

Date: April 3, 2023

To: Chairman Goldman and the Members of the House Committee on Energy Resources.

CC: Rep. Eddie Morales, Rep. Rafael Anchía, Rep. Charles "Doc" Anderson, Rep. Ernest Bailes, Rep. Tom Craddick, Rep. Drew Darby, Rep. Stan Gerdes, Rep. R. D. "Bobby" Guerra, Rep. Shawn Thierry, Rep. Erin Zwiener  
*Via hand delivery and by email.*

**From: Adrian Shelley, Public Citizen, [ashelley@citizen.org](mailto:ashelley@citizen.org), 512-477-1155**

**Re: HB 4984 –Public Citizen testimony in support**

Dear Chairman Goldman and Members of the Committee:

Public Citizen appreciates the opportunity to testify in support of HB 4984 by Representative Rafael Anchía, relating to reporting by operators of certain gas supply chain facilities and gas pipeline facilities on a failure to perform a contractual obligation due to a weather emergency.

HB 4984 requires gas pipeline facilities to report to the Railroad Commission when they fail to meet a contractual obligation due to a “force majeure” event such as a weather related outage. The report is required within 60 days of the contractual failure and is confidential and not subject to disclosure under the Texas Public Information Act.

This legislation is an important step toward transparency for consumers in Texas. During Winter Storm Uri in February 2021 there was widespread failure of gas supply. These gas supply failures were variously reported as due to loss of electricity at these facilities and due to freezing of equipment at the facilities themselves. Both causes likely contributed. To this day consumers have only limited information about what caused the failures and about the adequacy of measures taken to prevent a recurrence.

The widespread failure of gas supply during Winter Storm Uri had at least two consequences (1) depriving homes of the gas they needed for heating, cooking, and other domestic uses and (2) failure of gas-fueled electric generators that contributed to widespread electricity blackouts.

After Uri, the legislature passed Senate Bill 3 which, among other provisions, established an electrical supply chain map. Gas facilities that supply gas to electric generators are included in this map. It is these gas facilities that will be required to disclose contractual failures under HB 4984. If future extreme weather events lead to grid failures, HB 4984 will provide information that will help grid operators to better determine the role that gas supply failures play in grid failures.

Another consequence of gas supply failure is an increase in price to consumers. This price increase has affected both electricity bills and gas bills.<sup>1</sup> Gas prices have nearly doubled since Russia invaded Ukraine in February 2022.<sup>2</sup> Texas is also exporting more gas than

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<sup>1</sup> See e.g., <https://www.dallasnews.com/news/watchdog/2022/11/11/your-electric-bill-is-going-up-your-gas-bill-too-but-how-much-what-are-the-numbers/>.

<sup>2</sup> See e.g., <https://www.texastribune.org/2022/07/05/texas-energy-bills-natural-gas-export/>.



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ever before, increasing prices domestically and undermining the United States' goal of energy independence.

Contractual failures of gas supply will likely increase prices for consumers. It is in consumers' interest that information about these failures is reported to our regulatory agencies. The reporting will also help grid operators to determine the role of gas supply chain failures in a widespread outage. We support HB 4984 for these reasons.