy for the industry. Texans – and Americans in other states who rely on Texas' natural gas supply – are counting on you to get this right.

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