

RAILROAD COMMISSION OF TEXAS

Critical Infrastructure Division



NOTICE TO OIL & GAS AND PIPELINE OPERATORS

Weather Emergency Preparedness Standards

On August 30, 2022, the Railroad Commission of Texas (RRC) adopted 16 Texas Administrative Code (TAC) §3.66, relating to Weather Emergency Preparedness Standards. The new rule implements changes made by Senate Bill 3, the 87th Legislature's sweeping response to the February 2021 Winter Weather Event ("Winter Storm Uri") in Texas, and generally creates a new law related to preparing for, preventing, and responding to weather emergencies and power outages. **The rule is effective September 19, 2022.**

The new rule applies to operators of **gas supply chain facilities** that are included on the electricity supply chain map created under Texas Utilities Code §38.203 and are designated as critical by the RRC in 16 TAC §3.65 (relating to Critical Designation of Natural Gas Infrastructure). Underground natural gas storage facilities and natural gas processing facilities are considered gas supply chain facilities.

The rule also applies to operators of **gas pipeline facilities** that are included on the electricity supply chain map and directly serve a natural gas electric generation facility operating solely to provide power to the electric grid for the ERCOT power region or for the ERCOT power region and an adjacent power region. If a facility is not included on the map, the requirements of new 16 TAC §3.66 do not apply to the facility.

An operator of facilities that are included on the electricity supply chain map will receive **confidential** correspondence from the RRC notifying the operator of the list of facilities contained on the map later this month.

16 TAC §3.66 requires that by December 1st of each year, a gas supply chain facility operator, or a gas pipeline operator to implement weather emergency preparation measures intended to ensure the sustained operation of a gas supply chain facility or a gas pipeline facility during a weather emergency.

The new rule lists the weather emergency preparation measures that are required. The RRC will periodically publish weatherization practices and may include weather data developed for the RRC by the state climatologist.

Also, by December 1st of each year, gas supply chain facility operators and gas pipeline operators must implement weather emergency preparation measures intended to correct known

weather-related forced stoppages that prevent sustained operation of a facility because of weather emergencies. The rule defines what is considered a weather-related forced stoppage and what constitutes sustained operations during a weather emergency.

A *Weather Emergency Readiness Attestation* is required to be submitted to the RRC by December 1st of each year. The attestation must be prepared by an authorized representative of the operator or under the authorized representative's supervision and direction and must attest that the operator implemented the weather emergency preparation measures. It must also include an attachment describing all activities the operator engaged in to implement the requirements, including a description of the weatherization methods used to weatherize the facility. **The first attestation is due December 1, 2022.**

The RRC will inspect the facilities required to comply with 16 TAC §3.66. The inspections will generally stem from one of two places: (1) a regular inspection of the facility conducted in accordance with RRC's inspection schedule; or (2) an investigation scheduled in response to a weather-related forced stoppage notification filed under the new rule. In accordance with requirements added to Texas Natural Resources Code §86.044 and Texas Utilities Code §121.2015 by Senate Bill 3, if a gas supply chain facility or gas pipeline facility experiences repeated weather-related forced stoppages or major weather-related forced stoppages, upon notice from the Commission, the operator shall contract with a person with related experience to assess the facility's weather emergency preparation measures, plans, procedures, and operations.

Violations of 16 TAC §3.66 will be issued on a facility level. The operator of a facility with an alleged violation will be issued a notice of violation and given the opportunity for a hearing. If the RRC determines that a gas supply chain facility operator has violated 16 TAC §3.66, and the violation is not remedied within a reasonable amount of time, the RRC is required to notify the Office of the Attorney General of Texas, who will initiate a suit to receive a penalty for the violation. For a gas pipeline facility violation, the RRC will determine whether it is a violation, and if so, will also assess the appropriate penalty.

The new rule also includes a penalty classification table in subsection (g)(1). Texas Natural Resources Code §86.044 requires the RRC to establish a classification system to be used by a court for 16 TAC §3.66 violations. The penalty classification tables include a range of penalties that may be recovered for each class of violation based on a variety of factors that are listed in the table. The highest class of violations will be eligible for a penalty exceeding \$5,000 and maximum penalty allowed is \$1,000,000 for each offense.

To view the new rule, weatherization practices and related resources, visit the RRC website at <https://www.rrc.texas.gov/critical-infrastructure/weatherization/>.

If you have questions regarding this notice, contact the RRC's Critical Infrastructure Division at CID@rrc.texas.gov or 512-463-6737.

Please Forward to the Appropriate Section of Your Company