
TMRA 87TH LEGISLATIVE SESSION RECAP

By TMRA Government Affairs Committee Chairman Mance Zachary, Vistra Corp.

The 2021 Texas legislative session began on Jan. 12 and the items that everyone expected the members to address included: budget, redistricting, COVID response, and Governor's emergency over-reach. As the session began, the makeup in the Senate was 18 Republicans and 13 Democrats while the House had 83 Republicans and 67 Democrats. On the first day of session, the House voted in new Speaker of the House Dade Phelan (R-Beaumont). He was joined in state leadership by incumbents Texas Governor Greg Abbott and Lt. Governor Dan Patrick.

During his State of the State Address, Governor Abbott announced his priority matters which included: expanding rural broadband access, preventing defunding of the police, bail reform, election reform, and liability protection from COVID-related lawsuits. Bills were filed to address these issues and they were proceeding through the process. Then on Feb. 15, Winter Storm Uri hit Texas and changed everything. In the aftermath of the storm state leadership called hearings for agency and industry officials to provide full reports on their activities/performance related to the event. After several weeks, state leadership wanted bills passed that reformed ERCOT, the PUC, and mandate the best practices of industries that provide power to the Texas grid. After months of testimony in both chambers the following electric bills passed:

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- **SB 2 by Hancock** – ERCOT reform bill **(signed by the Governor)**
- **SB 3 by Schwertner** – omnibus electric bill that requires mapping, registration, & weatherization of electric and gas facilities. **(signed by the Governor)**
- **SB 5 by Nichols/Paddie** – expands broadband access to rural areas of state
- **SB 16 by Hernandez** – prohibited wholesale index plans **(signed by the Governor)**
- **SB 415 by Hancock** – clarifies ownership/control of energy storage
- **SB 2154 by Schwertner** – restructures the Public Utility Commission and moves up the sunset cycle to 2023
- **HB 2586 by Thierry** – requires an annual audit of ERCOT **(signed by the Governor)**
- **HB 3648 by Geren** – designate gas facilities as critical infrastructure
- **HB 4492 by Paddie** – securitization of electric markets

During session, TMRA was tracking approximately 60 – 70 bills that impacted member companies. Many of these bills were retread bills from previous sessions that related to cumulative effects distances, contested case hearings, concrete plant restrictions, climate change, and TCEQ/RRC permit renewal requirements. Our TACA partners took the lead and very capably defeated numerous aggregate bills that were filed. On House deadline night we jointly along with other industry partners defeated a very onerous bill that would have threatened a company's business franchise for the breaking environmental laws.

Next, since the U.S. Census Bureau will not have their numbers back until at least September, we expect a special session to take place this fall. We are waiting for Governor Abbott to announce the items he plans to place on the call, in addition to redistricting. Early indications are that the electricity matters were adequately addressed this session. But two of his emergency items (election integrity and bail reform) did not pass and it is expected that he will place them on the call.

In closing, many thanks to Ches Blevins and Chairman Andy Hawbaker for their guidance and allowing our team to independently work through a very challenging session. Next, thanks to session warriors Mike Nasi, Gary Gibbs, and Ty Embrey for bringing the needed awareness and wisdom to key bills at the appropriate time. Also, kudos to Lloyd Gosselink for providing the weekly bill tracking report for the group. Lastly, I am proud to report that no bills passed that were detrimental to TMRA member companies' interest.

Respectfully,

Mance Zachary
TMRA Government Affairs Committee Chairman
Vistra Corp.