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Rules Coordinator
Railroad Commission of Texas
Office of General Counsel
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Re: Proposed New 16 TAC §3.65 and Proposed Rules to §3.107 to Implement HB 3648 and SB 3.

To the Honorable Commissioners of the Railroad Commission of Texas:

South Texas Electric Cooperative, Inc. ("STEC") respectfully submits these comments in response to the Railroad Commission of Texas's ("RRC" or "Commission") Proposed New 16 TAC §3.65 and Proposed Amendments to §3.107 to Implement HB 3648 and SB 3 (the "Proposed Rules"). The deadline for comments is November 1, 2021. These comments are timely filed.

EXECUTIVE SUMMARY

It is essential to the implementation of Senate Bill 3 and House Bill 3648 that critical natural gas facilities are accurately designated and weatherized in order to avoid a recurrence of the energy disruptions experienced in February. To achieve those ends, SB 3 requires the Commission to adopt rules providing that only those facilities that are weatherized may be designated as critical, and facilities included on the electricity supply chain map and designated as critical by the Commission *must* weatherize.

The Proposed Rules, however, assume that *all* natural gas facilities are "critical" except those facilities that choose to opt out from weatherization requirements. Moreover, the Proposed Rules are silent as to the status of facilities that opt out from weatherization requirements and are later included on the supply chain map and designated as critical. The Proposed Rules thus risk

being interpreted in a way contrary to the legislative intent. STEC recommends the Proposed Rules be modified as follows:

- Shift from the "presumed critical" approach and instead provide that natural gas facilities are "eligible for designation as critical";

- State that beginning in 2023, the "critical" facility designation will include those facilities included in the supply chain map pursuant to PURA § 38.203 and designated critical by the Commission;

- Make clear that those facilities that submit the Form CI-X exception may nonetheless be required to weatherize if mapping and prioritization activities identify them as critical;

- Create more meaningful threshold weatherization expectations so members of the natural gas industry can accurately certify that they are "prepared to operate during a weather emergency" in accordance with the Proposed Rules; and

- Revise Form CCI to require facilities to provide additional information in order to better facilitate load shed planning.

STEC also strongly recommends enhanced coordination between the RRC and the PUC on the important work ahead to implement SB 3 and HB 3648, including commencement of the electric supply chain mapping process as soon as possible with a goal of releasing the map and best practices far in advance of the September 1, 2022, deadline.

Finally, STEC requests the Commission's immediate attention on certain other issues that are of critical importance to SB 3's implementation. These issues include: (1) prioritization among critical facilities, and (2) the initiation of a rulemaking for a permanent gas curtailment rule.

DISCUSSION

I. Background

A. STEC

STEC is a generation and transmission cooperative. It was formed in 1944 to provide wholesale electric services to member distribution cooperatives, which serve over 310,042 consumers in forty-seven South Texas counties. Power provided by STEC to its member cooperatives is generated from a variety of energy sources, including natural gas, wind, lignite, diesel fuel, solar and hydroelectric. STEC's member cooperatives serve a significant number of oil and gas operations in South Texas, including serving the Eagle Ford throughout Karnes County.

B. Implementation of SB 3 and HB 3648

The comprehensive measures directed by Senate Bill 3 ("SB 3") and House Bill 3648 ("HB 3648") of the 87th Regular Session address the importance of the RRC and the Public Utility Commission of Texas ("PUCT") coordinating weatherization standards, jointly mapping the gas-electric supply chain, and collaborating to develop and implement prioritization criteria to ensure that critical natural gas supplies are capable of delivering fuel to power plants during weather emergencies. *See* SB 3 Sections 3,[1] 4,[2] 5,[3] 16,[4] 17,[5] 21,[6] 25,[7] 33,[8] and 37.[9] Under SB 3, the RRC and the PUCT are directed to coordinate in the designation of certain natural gas facilities that are "critical" and develop prioritization criteria so that transmission and distribution service providers ("TDSPs") that operate their systems and perform load shed obligations can differentiate during

[1] Establishing Subchapter J of Chapter 418 of the Texas Government Code (Texas Energy Reliability Council).

[2] Creating Texas Natural Resources Code Section 81.073 (Critical Natural Gas Facilities and Entities).

[3] Creating Texas Natural Resources Code Section 86.044 (Weather Emergency Preparedness).

[4] Amending Subchapter D, Chapter 38, by adding Sections 38.074, 38.075, 38.076, and 38.077 to create prioritization criteria for load-shed purposes governing critical natural gas infrastructure during an energy emergency.

