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PROJECT NO. 51841

REVIEW OF 16 § TAC 25.53 RELATING TO ELECTRIC SERVICE EMERGENCY OPERATIONS PLANS	**§ § §**	**PUBLIC UTILITY COMMISSION OF TEXAS**

SHARYLAND UTILITIES, L.L.C.'S
COMMENTS ON PROPOSED 16 TEXAS ADMINISTRATIVE CODE § 25.53

Sharyland Utilities, L.L.C. ("Sharyland") hereby submits these comments on proposed 16 Tex. Admin. Code ("TAC") § 25.53, related to Emergency Operations Plans ("EOPs"). The Public Utility Commission of Texas's ("Commission") Proposal for Publication in this project required comments to be filed by January 4, 2022. Therefore, these comments are timely.

Introduction

Sharyland appreciates the opportunity to submit these comments on the proposed 16 TAC § 25.53 and issues related to electric utility EOPs. Sharyland shares the Commission's interest in ensuring that electric providers have the plans, personnel, and resources in place to address various emergency events that may result in significant interruptions to service. Sharyland is generally supportive of the proposed rule, but respectfully recommends some revisions to certain provisions and requests clarification on a few topics addressed in the rule. These proposed revisions and requested clarifications are addressed in the comments below and the attached Executive Summary.

Comments

Sharyland provides comments to the following provisions of proposed 16 TAC § 25.53 relating to electric service EOPs.

Subsection 25.53(b) – Definitions

Sharyland recommends a revision to the definition of "emergency" in 16 TAC § 25.53(b)(3). The definition in the proposed rule provides as follows:

> **Emergency** – any incident resulting from an imminent hazard or threat that endangers life or property or presents credible risk to the continuity of electric service. The term includes an emergency declared by local, state, or federal government; ERCOT; or a Reliability Coordinator that is applicable to the entity.[1]

[1] Proposed 16 TAC § 25.53(b)(3).

Sharyland believes the phrase "continuity of electric service" could be subject to an overly broad interpretation, and thus could apply the definition of "emergency" to *any* interruption of service even when very limited (or no) customers experience outages. For example, the "emergency" definition could be read to apply equally to the loss of a double-circuit 345-kV transmission line providing power to tens of thousands of customers, and to the loss a 4.16-kV line providing power to only a few customers in a small area.

An electric utility typically invokes its EOP in response to a credible, imminent threat to a significant portion of the system, like major weather events or other occurrences that can cause major interruptions to service continuity. This typical invocation appears consistent with the overall intent of the proposed rule, which addresses major events that can significantly interrupt service, such as hurricanes, cold or hot weather emergencies, load shedding, and wildfires. Accordingly, Sharyland recommends the following revision to the first sentence of the "emergency" definition: "any incident resulting from an imminent hazard or threat that endangers life or property or presents credible risk of a significant interruption ~~to the continuity~~ of electric service." Sharyland believes this proposed revision is consistent with the intent of the rule, avoids an overly broad application, and keeps the focus on the response to major events that pose significant risks to the continuity of electric service on the grid.

Subsection 25.53(d)(4) – Affidavit Included in Emergency Operations Plan

Distribution to Local Jurisdictions

The affidavit required by proposed 16 TAC § 25.53(d)(4) requires an affirmation that "the EOP or an appropriate summary has been distributed to local jurisdictions as needed."[2] Sharyland assumes that the referenced "local jurisdictions" include municipalities that have original jurisdiction over the operations and services of an electric utility providing service to customers in those municipal areas. To the extent the Commission intends a broader meaning of "local jurisdictions," Sharyland respectfully requests clarification on the jurisdictions to which the utilities may be expected to distribute their EOPs or summaries.

[2] Proposed 16 TAC § 25.53(d)(4)(D).

Incident Training References

In addition, proposed 16 TAC § 25.53(d)(4)(F) requires the affidavit to affirm that certain personnel have received "National Incident Management System training, specifically IS-700.a, IS-800.b, IS-100.b, and IS-200.b."[3] However, it is Sharyland's understanding that (i) IS-700.a has been replaced with IS-700.b; (ii) IS-800.b has been replaced with IS-800.d; (iii) IS-100.b has been replaced with IS-100.c; and (iv) IS-200.b has been replaced with IS-200.c. Sharyland recommends revisions to the rule to address these updated training references.

