



# Railroad Commission of Texas

## Rule 3.66 Weather Emergency Preparedness Standards

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# Introduction (1 of 2)



- Required by Senate Bill 3
- Senate Bill 3 required the RRC to adopt rules no later than 6 months following the production of the Texas Electricity Supply Chain Security and Mapping Committee map
- The map was adopted early; therefore Rule 3.66 was adopted early

# Introduction (2 of 2)



- Electricity Supply Chain Map was adopted on April 29, 2022
  - RRC had until October 29, 2022, to adopt weatherization rule
- Proposed on June 28, 2022
- Adopted on August 30, 2022
- Effective on September 19, 2022
- Facilities subject to the rule must implement rule requirements no later than December 1, 2022

## (a) Applicability (1 of 3)



- Rule 3.66 applies to individual facilities
  - Gas Supply Chain Facilities; and
  - Gas Pipeline Facilities
- An operator under the RRC's jurisdiction may have only a portion of its total facilities subject to Rule 3.66

## (a) Applicability (2 of 3)



### Gas Supply Chain Facility

1. Included on the Electricity Supply Chain Map; and
2. Designated as critical in Rule 3.65 (relating to *Critical Designation of Natural Gas Infrastructure*)

## (a) Applicability (3 of 3)



### Gas Pipeline Facility

1. Directly serves a natural gas electric generation facility operating solely to provide power to the electric grid for the Electric Reliability Council of Texas (ERCOT) power region or for the ERCOT power region and an adjacent power region; and
2. Included on the Electricity Supply Chain Map

## (c) Preparedness Standards (1 of 13)



- By December 1 of each year, an operator of a facility must implement weather emergency preparation measures intended to:
  1. Ensure sustained operations during a weather emergency; and
  2. Correct weather-related forced stoppages that prevented sustained operation due to previous weather emergencies

## (c) Preparedness Standards (2 of 13)



- By December 1 of each year, an operator of a facility must implement weather emergency preparation measures intended to:
  1. Ensure **sustained operations** during a weather emergency; and
  2. Correct weather-related forced stoppages that prevented sustained operation due to previous weather emergencies





- Sustained Operations
  - Safe operation of a gas pipeline facility or a gas supply chain facility such that the facility does not experience a major weather-related forced stoppage or weather-related forced stoppage in production, treating, processing, storage, or transportation of natural gas.

## (c) Preparedness Standards (4 of 13)



- By December 1 of each year, an operator of a facility must implement weather emergency preparation measures intended to:
  1. Ensure sustained operations during a **weather emergency**; and
  2. Correct weather-related forced stoppages that prevented sustained operation due to previous weather emergencies

## (c) Preparedness Standards (5 of 13)



- Weather Emergency
  - Weather conditions such as freezing temperatures, freezing precipitation, or extreme heat in the facility's county or counties that result in an energy emergency as defined by §3.65
  - A weather emergency does not include weather conditions that cannot be reasonably mitigated such as tornadoes, floods, or hurricanes



- Weather Emergency
  - Energy Emergency is defined in Rule 3.65 as a firm load shed event
  - Rule 3.65 is currently proposed for amendments, including amendments proposed to broaden the definition of “Energy Emergency”
    - Comments due October 7, 2022

## (c) Preparedness Standards (7 of 13)



- By December 1 of each year, an operator of a facility must implement weather emergency preparation measures intended to:
  1. Ensure sustained operations during a weather emergency; and
  2. Correct **weather-related forced stoppages** that prevented sustained operation due to previous weather emergencies



- Weather Related Forced Stoppage
  - An unanticipated and/or unplanned outage in the production, treating, processing, storage, or transportation of natural gas that is caused by weather conditions such as freezing temperatures, freezing precipitation, or extreme heat and occurs during a weather emergency