[5] Creating Subchapter F, Chapter 38, Texas Utilities Code (Texas Electricity Supply Chain Security and Mapping).

[6] Creating new Subsections 121.2015(a-1), (c-1), and (c-2), (d), (e), and (f), Texas Utilities Code (establishing weatherization, mapping and enforcement provisions for natural gas pipelines).

[7] Creating Texas Utilities Code Section 186.008 (Railroad Commission Weather Emergency Preparedness Reports).

[8] Creating the State Energy Plan Advisory Committee (to be appointed by the Governor, Lt. Governor, and Speaker of the House [4 positions each] and requiring the submitted of a State Energy Plan by September 1, 2022).

[9] Requiring the Texas Electricity Supply Chain Security and Mapping Committee to produce the above-referenced map by September 1, 2022.

times of emergencies between natural gas facility loads that are important, but are not critical to supply human needs and to supply power plants with fuel, and those that are truly critical gas supply infrastructure necessary to meet human needs and supply generation with fuel. Particularly given the size of the natural gas industry and the in-house expertise at the RRC, the RRC's expertise is *essential* in designating critical natural gas facilities so that load shedding prioritization criteria developed by PUCT and implemented by the TDSPs properly differentiate among different tiers of priority within the gas supply chain.

SB 3 provides that the Commission *"shall"* adopt rules providing that: (1) only those facilities that are weatherized (i.e., "prepared to operate during a weather emergency") may be designated as critical;[10] and (2) facilities included on the electricity supply chain map and designated as critical by the Commission *must* weatherize.[11] This means that a facility that is weatherized voluntarily may nonetheless be determined *not* to be critical, and a facility whose owner has opted *not* to weatherize may ultimately be determined to be critical by the Commission in the supply chain mapping process, and then required to weatherize. As discussed in detail herein, however, the plain language of the Proposed Rules risks undermining those directives.

The preamble to the Proposed Rules provides that the Commission's adoption of § 3.65 is "the first of many steps in implementing the requirements of Senate Bill 3" and "does not prioritize the critical facilities for load-shed purposes."[12] The language of the rule itself, however, seems to indicate the opposite. It provides that natural gas facilities *"are designated critical gas suppliers"* unless the facility's operator submits the Form CI-X exception asserting that the facility is not prepared to operate during a weather emergency, along with a one-time fee. As currently crafted, the Proposed Rules risk being interpreted in a way contrary to the legislative intent. STEC recommends the Commission take reasonable steps to mitigate that risk by taking the steps recommended herein, including the following:

- Shift from the "presumed critical" approach and instead provide, consistent with SB 3 and the preamble, that natural gas facilities are "eligible for designation as critical" rather than stating that they are "designated critical gas suppliers."

[10] *See* Nat. Res. Code § 81.073(b)(3).

[11] *See* Nat. Res. Code § 86.044.

[12] *See, e.g.*, 46 Tex.Reg. 5458.

- State that beginning in 2023, the "critical" facility designation will be limited to those facilities identified by the Mapping Committee in the supply chain map pursuant to PURA § 38.203 and designated critical by the Commission;

- Make clear that those facilities that submit the Form CI-X exception may nonetheless be determined to be critical and subject to weatherization requirements if mapping and prioritization activities identify them as critical;

- Create more meaningful threshold weatherization expectations so members of the natural gas industry can accurately certify that they are "prepared to operate during a weather emergency" in accordance with the Proposed Rules; and

- Revise Form CCI to require facilities to provide additional information in order to better facilitate load shed planning.

II. The Proposed Rules' overbroad categorization of "critical" facilities is counter to the legislative directive of SB 3.

A. Issues surrounding the current language of the Proposed Rules.

SB 3 requires the RRC and the PUCT to coordinate in designating "*certain*" natural gas facilities as "critical" and developing prioritization criteria.[13] It was also anticipated that minimum weatherization standards would be specified in order for members of the natural gas industry to understand what type of weatherization requirements would need to be met if an entity sought critical care certification (by filing new "Form CI-D") such that the entity is "prepared to operate during a weather emergency" as required by SB 3.

