

BILL ANALYSIS

Senate Research Center
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S.B. 1789
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Regular inspection and maintenance of the poles and wires that support Texas' vast transmission and distribution system is essential to ensuring overall grid resiliency. Identifying and addressing vulnerabilities early can help mitigate damage from severe weather events, and more importantly, helps protect Texas homes and businesses.

However, Texas currently lacks basic standards for pole inspections, repairs, reinforcements, or replacements. S.B. 1789 addresses this gap by authorizing the Public Utility Commission of Texas (PUC) to establish standards for the structural integrity of transmission and distribution poles. The bill requires electric utilities to report annually on pole maintenance and repair efforts. Finally, S.B. 1789 allows the PUC to take action when a utility fails to adequately address degraded infrastructure.

As proposed, S.B. 1789 amends current law relating to electric service quality and reliability.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 3 (Section 38.006, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 36.402, Utilities Code, by adding Subsection (b-1), as follows:

(b-1) Prohibits the Public Utility Commission of Texas (PUC), notwithstanding Subsection (b) (relating to requiring that system restoration costs include carrying costs at the weighted average cost of capital as last approved by the PUC in a general rate according to a certain timeline) from authorizing an electric utility to receive a return on equity for repaired or replaced damaged infrastructure that the PUC determines the utility should have reasonably anticipated could have been damaged by the weather-related event or natural disaster.

SECTION 2. Amends Section 38.005(b), Utilities Code, as follows:

(b) Authorizes the PUC to take appropriate enforcement action under Section 38.005 (Electric Service Reliability Measures), including action against a utility, if any of the utility's feeders with 10 or more customers has had a SAIDI or SAIFI average that is more than 200, rather than 300, percent greater than the system average of all feeders during any two-year period, rather than any two-year period beginning in the year 2000. Requires the PUC, in determining the appropriate enforcement action, to consider certain factors, including the duration of each interruption in the feeder's service.

SECTION 3. Amends Subchapter A, Chapter 38, Utilities Code, by adding Section 38.006, as follows:

Sec. 38.006. STRUCTURAL INTEGRITY STANDARDS FOR TRANSMISSION AND DISTRIBUTION POLES. (a) Provides that this section applies only to an electric utility, municipally owned utility, or electric cooperative that operates transmission or distribution assets.

(b) Requires the PUC by rule to adopt standards for the structural integrity of transmission and distribution poles.

(c) Requires that the standards adopted under this section:

(1) require an electric utility, municipally owned utility, or electric cooperative to inspect transmission and distribution poles and take appropriate remedial action as necessary on a timeline established by the PUC;

(2) account for geographic differences between regions of the state;

(3) consider national guidelines such as the National Electrical Safety Code and guidelines developed by the Rural Utilities Service of the United States Department of Agriculture; and

(4) establish a classification system to assess the serviceability of transmission and distribution poles.

(d) Requires each electric utility, municipally owned utility, and electric cooperative to submit to the PUC an annual report on the implementation of the utility's or cooperative's transmission and distribution pole maintenance schedule, the results of the utility's or cooperative's inspection of transmission and distribution poles, including any remediation or replacement action taken, and any other information the PUC requires.

SECTION 4. Amends the heading to Subchapter E, Chapter 38, Utilities Code, to read as follows:

SUBCHAPTER E. INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE

SECTION 5. Amends Section 38.101(a), Utilities Code, to delete existing text requiring each electric utility, not later than May 1 of each year, to submit to the PUC a report describing the utility's activities related to distribution poles and to make nonsubstantive changes.

SECTION 6. (a) Makes application of Section 38.005, Utilities Code, as amended by this Act, prospective.

(b) Requires the PUC, in adopting rules under Section 38.006, Utilities Code, as added by this Act, to allow an electric utility, electric cooperative, or municipally owned utility to complete any required inspection, remediation, or replacement of transmission and distribution poles installed before the effective date of the rules according to a reasonable timeline approved by the PUC that allows the utility or cooperative to prioritize high-risk transmission and distribution poles.

SECTION 7. Effective date: September 1, 2025.