Subsection 25.53(e)(1) – Annexes Included in Emergency Operations Plans

Cold and Hot Weather Emergency Preparedness

The proposed rule at 16 TAC §§ 25.53(e)(1)–(2) requires an electric utility to include in its EOP certain annexes, including those for cold weather emergencies and hot weather emergencies. For both the hot and cold weather annexes, these provisions require "operational plans intended to mitigate the hazards of a [cold or hot] weather emergency, separate and distinct from the weather preparation standards required under § 25.55 (relating to Weather Emergency Preparedness)."[4] Sharyland respectfully requests clarification from the Commission on whether the language "separate and distinct from" the standards in new 16 TAC § 25.55 requires the utility to implement operational plans different than (or in addition to) those addressed in the recently adopted rule or the future weather preparedness standards that will supplement that rule.

The weather preparedness requirements in 16 TAC § 25.55 implemented Senate Bill 3 (2021) and took effect on November 10, 2021. The rule required electric utilities (and other entities) to file initial weatherization reports addressing those measures on December 1, 2021. The standards in this rule resulted from an extensive and diligent stakeholder process undertaken by the Commissioners, Commission Staff, ERCOT, electric utilities, and other market participants that provide electric service. As stated in the Commission's order approving 16 TAC § 25.55, the new rule "represents the first of two phases in the commission's development of robust weather emergency preparedness reliability standards and will help ensure that the electric industry is

[3] Proposed 16 TAC § 25.52(d)(4)(F).

[4] Proposed 16 TAC §§ 25.53(e)(1)(A)(i), (e)(1)(B)(i).

prepared to provide continuous reliable electric service throughout this upcoming winter weather season."[5] The Commission further stated in the order that:

> The commission will develop phase two of its weather emergency preparedness reliability standards in a future project. The phase-two weather emergency preparedness reliability standards will consist of a more comprehensive, year-round set of weather emergency preparedness reliability standards that will be informed by a robust weather study that is currently being conducted by ERCOT in consultation with the Office of the Texas State Climatologist.[6]

Therefore, Sharyland believes that current 16 TAC § 25.55 along with the future phase-two version of the rule (or a separate rule that will be adopted in phase two under Senate Bill 3) should be a major component of hot and cold weather emergency preparedness standards to which electric utilities must adhere to help ensure reliability and continuity of service. For this reason, Sharyland respectfully suggests that the "separate and distinct" phrase in proposed 16 TAC §§ 25.53(e)(1)(A)(i) and (e)(1)(B)(i) should be deleted. Alternatively, Sharyland requests clarification as to why the weather emergency preparedness provisions of 16 TAC §25.55 should not be part of the hot and cold weather annexes of the EOP.

Pre- and Post-Weather Emergency Meetings

In addition, proposed 16 TAC §§ 25.53(e)(1)(A)(iii) and (e)(1)(B)(iii) require the cold and hot weather annexes to include "a requirement for pre- and post-weather emergency meetings to review lessons learned from past [cold or hot] weather emergency incidents and to ensure necessary supplies and personnel are available through the weather emergency."[7] Sharyland certainly believes that pre-event planning and post-event analysis meetings can be beneficial and can help ensure resources are in place to address emergencies, particularly if significant outages or damage is anticipated or occurred. However, there may be weather events that, while they should be taken seriously, are not expected to or did not cause significant interruptions to the continuity of electric service. In those situations, the pre- or post-emergency meetings may not be necessary or a productive use of utility personnel's time and resources. Accordingly, Sharyland recommends the following revision to proposed 16 TAC §§ 25.53(e)(1)(A)(iii) and (e)(1)(B)(iii):

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[5] *Rulemaking to Establish Electric Weatherization Standards*, Project No. 51840, Order Adopting New 16 TAC § 25.55 as Approved at the October 21, 2021 Open Meeting at 1 (Oct. 26, 2021).