Unfortunately, however, the rule as drafted results in both an over-broad categorization of "critical" facilities and no expectation of weatherization for such facilities. Rather than use the discretion and judgment required by the legislation to specify criteria that will govern the "prepared to operate" certification, or even signal when that criteria will be forthcoming, the Proposed Rules assume that any facility is "critical" unless its owner elects to opt-out by

[13] *See* Tex. Nat. Res. Code § 81.073(a) ("The commission shall collaborate with the Public Utility Commission of Texas to adopt rules to establish a process to designate *certain* natural gas facilities and entities associated with providing natural gas in this state as critical customers or critical gas suppliers during energy emergencies") (emphasis added).

submitting a Form CI-X and paying the one-time ($150) fee.[14] Proposed §3.65 provides a blanket "critical" designation for arguably the entire natural gas industry when it states that:

> The following facilities ***are designated critical*** gas suppliers and critical customers of the entities described by Texas Utilities Code, §38.074(b)(1) during an energy emergency:
>
> (1) wells producing gas or casinghead gas;
> (2) gas processing plants;
> (3) natural gas pipelines and pipeline facilities including compressor stations;
> (4) local distribution company pipelines and pipeline facilities including compressor stations;
> (5) natural gas storage facilities;
> (6) natural gas liquids transportation and storage facilities;
> (7) saltwater disposal facilities including saltwater disposal pipelines; and
> (8) other facilities under the jurisdiction of the Commission the operation of which is necessary to operate any of the facilities in paragraphs (1) through (7) of this subsection.[15]

The preamble provides that §3.65 "is the first of many steps in implementing the requirements of SB 3" and "does not prioritize the critical facilities for load-shed purposes."[16] The preamble language is a helpful attempt to clarify that §3.65 does not result in the designation of "critical" facilities that are to be prioritized in accordance with SB 3, but the incongruity between the preamble and the Proposed Rules' provision that the long list of facilities "are designated as critical" creates confusion. Indeed, the PUCT's proposed amendments to §22.52 are premised on the assumption that the Proposed Rules establish the list of "critical" facilities for consideration by utilities in complying with the load shed provisions of Section 16 of SB 3.[17] The Proposed Rules should be revised to conform to the preamble language, as discussed in more detail below.

A related deficiency in the Proposed Rules is that there is no provision (or preamble clarification) made to ensure that those entities wishing to opt out of weatherization requirements will *not* be allowed to do so if they are deemed critical as a result of the upcoming gas-electric

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[14] Railroad Commission of Texas Proposed New 16 TAC §3.65 and Proposed Rules to §3.107 to Implement HB 3648 and SB 3 at §3.65(b)-(d) (46 Tex. Reg. 6458)(Oct. 1, 2021).

[15] Natural Resources Code Section 81.073(b)(3)(emphasis added).

[16] 46 Tex. Reg. 5458.

[17] Adding new Sections 38.074, 38.075, 38.076, and 38.077. The PUCT defines "critical natural gas" in the proposed amendments to 16 TAC §22.52 as "[a] facility *designated as a critical gas supplier by the Railroad Commission of Texas under §3.65(b)* of this title (relating to Critical Designation of Natural Gas Infrastructure) unless the critical gas supplier has obtained an exception from its critical status under §3.65(d) of this title. Critical natural gas is a critical load during an energy emergency." PUCT Proposal for Publication of Amendments of 16 TAC §22.52 as approved at the September 16, 2021 Work Session Meeting, filed in Project No. 52345 on September 16, 2021 (emphasis added).

supply chain mapping process. STEC reads the plain language of SB 3, taken as a whole, to provide two distinct functions that stem from a natural gas facility's being "prepared to operate during a weather emergency": (1) the objective requirement to meet weatherization requirements for facilities identified by the gas-electric supply chain map;[18] and (2) an initial criterion for critical load designation for purposes of load shed and load restoration prioritization.[19] The only reasonable way to read these statutory requirements together and give meaning to each is to conclude that the latter cannot interfere with the former. That is, a gas facility must not be given full deference in determination of its preparedness to operate in a weather emergency.

B. Impact of the Proposed Rules on oil and gas communities and operations.

Based on STEC's extensive experience serving oil and gas loads and familiarity with load shedding requirements and the number of available feeders, STEC is concerned that the overbroad designation of "critical" facilities found in the Proposed Rules has the potential to severely impact oil and gas communities and oil and gas operations. As the Commission is aware, utilities have a limited number of distribution feeders that can be used for load shed. Certain areas of the ERCOT system have significant demand that is related to natural gas production and delivery, and entities in those areas may not be able to meet their load shed obligations with a myriad of natural gas facilities being designated as critical. An overbroad "critical" designation could result in feeders not being able to be rotated, meaning that residential customers would be forced off-line and could not have their outages rotated through other feeders. Moreover, the greater the number of designated "critical" facilities that are on a utility's system, the less likely it is that a utility can successfully prioritize among those facilities in its load-shed plans.