- Major Weather-Related Forced Stoppage
  - A weather-related forced stoppage that is the result of the deliberate disregard of this section or that results in:
    - A. a loss of **production** exceeding 5,000 Mcf of natural gas per day per oil lease;
    - B. a loss of **production** exceeding 5,000 Mcf of natural gas per day per gas well;
    - C. a loss of gas **processing** capacity exceeding 200 MMcf per day;
    - D. a loss of **storage** withdrawal capacity exceeding 200 MMcf per day; or
    - E. a loss of **transportation** capacity exceeding 200 MMcf per day

## (c) Preparedness Standards (10 of 13)



- By December 1 of each year, an operator of a facility must implement **weather emergency preparation measures** intended to:
  1. Ensure sustained operations during a weather emergency; and
  2. Correct weather-related forced stoppages that prevented sustained operation due to previous weather emergencies





- Preparation Measures
  - Training relevant personnel on weather emergency preparation and operation
  - Consideration of the risk to the health and safety of employees
  - Consideration of protection of the environment
  - Weatherization of the facility



- Preparation Measures
  - **Weatherization** using methods a reasonably prudent operator would take given
    - the type of facility,
    - the age of the facility,
    - the facility's critical components,
    - the facility's location, and
    - weather data for the facility's county or counties such as data developed for the Commission by the state climatologist



- Weatherization

The iterative cycle of preparedness for sustained operation during weather emergencies that includes:

- A. correcting critical component failures that occurred during previous weather emergencies;
- B. installing equipment to mitigate weather-related operational risks; and
- C. internal inspection, self-assessment, and implementation of processes to identify, test, and protect critical components.

## (d) Weather Readiness Attestation



- By December 1 of each year, an operator shall submit the Weather Emergency Readiness Attestation.
- Attestation must:
  - Meet certification/signatory requirements
  - Include an attachment describing all activities engaged in by the operator to implement the requirements of subsection (c) of this section, including a description of the weatherization methods utilized by the operator to weatherize each type of facility

## (e) Inspections (1 of 2)



- RRC will inspect facilities to ensure compliance with Rule 3.66
- Will prioritize inspections of oil leases and gas wells producing greater than 5,000 Mcf per day of natural gas and facilities storing, processing, or transporting greater than 200 MMcf per day of natural gas
- Further prioritization in descending order in accordance with a facility's production volume or storage, processing, or transportation capacity

## (e) Inspections (2 of 2)



- Two types of inspections:
  - Inspections for preparedness based on Attestation
  - Weather Related-Forced Stoppages inspections

## (f) Notifications (1 of 3)



- Operators of facilities subject to 3.66 must immediately notify the RRC through the **Critical Infrastructure online portal** of:
  1. Weather-related forced stoppages that are not resolved within 24 hours
  2. Forced stoppages due to loss of electric power that are not resolved within 24 hours

## (f) Notifications (2 of 3)



- Must call the RRC's **Critical Infrastructure telephone number** within 1 hour of discovery:
  1. Major weather-related forced stoppages
  2. Major stoppages that are due to loss of electric power



## (f) Notifications (3 of 3)



- Repeated or major weather-related forced stoppages may result in the requirement for an operator to contract with a “qualified person” to assess the operator’s weather emergency preparedness
- Operator required to submit the qualified person’s written assessment and a corrective action plan

## (g) Enforcement (1 of 3)



- Per Senate Bill 3, enforcement mechanisms are different depending on the type of facility
- However, enforcement for all types of facilities will utilize the same penalty classification table



- Gas Supply Chain Facilities
  - RRC will pursue administrative violations of the rule for **adjudication** only
  - After an order finding a violation of Rule 3.66 has been entered by RRC, RRC will refer violation to the Office of the Attorney General
  - Office of Attorney General will file suit for collection of penalties utilizing Rule 3.66's penalty classification table



- Gas Pipeline Facilities
  - RRC has administrative penalty authority
  - RRC will adjudicate alleged violations
  - If violation order is issued, RRC will collect penalties utilizing Rule 3.66's penalty classification table



# Questions on Rule 3.66?