[6] *Id.* at 2.

[7] Proposed 16 TAC §§ 25.53(e)(1)(A)(iii), (e)(1)(B)(iii).

"If a significant interruption to electric service from a weather event is expected or occurred, a requirement for pre- and/or post-weather emergency meetings . . . ."

Cyber and Physical Security

Finally, proposed 16 TAC §§ 25.53(e)(1)(G)–(H) require the electric utility to include in its EOP a cyber security annex and a physical security incident annex.[8] Sharyland does not believe that inclusion of these annexes with the EOP is necessary, as electric utilities are subject to North American Reliability Corporation ("NERC") requirements for both cyber security and physical security and reporting related to the same. For example, Sharyland, as a NERC-registered Transmission Owner, is required to comply with Critical Infrastructure Protection ("CIP")-003-8, Cyber Security – Security Management Controls. CIP-003-8, among other things, requires Sharyland to implement one or more documented cyber security plans for its Bulk Electric System Cyber Systems. Sharyland maintains a Cyber Security Policy consistent with NERC requirements.

Similarly, as a NERC Transmission Owner, Sharyland is required to comply with Emergency Operating Plan ("EOP")-004-4, Event Reporting. This standard requires an entity to have an event reporting operating plan that includes protocols for reporting certain events to NERC and the U.S. Department of Energy ("DOE"). The types of events that are reportable to NERC and the DOE include damage or destruction to a facility, physical threats to a facility, transmission loss, and firm load shed, among others.

Because of these existing requirements and standards, Sharyland does not believe that inclusion of the cyber security and physical security incident annexes in the Commission EOP is necessary.

Conclusion

Sharyland appreciates the opportunity to file these comments regarding the EOP, and respectfully requests that the Commissioners and Commission Staff consider this filing in adopting new 16 TAC § 25.53.

[8] Proposed 16 TAC §§ 25.53(e)(1)(G)–(H).

Respectfully Submitted,

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PROJECT NO. 51841: SHARYLAND UTILITIES, L.L.C.'S EXECUTIVE SUMMARY

Sharyland Utilities, L.L.C.'s ("Sharyland") comments on proposed 16 TAC § 25.53 are summarized as follows:

- Sharyland recommends the following revision to the definition of "emergency" in proposed 16 TAC § 25.53(b): "any incident resulting from an imminent hazard or threat that endangers life or property or presents credible risk of a significant interruption ~~to the continuity~~ of electric service." Sharyland believes the current proposed definition could broadly apply to any interruption of service even when very limited (or no) customers experience outages.
- Sharyland requests clarification on the meaning of "local jurisdictions" as referenced in proposed 16 TAC § 25.53(d)(4).
- Sharyland recommends that the references to the National Incident Management System trainings in proposed 16 TAC § 25.53(d)(4)(F) be updated.
- Because Sharyland believes that current 16 TAC § 25.55 and the weatherization standards to be implemented in phase two under Senate Bill 3 (2021) should be a major component of the utility's cold and hot weather emergency preparedness, Sharyland respectfully suggests deletion of the phrase beginning with "separate and distinct" in proposed 16 TAC §§ 25.53(e)(1)(A)(i) and (e)(1)(B)(i). Alternatively, Sharyland requests clarification as to why the weather emergency preparedness provisions of 16 TAC § 25.55 should not be part of the hot and cold weather annexes of the emergency operations plan.
- Sharyland recommends the following revision to proposed 16 TAC §§ 25.53(e)(1)(A)(iii) and (e)(1)(B)(iii): "If a significant interruption to electric service from a weather event is expected or occurred, a requirement for pre- and/or post-weather emergency meetings . . . ." For certain weather events that are not expected to or did not cause major interruptions, the pre- and post-weather emergency meetings may not be necessary or a productive use of a utility personnel's time and resources.
- With regard to proposed 16 TAC §§ 25.53(e)(1)(G)–(H), Sharyland does not believe that inclusions of annexes for cyber security and physical security incidents in the emergency operations plans are necessary, as electric utilities are already subject to North American Reliability Corporation requirements on both cyber and physical security and reporting related to the same.