The Proposed Rules' overbroad definition of "critical" facilities will thus eliminate many of STEC's member cooperatives' distribution feeders from load shed participation, particularly those located in the Eagle Ford at the expense of residential customers that will be shed for longer time periods. Of STEC's nearly 500 feeders, 170 (or over 34%) are subject to automatic under-frequency load shed (UFLS),[20] making them ineligible for ERCOT-instructed manual load shed. STEC estimates that between the industrial and commercial loads that are protected from load shed

[18] Texas Natural Resources Code, §86.044(c) and Texas Utilities Code, §38.201(b).

[19] Texas Natural Resources Code, §81.073(a)-(b) and Texas Utilities Code §38.074.

[20] STEC targets 25% of the load to be automatically shed due to frequency dip.

responsibilities, the UFLS-tripped loads and the other types of critical loads, the load available to include in an EEA manual load shed event is only 40% of its total load. Even before adding additional natural gas facilities to the critical load lists, therefore, STEC's member cooperatives have less than half of their total customer load available to meet ERCOT's load shed instructions. Certain of STEC's members have even less flexibility in load shed events. For instance, one member has approximately 80 feeders, only 18 of which are available for use in manual load shed. Those 18 feeders serve approximately 30 MW of a 199 MW system load, or about 15%. The remaining feeders are either subject to UFLS tripping, have critical loads attached, or have natural gas facilities attached that have submitted critical load applications.

Regardless of the critical load designations, the magnitude of load required to be shed by ERCOT will be shed, and outaged loads will be rotated with a targeted interruption time of two hours or less. As feeders are eliminated from use in a manual load shed event by critical loads, the duration of the rotation cycle will increase. There are no alternatives to those considerations. If the available feeders all have critical natural gas loads, or a majority of feeders have critical loads, the end result will be that truly critical facilities will have service interrupted as frequently as less critical loads. The RRC should shift away from the presumed-critical approach so that only truly critical natural gas facilities are designated as critical. In addition, the RRC should work to establish "tiers" of critical facilities, as discussed below.

C. STEC's Recommended Changes to the Proposed Rules.

STEC respectfully recommends that the Proposed Rules be revised to conform with the legislative directive and the language of the preamble. Rather than implying that all natural gas facilities are presumed critical with the overbroad "designated critical" language, the Proposed Rules should instead provide that natural gas facilities are "eligible for designation as critical." This shift in language would make clear that a facility's decision to weatherize does not necessitate a RRC determination that such facility is "critical." Rather, the ultimate designation of certain natural gas facilities as critical for purposes of developing prioritization criteria must be limited to those facilities that are truly critical gas supply infrastructure. Moreover, the facilities "eligible for designation as critical" that file the Form CI-D should be required to provide an affirmative certification that the facility is prepared to operate in a weather emergency. This certification should be required for all facilities submitting the Form CI-D, including saltwater disposal facilities, which should be subject to the same weatherization standards as other facilities and

which should better defined in the Proposed Rules such that only those saltwater disposal facilities that are truly critical to natural gas processing are designated critical. The rules should also make clear that the Form CI-D must be submitted for *each facility*, rather than permitting operators to submit a single form purporting to cover all of an operator's facilities.

In addition, STEC recommends that the Proposed Rules make explicit that beginning in 2023, the "critical" facility designation will be limited to those facilities that will be identified by the Mapping Committee in the supply chain map pursuant to PURA § 38.203. This requirement is consistent with SB 3, which provides that facilities included on the electricity supply chain map and designated as critical by the Commission will be required to weatherize.[21] STEC would, however, support treating the entities eligible for critical designation under §3.65 as critical as an interim step prior to the completion of the necessary mapping process. Once the supply chain map has been prepared, however, those facilities designated "critical" should be expressly limited to the facilities on that map that are deemed critical by the Commission.

The Proposed Rules and the preamble should also clarify that facilities that are included on the supply chain map and deemed critical will be required to weatherize, regardless of whether they have filed the Form CI-X exception. SB 3 does not permit operators of facilities that are included on the electricity supply chain map and designated as critical to opt out of weatherization requirements. The Proposed Rules and the preamble, however, do not address the requirements for facilities that opt out of weatherization under §3.65 and are later deemed critical. The Commission's silence on this important point risks creating confusion and false expectations. The RRC must establish weatherization requirements that apply to facilities included in the supply chain map, including those that previously filed the Form CI-X exception, and only provide good cause exceptions based on specific conditions for such facilities to be exempted from those reliability requirements. Moreover, the list of facilities that have submitted the Form CI-X should be made public, so that utilities and others can easily determine which area facilities are not prepared to operate during a weather emergency.

