

## RRC ENERGY MINUTE VOL. 24 March 2021

For the 87th Legislature & the Texas Congressional Delegation

Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

## **RRC Recommendations Following Winter Storm**

The RRC has been working diligently with members of the Legislature and others to help provide practical solutions to problems created during February's artic blast, which resulted in lost power for so many Texans, including oil and gas operators.

RRC Chairman Christi Craddick offered several suggestions during recent hearings in both the House and Senate.

The Chairman noted that the biggest challenge facing oil and gas operators was the loss of power, which is the best tool to protect against winter conditions.

Among the proposals discussed during the hearings include:

- The formalization of the Texas Energy Reliability Council (TERC): TERC is comprised of members from the RRC, the Electric Reliability Council of Texas (ERCOT), the Public Utility Commission, and members of the natural gas industry. Strengthening this group through statute would allow these key stakeholders to improve communication and ensure emergency preparedness.
- Convening an RRC administrative hearing to consider and update curtailment priorities: The RRC took proactive actions and issued an energy order to elevate human needs customers to a high priority prior to Winter Storm Uri. The current curtailment priorities for natural gas transport and sale were established in 1972, and an updated order is timely.
- Ensuring that critical oil and gas infrastructure is appropriately registered with ERCOT and electric utilities: Registration of critical energy producing facilities with electricity providers is crucial to preventing power outages in the future.
- Requiring natural gas-fired electric generators to secure firm gas transportation capacity and adequate natural gas supply: Thorough examination of these contracting procedures is key to understanding the limitations experienced by these power plants. The state should explore all additional storage options and contracting methods for these facilities.

**Director, Government Relations** 

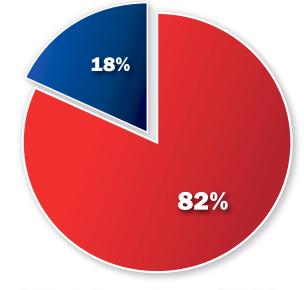
rrc.texas.gov

Contact: Jeremy.Mazur@rrc.texas.gov

## **Reason for Non-Operation**

RRC conducted a survey of saltwater disposal well facilities during February's winter storm. Out of the responses received, 133 replied that they could not operate.

The chart below highlights the reasons for non-operation:



## 

In early March ERCOT revised its critical load application form to allow gas well and other fuel services operators to apply for critical designation. As part of an effort to get the word out about critical load designations for the state's power grid, the RRC recently sent a notice to operators under its jurisdiction about ERCOT's March 2021 revised application, Critical Load Serving Electric Generation and Cogeneration.

While electric generation is not part of RRC's jurisdiction, the agency realizes the importance of gas production to produce power for people's needs. RRC notified its operators of ERCOT's deadlines to be on the list for summer and winter peak seasons. RRC's notice can be found here.

