

BILL ANALYSIS

Senate Research Center

H.B. 14
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas is synonymous with power production and generates more electricity than any other state. With its abundant natural resources and business-friendly environment, Texas is an ideal hub for investments in emerging technologies that can deliver dispatchable power. As aging power plants retire and electricity demand continues to rise, accelerating the development of innovative energy solutions has become increasingly relevant.

Advancements in nuclear energy, in particular, offer promising opportunities for delivering clean, firm, and dispatchable power, which is essential to long-term grid reliability and economic growth in Texas. However, the path to deploying new nuclear technologies is slowed by regulatory processes and high upfront costs.

H.B. 14 would create the Texas Advanced Nuclear Energy Office in the Office of the Governor and define the office's role in planning, coordinating, promoting, and providing other supports to develop the nuclear energy industry in Texas. The bill would create the Texas Advanced Nuclear Development Fund and Completion Grant Program, administered by the Office of the Governor, to support reimbursement-based grants for the development and construction of nuclear projects. H.B. 14 also establishes a workforce development program.

H.B. 14 amends current law relating to support for the development of the nuclear energy industry.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Advanced Nuclear Energy Office in SECTION 1 (Sections 483.203 and 483.204, Government Code) of this bill.

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 2 (Section 302.0081, Labor Code) of this bill.

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 3 (Section 34.0302, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 4, Government Code, by adding Chapter 483, as follows:

CHAPTER 483. TEXAS ADVANCED NUCLEAR ENERGY OFFICE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 483.001. DEFINITIONS. Defines "advanced nuclear reactor," "advanced nuclear reactor project," "combined license," "construction permit," "director," "nuclear commission," "office," and "utility commission."

SUBCHAPTER B. TEXAS ADVANCED NUCLEAR ENERGY OFFICE

Sec. 483.101. ESTABLISHMENT AND PURPOSE OF OFFICE. (a) Provides that the Texas Advanced Nuclear Energy Office (office) is an office within the office of the governor.

(b) Sets forth the purposes of the office.

(c) Authorizes the office to solicit and accept gifts, grants, or loans from and contract with any entity, establish ad hoc advisory committees as necessary to carry out the office's duties under this chapter, and exercise any other power necessary to carry out this chapter.

(d) Requires the office to conduct a study to determine the necessity and feasibility of the office undertaking regulatory functions related to nuclear energy generation facilities in this state. Requires the office to submit the study to the legislature not later than December 1, 2026. Provides that this subsection expires August 31, 2027.

Sec. 483.102. DIRECTOR; DUTIES. (a) Requires the governor to appoint a director of the office (director). Provides that the director serves at the pleasure of the governor.

(b) Requires the director to have demonstrated experience in the field of advanced nuclear energy and executive and organizational ability.

(c) Requires the director to manage the affairs of the office; advise the Public Utility Commission of Texas (PUC) on the provision of grants from the Texas energy fund under Chapter 34 (Facility Funding), Utilities Code, for nuclear energy generation facilities; administer programs established by this chapter; establish appropriate standards to ensure proper use of money under this chapter; and facilitate the location, expansion, and retention of advanced nuclear reactor projects in this state.

(d) Authorizes the director to hire staff as necessary to implement the duties of the office under this chapter.

Sec. 483.103. STRATEGIC PLAN. Requires the director, not later than December 1 of each even-numbered year, to submit to the governor and Legislative Budget Board a strategic plan for furthering the goals, purposes, and objectives established by this chapter.

Sec. 483.104. NUCLEAR PERMITTING COORDINATOR. (a) Authorizes the director to employ a nuclear permitting coordinator to assist businesses throughout the nuclear energy generation permitting and regulatory process.

(b) Requires a nuclear permitting coordinator to have a demonstrated familiarity with the permitting and regulatory process in this state and a network of contacts within the government of this state.

(c) Requires the nuclear permitting coordinator to take certain actions.

SUBCHAPTER C. TEXAS ADVANCED NUCLEAR DEVELOPMENT FUND; GRANT PROGRAMS

Sec. 483.201. TEXAS ADVANCED NUCLEAR DEVELOPMENT FUND. (a) Provides that the Texas advanced nuclear development fund (fund) is created as a dedicated account in the general revenue fund. Provides that the fund consists of gifts, grants, or donations to the fund and money from any other source designated by the legislature.

(b) Authorizes the office to use money in the fund to provide reimbursement-based grants to businesses, nonprofit organizations, and governmental entities, including institutions of higher education, through the programs established in

this subchapter and to pay for reasonable and necessary costs for staff support necessary to facilitate the work of the office.

(c) Provides that, each biennium, the director is required to allocate an amount of the money appropriated to the fund for that biennium not to exceed 25 percent to fund projects that are authorized to qualify for the program established in Section 483.203.

Sec. 483.202. REIMBURSEMENT GRANT PROGRAMS ESTABLISHED. (a) Provides that the office is required to establish grant programs under this subchapter and the director is required to administer those programs.

(b) Provides that the office is authorized to only provide a grant under this subchapter to reimburse expenses paid by a recipient using the recipient's own funds. Prohibits the office from providing a grant under this subchapter to reimburse expenses paid by a recipient using financial assistance or incentives from any local, state, or federal source.

(c) Requires the office, before awarding a grant under this subchapter, to enter into a written agreement with the grant recipient. Requires that a written agreement under this subsection specify benchmarks for the completion of the project for which the grant is provided and require the grant recipient to repay to the state money received if the recipient fails to reach the specified benchmarks.

Sec. 483.203. PROJECT DEVELOPMENT AND SUPPLY CHAIN REIMBURSEMENT PROGRAM. (a) Authorizes the office to provide a reimbursement grant from the fund under this section for the expenses associated with initial development of an advanced nuclear reactor project in this state.