Finally, the Proposed Rules require operators to certify (by filing the "Form CI-D") that they are "prepared to operate during a weather emergency." The RRC has not, however, provided the necessary information to allow members of the natural gas industry to understand what type of

[21] *See* Nat. Res. Code § 86.044.

weatherization requirements would apply to them if they certified. STEC understands the tremendous task imposed upon the Commission in SB 3 and that time is of the essence. Under the circumstances, it may not be possible to address weatherization requirements in this rulemaking. However, any guidance from the Commission on this important subject is crucial in allowing oil and gas operators, and the TDSPs that provide electric service to those operators, to determine whether they are "prepared to operate during a weather emergency" and to plan accordingly.

D. Recommended changes to Commission Table CCI.

In addition to the Commission's proposed new forms discussed above – Form CI-D (Critical Infrastructure Designation) and Form CI-X (Critical Infrastructure Exception), the Commission also proposed Table CCI (Critical Customer Information) as part of the Commission's implementation of SB 3. Table CCI dictates the information a critical facility's operator is responsible for submitting to electric utilities described by Section 38.074(b)(1) of the Utilities Code.

STEC appreciates the Commission's work on Table CCI and recommends that certain additional language should be included on the table in order to better facilitate load shed planning. Attached as Exhibit A are STEC's proposed additions to Table CCI. STEC proposes two broad categories of suggested additions to the Table: (1) information currently required by the ERCOT Form M-A031821-01 (Application for Critical Load Serving Electric Generation and Cogeneration), which are underlined; and (2) additions necessary to provide more information to those responsible for developing load shedding plans, which are double-underlined. This information is essential to compare facilities to the prioritization "tiers" that are being informally developed by the PUCT and RRC that are expected to be released as guidance in the coming weeks.

E. Recommended path forward for RRC and PUCT Coordination.

STEC strongly recommends enhanced coordination between the RRC and the PUCT on the important work ahead to implement SB 3 and HB 3648. Moving forward, it is important that the agencies collaborate in an immediate, constant, and substantive way, and send identical parallel messages to the public and their respective regulated communities regarding the multi-step process

that needs to be conducted to complete and synchronize the legislative directives relating to natural gas supply.

As mentioned above, the supply chain map is crucial to the ultimate designation of critical gas facilities. Given the importance of the mapping, best practices for winterization, and the ultimate designation and prioritization of critical gas facilities, the agencies should commence the mapping process as soon as possible with a goal of releasing the map and best practices far in advance of the September 1, 2022 deadline. Moreover, given that the State is rapidly approaching the first winter since Winter Storm Uri, interim guidelines should be developed as soon as possible to provide some assurances to the public and the electric generation industry that the natural gas supply chain is prepared to prevent the disruptions to their system that occurred last February. Such guidance should include information on weatherization requirements, as noted above.

STEC also invites further discussion with and among the RRC, PUCT, and stakeholders regarding the concept of scaling or adjusting load shed requirements regionally to ensure that burdens associated with critical care natural gas loads are fairly shared. Such adjustments would help to ensure that oil and gas communities are not unduly penalized, given that they are essential to the production of energy resources relied upon by all Texans.

III. Additional Considerations.

Several additional issues warrant the attention of the Commission. While these issues are not squarely within the scope of the current rulemaking, they are of critical importance to implementation of SB 3 and the prevention of a recurrence of what occurred in February. STEC respectfully requests that the Commission give immediate attention to these key issues, including initiation of a rulemaking where appropriate.

A. Prioritization among critical facilities.

As discussed above, the Proposed Rules could result in an over-designation of critical facilities, and the more "critical" facilities there are on a system, the less likely a utility will be able to successfully prioritize such facilities in its load-shed plans. Compounding the problem further is the fact that the Proposed Rules do not provide for "tiers" of critical gas facilities or otherwise offer guidance as to which critical facilities should be prioritized for load shed purposes.

The only way to ensure that critical non-oil and gas load and truly critical gas facilities are not interrupted is to develop criteria for prioritizing critical load eligibility in the context of load shedding procedures. It is thus important to establish tiers of critical facilities for prioritization purposes.

