

Amend SB 760 (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Title 6, Utilities Code, is amended by adding Chapter 303 to read as follows:

CHAPTER 303. ELECTRIC ENERGY STORAGE FACILITY AGREEMENTS

Sec. 303.0001. DEFINITIONS. In this chapter:

(1) "Electric energy storage facility" includes a facility or equipment, other than a facility or equipment owned by an electric utility, as defined by Section 31.002, used to support the operation of electric energy storage, including an underground or aboveground electrical transmission or communications line, an electric transformer, telecommunications equipment, a road, a meteorological tower, or a maintenance yard.

(2) "Electric energy storage facility agreement" means a lease agreement between a grantee and a landowner that authorizes the grantee to operate an electric energy storage facility on the leased property.

(3) "Grantee" means a person, other than an electric utility, as defined by Section 31.002, who:

(A) leases property from a landowner; and

(B) operates an electric energy storage facility on the property.

Sec. 303.0002. APPLICABILITY. This chapter applies only to electric energy storage that is a generation asset as defined by Section 39.251.

Sec. 303.0003. WAIVER VOID; REMEDIES. (a) A provision of an electric energy storage facility agreement that purports to waive a right or exempt a grantee from a liability or duty established by this chapter is void.

(b) A person who is harmed by a violation of this chapter is entitled to appropriate injunctive relief to prevent further violation of this chapter.

(c) The provisions of this section are not exclusive. The remedies provided in this section are in addition to any other procedures or remedies provided by other law.

Sec. 303.0004. REQUIRED AGREEMENT PROVISIONS ON FACILITY

REMOVAL. (a) An electric energy storage facility agreement must provide that the grantee is responsible for removing the grantee's electric energy storage facilities from the landowner's property and that the grantee shall, in accordance with any other applicable laws or regulations, safely:

(1) clear, clean, and remove from the property each piece of electric energy storage equipment, including any transformers or substations;

(2) for each foundation of electric energy storage equipment, including a transformer or substation installed in the ground:

(A) clear, clean, and remove the foundation from the ground to a depth of at least three feet below the surface grade of the land in which the foundation is installed; and

(B) ensure that each hole or cavity created in the ground by the removal is filled with topsoil of the same type or a similar type as the predominant topsoil found on the property;

(3) for each buried cable, including power, fiber-optic, and communications cables, installed in the ground:

(A) clear, clean, and remove the cable from the ground to a depth of at least three feet below the surface grade of the land in which the cable is installed; and

(B) ensure that each hole or cavity created in the ground by the removal is filled with topsoil of the same type or a similar type as the predominant topsoil found on the property; and

(4) clear, clean, and remove from the property each overhead power or communications line installed by the grantee on the property.

(b) The agreement must provide that, at the request of the landowner, the grantee shall:

(1) clear, clean, and remove each road constructed by the grantee on the property; and

(2) ensure that each hole or cavity created in the ground by the removal is filled with topsoil of the same type or a similar type as the predominant topsoil found on the property.

(c) The agreement must provide that, at the request of the landowner, if reasonable, the grantee shall:

(1) remove from the property all rocks over 12 inches in diameter excavated during the decommissioning or removal process;

(2) return the property to a tillable state using scarification, V-rip, or disc methods, as appropriate; and

(3) ensure that:

(A) each hole or cavity created in the ground by the removal is filled with topsoil of the same type or a similar type as the predominant topsoil found on the property; and

(B) the surface is returned as near as reasonably possible to the same condition as before the grantee dug holes or cavities, including by reseeding pastureland with native grasses prescribed by an appropriate governmental agency, if any.

(d) The landowner shall make a request under Subsection (b) or (c) not later than the 180th day after the later of:

(1) the date on which the electric energy storage facility is no longer capable of storing electricity in commercial quantities; or

(2) the date the landowner receives written notice of intent to decommission the electric energy storage facility from the grantee.

Sec. 303.0005. REQUIRED AGREEMENT PROVISIONS ON FINANCIAL ASSURANCE. (a) An electric energy storage facility agreement must provide that the grantee shall obtain and deliver to the landowner evidence of financial assurance that conforms to the requirements of this section to secure the performance of the grantee's obligation to remove the grantee's electric energy storage facilities located on the landowner's property as described by Section 303.0004. Acceptable forms of financial assurance include a parent company guaranty with a minimum investment grade credit rating for the parent company issued by a major domestic credit rating agency, a letter of credit, a bond, or another form of financial assurance acceptable to the landowner.

(b) The amount of the financial assurance must be at least equal to the estimated amount by which the cost of removing the electric energy storage facilities from the landowner's property and restoring the property to as near as reasonably possible the

condition of the property as of the date the agreement begins exceeds the salvage value of the electric energy storage facilities, less any portion of the value of the electric energy storage facilities pledged to secure outstanding debt.

(c) The agreement must provide that:

(1) the estimated cost of removing the electric energy storage facilities from the landowner's property and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins and the estimated salvage value of the electric energy storage facilities must be determined by an independent, third-party professional engineer licensed in this state;

(2) the grantee must deliver to the landowner an updated estimate, prepared by an independent, third-party professional engineer licensed in this state, of the cost of removal and the salvage value at least once every five years for the remainder of the term of the agreement; and

(3) the grantee is responsible for ensuring that the amount of the financial assurance remains sufficient to cover the amount required by Subsection (b), consistent with the estimates required by this subsection.

(d) The grantee is responsible for the costs of obtaining financial assurance described by this section and costs of determining the estimated removal costs and salvage value.

(e) The agreement must provide that the grantee shall deliver the financial assurance not later than the earlier of:

(1) the date the electric energy storage facility agreement is terminated; or

(2) the 10th anniversary of the commercial operations date of the electric energy storage facilities located on the landowner's leased property.

(f) For purposes of this section, "commercial operations date" means the date on which the electric energy storage facilities are approved for participation in market operations by a regional transmission organization and does not include the generation of electrical energy or other operations conducted before that date for purposes of maintenance and testing.

(g) The grantee may not cancel financial assurance before the date the grantee has completed the grantee's obligation to remove the grantee's electric energy storage facilities located on the landowner's property in the manner provided by this chapter, unless the grantee provides the landowner with replacement financial assurance at the time of or before the cancellation. In the event of a transfer of ownership of the grantee's electric energy storage facilities, the financial security provided by the grantee shall remain in place until the date evidence of financial security meeting the requirements of this chapter is provided to the landowner.

SECTION _____. Chapter 303, Utilities Code, as added by this Act, applies only to an electric energy storage facility agreement entered into on or after the effective date of this Act. An electric energy storage facility agreement entered into before the effective date of this Act is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.