**BILL ANALYSIS**

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| Senate Research Center | C.S.S.B. 383 |
| 89R26281 JXC-D | By: Middleton |
|  | Business & Commerce |
|  | 4/30/2025 |
|  | Committee Report (Substituted) |

**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.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 383 amends current law relating to the interconnection to the ERCOT power grid of certain coastal facilities for the provision of electric service.

**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 Subchapter Z, Chapter 39, Utilities Code, by adding Section 39.9155, as follows:

Sec. 39.9155. INTERCONNECTION OF COASTAL WIND POWER. (a) Defines "wind power facility."

(b) Prohibits a person or entity from interconnecting to the Electric Reliability Council of Texas power grid:

(1) a wind power facility located in the area in the Gulf of Mexico seaward of the coast that is within three marine leagues of the coast, as set under Section 11.0111 (Location of Coastal Boundaries), Natural Resources Code; or

(2) a transmission or distribution facility that directly interconnects to a wind power facility located in the area in the Gulf of Mexico seaward of the coast that is within three marine leagues of the coast as set under Section 11.0111, Natural Resources Code.

SECTION 2. Makes application of Section 39.9155, Utilities Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.