In a filing made in PUCT Docket No. 52345 (concerning the proposed amendments to 16 TAC § 25.52), Oncor Electric Delivery Company LLC, AEP Texas Inc., CenterPoint Energy Houston Electric, LLC, and Texas-New Mexico Power Company (the "Joint TDUs") suggested the following tiers of prioritization for critical gas facilities:

> Tier 1 (highest priority of critical natural gas facilities): (i) facilities that directly provide natural gas to electric generation or the facilities designated as critical by a gas LDC to meet its highest level of curtailment priority pursuant to an applicable tariff or RRC regulatory requirement, or (ii) natural gas storage facilities.
>
> Tier 2 (intermediate priority of critical natural gas facilities): remaining facilities in the gas supply chain (such as production, produced water, salt water disposal, and processing) that provide or support substantial volumes of gas production and/or processing but do not fall within Tier 1. These facilities may become critical in load-shed scenarios of extreme depth or duration where the availability of natural gas is expected to be an issue.
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> Tier 3 (lowest priority of critical natural gas facilities): Premises that do not fall within Tier 1 or Tier 2 and include facilities that do not provide or support substantial volumes of gas production and/or processing, metering facilities, and similar support facilities or equipment. With this lowest level of priority, Tier 3 facilities will likely be included in load shed in most scenarios, but the proactive identification and categorization of these facilities will allow for efficient restoration if load-shed conditions warrant.

STEC appreciates the Joint TDUs' effort on this important issue, though STEC believes the proposed tiers also raise several questions that various issues warrant additional consideration.

For instance, the proposal divides "facilities," into tiers, but does not clearly address the types of facilities contemplated. It is important that the types of "facilities" subject to prioritization are defined in order to provide useful guidance to DSPs.

The proposed tiers themselves can be defined more specifically. For instance, the Joint TDUs' proposed Tier 1 would include "facilities that directly provide natural gas to electric generation." It is unclear, however, how a DSP would determine whether a facility "directly"

provides gas to a generator, or how a facility owner would establish that its facility needs electric service in order for a generator to receive gas.

Tier 1 also includes facilities "designated as critical by a gas LDC to meet its highest level of curtailment priority," but it does not include any criteria for LDCs to consider in making that determination. Prioritization requirements should provide parameters for LDCs to utilize in determining what facilities are critical. In addition, STEC recommends having the LDCs divide critical facilities into sub-categories based on timing in the event of an emergency – e.g., facilities that are critical immediately, facilities that would become critical within a day of decreased production or high use, and facilities that would become critical after three days of decreased production or high use.

The Joint TDUs' proposal for Tier 2 includes various facilities that "provide or support substantial volumes of gas production and/or processing but do not fall within Tier 1." The proposal does not, however, define "substantial volumes of gas production and/or processing." This term needs to be defined to provide meaningful guidance. Moreover, Tier 2 includes "production: facilities, but this category needs to be further developed. For instance, even where a production facility falls short of satisfying the necessary "substantial volume" level, "gathering" or "collection" facilities may meet the substantial volume criteria and may nonetheless be considered Tier 2. In addition, if a group of wells together exceed the "substantial volume" requirement and are served by one DSP feeder, then that group of wells could be given Tier 2 priority.

The Joint TDUs' proposed Tier 3 includes "facilities that do not provide or support substantial volumes of gas production and/or processing, metering facilities, and similar support facilities or equipment." Again, however, the proposal does not define "substantial volume of gas," and it is therefore not clear what facilities fall under the proposed Tier 3.

In addition to more clearly delineating the proposed tiers, the rule or guidance adopted on prioritization should establish consequences of a facility being assigned a particular tier. STEC recommends that Tier 1 facilities' electric service feeders should not get listed in DSP load shed plans as part of an initial response to a load shed directive. Tier 1 facilities may be subject to interruption should the energy emergency warrant, but they will not be interrupted unless the utility's load shed plan has reached its limit and the utility is forced to consider interrupting natural gas, water, health, prison, and other critical loads. Tier 2 facilities' feeders may be listed in a load

shed plan, but they should be among the last feeders interrupted during an emergency. They should also have a higher priority for restoration than feeders without critical loads. Tier 3 facilities' are included in the load shed plan. DSPs should have the discretion to prioritize restoration of Tier 3 facilities or to attempt to shorten durations of outages.

STEC appreciates the Commission's attention to this important matter and believes the Commission should continue to work with industry and the PUCT to establish tiers of critical facilities for prioritization purposes, including adoption of a rule or guidance as soon as possible.

