**BILL ANALYSIS**

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| Senate Research Center | S.B. 383 |
|  | By: Middleton |
|  | Business & Commerce |
|  | 4/11/2025 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 2023, the federal government directed the Bureau of Ocean Energy Management (BOEM) to initiate the first-ever offshore wind lease sale in the Gulf of Mexico. The initial proposal was for the construction of a 546,000-acre wind farm just 24 miles off the coast of Galveston, an area larger than the City of Houston. The plan had the potential to negatively impact the Texas coast's environment, wildlife, and shipping commerce in Texas ports.

Ultimately, the proposed leases off of the coast of Galveston received no bids due to "a lack of competitive interest" even though the leases that went to bid were smaller than the original proposal. Nevertheless, in December of 2024, BOEM announced that it was again attempting to initiate a competitive leasing process for offshore wind projects off the Texas coast, totaling more than 140,000 acres. While the current federal administration has not signaled its intention to follow through with the projects, it is important for Texas to take action to prevent future administrations from exploiting the Texas coast.

S.B. 383 seeks to accomplish this goal by directing the Public Utility Commission of Texas (PUC) to prohibit the interconnection of an offshore wind power facility if the PUC has reason to believe that the facility would:

• Negatively impact previously established industries including, but not limited to, shipping routes, general tourism, and recreational and commercial fishing;

• Negatively impact environmental factors like the general welfare of wildlife and disruption of migratory patterns;

• Present a risk to the life and safety of residents, industries, and wildlife in an area with historical exposure to natural disasters; or

• Be deemed unnecessary due to a lack of need for additional service and the presence of adequate existing services in the area adjacent to the facility.

As proposed, S.B. 383 amends current law relating to prohibiting interconnection of an offshore wind power facility.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 6, Utilities Code, by adding Chapter 301A, as follows:

CHAPTER 301A. OFFSHORE WIND POWER FACILITY

Sec. 301A.001. DEFINITIONS. Defines "offshore" and "wind power facility."

Sec. 301A.002. INTERCONNECTION PROHIBITED. Prohibits the Public Utility Commission of Texas (PUC) from approving interconnection of a wind power facility, transmission, or distribution facility located offshore, if the PUC has reason to believe that such a facility may:

(1) negatively impact previously established industries, violating preestablished community values relying on such industries, including but not limited to:

(A) shipping routes;

(B) general tourism; and

(C) recreational and commercial fishing;

(2) negatively impact environmental factors, including but not limited to:

(A) general welfare of wildlife; and

(B) disruption of migratory patterns;

(3) present a risk to the life and safety of residents, nearby industries, and wildlife, if located within an area with historical exposure to natural disasters; or

(4) be deemed unnecessary, in accordance with Section 37.056 (Grant or Denial of Certificate), Public Utilities Code, due to lack of need for additional service and the presence of adequate existing services in the area adjacent to the offshore wind power facility.

SECTION 2. Effective date: upon passage or September 1, 2025.