



Proposed Rule 3.65 Critical Designation of Natural Gas Infrastructure

October 2021



Agenda



- Commission staff will describe proposed Rule 3.65 and discuss Forms CI-D and CI-X and Table CCI
- Verbal comments from participants
- Adjourn

Proposed Rule 3.65



- Proposed Rule 3.65 published in the Texas Register on October 1, 2021
- Forms CI-D and CI-X and Table CCI published for comment on the Commission's website on Tuesday, September 28, 2021
- Comments on both the rule and forms are due Monday, November 1, 2021
- Commission staff encourages early-filed comments

(a) Definitions



- **Energy Emergency**
 - Any event that results in or has the potential to result in load shed required by an independent organization certified under Texas Utilities Code, § 39.151 resulting in an electric outage
- **Weather Emergency**
 - Any weather condition that results in or has the potential to result in an energy emergency as defined above
- **Critical Customer Information**
 - Information specified on Table CCI

(b) Critical Designation Criteria



- (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.

(c) Acknowledgement of Critical Status



- An operator of a facility designated as critical shall acknowledge the facility's critical status by filing Form CI-D or submitting an electronic acknowledgment.
 - Form CI-D must be filed unless subsection (d) applies.
 - Until electronic system is established, the acknowledgment shall be made on Form CI-D, which includes the CI-D Attachment.
 - In 2022, due to be filed bi-annually by January 15, 2022 and September 1, 2022.
 - Beginning 2023, due to be filed bi-annually by March 1 and September 1 of each year.

Form CI-D



Proposed Form CI-D and Attachment can be found on the Commission's website:

<https://www.rrc.texas.gov/forms/proposed-form-amendments/>

(d) Critical Designation Exception



- A facility is designated as a critical gas supplier unless the facility's operator asserts the facility is not prepared to operate during weather emergency.
 - Until electronic system is established, the exception application shall be made on Form CI-X, which includes the CI-X Attachment.
 - Filing dates are the same as the filing dates for Form CI-D
- \$150 exception application fee due only upon first exception application.

Form CI-X



Proposed Form CI-X and Attachment can be found on the Commission's website.

(e) Providing Critical Customer Information



- Unless a facility is identified on an approved Form CI-X exception application, the facility's operator shall provide the Critical Customer Information to its electric utility or utilities.
- Critical Customer Information provided in accordance with 16 Tex. Admin. Code § 25.52 (PUC rule).
- The operator shall certify on its Form CI-D that it has provided, or will within 5 business days provide, the Critical Customer Information to its electric utility or utilities in a format usable to the electric entity.

Table CCI



Proposed Table CCI can be found on the Commission's website.

(f) Exceptions Not Transferable



- Exceptions are not transferable upon a change of operatorship.
- If the facility has an exception, the exception shall remain in effect until the next bi-annual filing deadline. If the transferee operator seeks to continue the exception beyond that time period, the transferee operator shall indicate the transferred facility on the Form CI-X.

(g) Failure to File or Provide Information



- An operator who fails to comply with this section may be subject to penalties under § 3.107 of this title (relating to Penalty Guidelines for Oil and Gas Violations).

Conclusion



- Public Comments
- Persons present may provide any verbal comments at this time
- Written comments may be submitted on the Commission's online comment form or via email to rulescoordinator@rrc.texas.gov