B. Permanent Gas Curtailment Rule

On February 12, 2021, the Commission issued an Emergency Order temporarily amending Rule 2 of Docket 489 regarding natural gas utility curtailment priorities, with the stated goal of ensuring the protection of human needs customers. Under the Emergency Order, the RRC made first in priority "deliveries of gas by natural gas utilities to residences, hospitals, schools, churches and other human needs customers, and deliveries to Local Distribution Companies which serve human needs customers," while "[d]eliveries of gas to electric generation facilities which serve human needs customers" are second in priority.

The prioritization of electric generation must, however, be included as a component of human needs, as individuals cannot heat their homes without electricity, and power generation is thus a key component of human needs. STEC requests that a rulemaking concerning gas utility curtailment priorities be initiated immediately, both to make the rule permanent rather than a temporary emergency measure, and to include electric generation as a component of human needs.

CONCLUSION

STEC recognizes the difficult task presented to the RRC with respect to designating critical natural gas loads and developing weatherization criteria and appreciates the opportunity to comment on this rulemaking. With the suggested revisions to the Proposed Rules discussed above, and immediate and enhanced coordination with the PUCT on the multi-step process established by SB 3, STEC is confident that the Commission can go a long way to preventing the recurrence of the energy disruptions experienced in February. STEC stands ready to actively

participate in the stakeholder process at both agencies to expedite implementation of SB 3 and is available to provide any additional information that may be helpful to the Commission.

Sincerely,

Michael J. Nasi,

EXHIBIT A

TABLE CCI
(eff. 10/21)

Table of Critical Customer Information

INSTRUCTIONS: For each facility listed in the "Facility Type" column below, provide the required Critical Customer Information indicated in that facility's row to the electric entity providing power to that facility. Pursuant to Railroad Commission Rule 3.65 (16 Texas Administrative Code §3.65) and Public Utility Commission Rule 25.52 (16 Texas Administrative Code §25.52), provide the required Critical Customer Information in a useable format to the electric entity prior to, or within five business days of, filing the required Form CI-D with the Railroad Commission.

LEGEND:

Underlined Text = Suggested additions to include information currently required by the ERCOT Form # M-A031821-01

Double-Underlined Text = Suggested additions necessary to provide more information to those responsible for developing load shedding plans, including information that is essential to compare facilities to the prioritization "tiers" that are being developed by the PUCT and RRC which are expected to be released as guidance in the coming weeks.

Table of Critical Customer Information

Facility Type	**Facility Identification Information**	**Gas Production and/or Handling Information**	**Facility Location Information**		**Emergency Contact Information**	**Electrical Power and Backup Power Capabilities**	**Emergency Preparedness**	**Electric Utility Information (Competitive Areas)**	**Electric Utility Information (Non-Competitive Areas)**	**Gas Supply Chain Information**
Gas Well (§3.65(b)(1))	RRC Gas ID Number (######)	Most Recent Average Daily Gas Production (mcf/day) Average daily production rate for the past 12 months	Facility street address or Latitude/Longitude if no street address, (NAD 83 or Decimal format e.g. -97.743057)	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).

Oil Well Producing Casinghead Gas (§3.65(b)(1))	2-digit district no. and 5-digit lease no. (##-#####)	Most Recent Average Daily Casinghead Gas Production (mcf/day) per Lease Number Average daily production rate for the past 12 months	Facility street address or Latitude/Longitude if no street address, (NAD 83 or Decimal format e.g. -97.743057)	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).

Facility Type	Facility Identification Information	Gas Production and/or Handling Information	Facility Location Information		Emergency Contact Information	Electrical Power and Backup Power Capabilities	Emergency Preparedness	Electric Utility Information (Competitive Areas)	Electric Utility Information (Non-Competitive Areas)	Gas Supply Chain Information
Gas Processing Plant (§3.65(b)(2))	Plant serial number (2-digit district and 4-digit serial, ##-####)	Plant Output Capacity (MMcf/day) Average daily production rate for the past 12 months	Facility street address or Latitude/Longitude if no street address, (NAD 83 or Decimal format e.g. -97.743057)	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).

Pipeline facility including compressor stations (§3.65(b)(3))	T-4 Pipeline Permit Number (5-digit #####)	Does the pipeline or local distribution company directly serve a natural gas electric generation facility? Does the pipeline directly serve a Local Distribution Company or a city gate? Average daily production rate for the past 12 months	Facility street address, or Latitude/Longitude if no street address, of each compressor station and regulator station associated with the pipeline (If providing Latitude/ Longitude, provide in NAD 83 or Decimal format e.g., -97.743057).	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# (each ESI-ID# associated with the pipeline, including its compressor and regulator stations) • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number (each Account # associated with the pipeline, including its compressor and regulator stations) • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).