(b) Provides that expenses that qualify for reimbursement under this section are limited to expenses attributable or allocable to certain purposes.

(c) Prohibits a grant provided under this section from exceeding the lesser of 50 percent of the amount of qualifying expenses associated with the initial development of the project or \$12.5 million.

(d) Requires the office by rule to establish procedures for the application for and provision of a grant under this section.

Sec. 483.204. ADVANCED NUCLEAR CONSTRUCTION REIMBURSEMENT PROGRAM. (a) Authorizes the office to provide a reimbursement grant from the fund under this section for expenses associated with the construction of an advanced nuclear reactor project in this state.

(b) Provides that expenses that qualify for reimbursement under this section are limited to expenses associated with the United States Nuclear Regulatory Commission's (nuclear commission) review of the construction permit or combined license application, procurement of long-lead components, or construction activities, including the manufacture, fabrication, quality assurance, placement, erection, installation, modification, inspection, or testing of an advanced nuclear reactor project.

(c) Prohibits a grant provided under this section from exceeding the lesser of 50 percent of the amount of qualifying expenses associated with the project or \$200 million.

(d) Requires the office by rule to establish procedures for the application for and provision of a grant under this section.

(e) Prohibits the office from providing a reimbursement grant for a project under this section until the applicant has filed with the nuclear commission a construction permit or combined license application for the project.

(f) Requires the office to provide for the proceeds of each grant awarded under this section to be distributed to the grant recipient on a rolling basis for qualifying expenses.

Sec. 483.205. GRANT APPLICATION EVALUATION. Requires the office to evaluate an application for a grant under this subchapter based on certain factors.

Sec. 483.206. CONFIDENTIALITY. Provides that information submitted to the office in an application for a grant under this subchapter is confidential and not subject to disclosure under Chapter 552 (Public Information).

SECTION 2. Amends Subchapter A, Chapter 302, Labor Code, by adding Section 302.0081, as follows:

Sec. 302.0081. ADVANCED NUCLEAR ENERGY WORKFORCE DEVELOPMENT PROGRAM. (a) Defines "coordinating board," "general academic teaching institution," "institution of higher education," "public junior college," "public technical institute," "office," and "program."

(b) Requires the Texas Workforce Commission (TWC), in collaboration with the Texas Higher Education Coordinating Board (THECB) and the office, by rule to establish and administer the advanced nuclear energy workforce development program (program) under this section for the purpose of addressing urgent skilled labor demands in the advanced nuclear energy industry in this state.

(c) Requires TWC, under the program, to:

(1) create a strategic plan for certain purposes; and

(2) develop customized curriculum requirements for degree certificate programs to prepare students for high-wage jobs in the advanced nuclear energy industry that, subject to THECB approval under Section 61.0512 (Board Approval of Academic Programs), Education Code, may be offered by an institution of higher education.

(d) Requires TWC, in developing curriculum requirements under Subsection (c)(2), to consult with certain persons and focus on developing curricula for programs leading to high-wage jobs in certain areas.

(e) Requires TWC, not later than September 1 of each year, to prepare and submit to each standing committee of the legislature with primary jurisdiction over workforce development, higher education, or energy industry matters, a report summarizing TWC's activities under the program. Authorizes the report to include TWC's recommendations for legislative or other action.

SECTION 3. Amends Chapter 34, Utilities Code, by adding Subchapter C, as follows:

SUBCHAPTER C. ADVANCED NUCLEAR COMPLETION

Sec. 34.0301. DEFINITIONS. Defines "advanced nuclear reactor," "advanced nuclear reactor project," and "fund."

Sec. 34.0302. COMPLETION GRANT PROGRAM. (a) Authorizes the PUC to provide, using money available in the Texas energy fund for the purpose without further appropriation, a grant for the costs associated with the completion and operation of an

advanced nuclear reactor project in this state that is capable of interconnection with the Electric Reliability Council of Texas (ERCOT) power grid.

(b) Requires the PUC by rule to establish the amount of a grant the PUC will provide under this section on a per megawatt basis according to the generation capacity of the advanced nuclear reactor project.

(c) Requires the PUC by rule to establish procedures for the application for and award of a grant under this section, the administration of the grant program, and providing grants according to a tiered system based on the amount of electricity in megawatts provided to the ERCOT power grid by an advanced nuclear reactor project.

(d) Prohibits the PUC from providing a grant under this subchapter before June 2, 2029.

(e) Provides that Section 34.0106(b) (relating to prohibiting the PUC from providing a loan or grant under this chapter for certain purposes) does not apply to a grant awarded under this subchapter.

Sec. 34.0303. NUCLEAR GRANT PROGRAM ACCOUNT. (a) Requires the PUC to establish a separate account within the fund for the program described by this subchapter. Provides that money in the account is authorized to be used only to fund grants awarded under this subchapter.

(b) Requires the PUC to transfer to the account described by Subsection (a) the returns received after September 1, 2025, from the investment of money in the fund, unspent money remaining in the fund on May 31, 2029, and money repaid to the fund from loan recipients.

Sec. 34.0304. CONFIDENTIALITY. Provides that information submitted to the PUC in an application for a grant under this subchapter is confidential and not subject to disclosure under Chapter 552, Government Code.

SECTION 4. Provides that the office of the governor is required to implement the changes in law made in Section 1 of this Act only if the legislature appropriates money specifically for that purpose. Provides that, if the legislature does not appropriate money specifically for that purpose, the office of the governor is authorized to, but is not required to, implement those changes in law using other appropriations available for that purpose.

SECTION 5. Effective date: September 1, 2025.