Facility Type	Facility Identification Information	Gas Production and/or Handling Information	Facility Location Information		Emergency Contact Information	Electrical Power and Backup Power Capabilities	Emergency Preparedness	Electric Utility Information (Competitive Areas)	Electric Utility Information (Non-Competitive Areas)	Gas Supply Chain Information
Local Distribution Company pipeline facility including compressor stations (§3.65(b)(4))	Regulated Entity ID (6-digit System ID, ######)	Does the local distribution company directly serve a natural gas electric generation facility? Average daily production rate for the past 12 months	Facility street address, or Latitude/Longitude if no street address, of each compressor station and regulator station associated with the pipeline (If providing Latitude/ Longitude, provide in NAD 83 or Decimal format e.g. -97.743057).	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# (each ESI-ID# associated with the pipeline, including its compressor and regulator stations) • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number (each Account # associated with the pipeline, including its compressor and regulator stations) • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).
Underground natural gas storage facility (§3.65(b)(5))	UIC Number (9-digit, #########)	N/A	Facility street address or Latitude/Longitude if no street address, (NAD 83 or Decimal format	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g.,	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to

			e.g. -97.743057)			electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.		Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).

Facility Type	Facility Identification Information	Gas Production and/or Handling Information	Facility Location Information		Emergency Contact Information	Electrical Power and Backup Power Capabilities	Emergency Preparedness	Electric Utility Information (Competitive Areas)	Electric Utility Information (Non-Competitive Areas)	Gas Supply Chain Information
Underground liquid hydrocarbon storage facility (§3.65(b)(6))	UIC Number (9-digit, #########)	N/A Average daily production rate for the past 12 months	Facility street address or Latitude/Longitude if no street address, (NAD 83 or Decimal format e.g. -97.743057)	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).
Saltwater disposal well	UIC Number (9-digit, #########)	N/A	Facility street	Name, title,	Name, email, and	Describe any existing battery, back-up	Describe any new or	• Electric Utility	• Electric Utility	Describe the role of the

(§3.65(b)(7))			address or Latitude/Longitude if no street address, (NAD 83 or Decimal format e.g. -97.743057)	email, and phone number of on-site contact person	phone number of emergency contact person	power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).).

Facility Type	Facility Identification Information	Gas Production and/or Handling Information	Facility Location Information		Emergency Contact Information	Electrical Power and Backup Power Capabilities	Emergency Preparedness	Electric Utility Information (Competitive Areas)	Electric Utility Information (Non-Competitive Areas)	Gas Supply Chain Information
Other facility the operation of which is necessary to operate one or more of the facilities listed above (§3.65(b)(8))	• Do NOT list a facility unless it is under a separate ESI-ID# or Account # than a facility already identified in §3.65(b)(1)-(7) above. • Railroad Commission Issued ID Number, if any. • Reference the facility type and ID Number listed in §3.65(b)(1) - (7) supported by this facility.	N/A Average daily production rate for the past 12 months	Facility street address or Latitude/Longitude if no street address, (NAD 83 or Decimal format e.g. -97.743057)	Name, title, email, and phone number of on-site contact person	Name, email, and phone number of emergency contact person	Describe any existing battery, back-up power, or dual feed capability at the facility, including: (1) the length of time the facility can operate (in hours) without electricity from the electric utility, and (2) the length of required time for start-up following a power outage. Describe the size of the facility's electric load.	Describe any new or upgraded electric energy equipment or facilities necessary to serve the facility during an energy emergency.	• Electric Utility Name In Competitive Areas (Transmission and Distribution Utilities; e.g., Oncor, CenterPoint, TNMP, or AEP) • Retail Electric Provider (that bills for service) • ESI-ID# • Utility Customer Name Associated with ESI-ID#	• Electric Utility Name In Non-Competitive Areas (e.g., Fully Integrated Utilities, including municipally owned utilities and transmission or distribution electric cooperatives) • Account Number • Utility Customer Name Associated with Account Number	Describe the role of the facility in the natural gas supply chain. Identify any power plant, storage facility, or local distribution company to which the facility is directly connected. Describe equipment or premise served, (e.g., production field, midstream processing plant, natural gas storage facility, gas compressor station saltwater disposal well or recycling facility, including the name of the generation unit(s) served by the infrastructure if known) and interdependencies (such as particular fields are tied to a particular midstream processing facility).