

BILL ANALYSIS

S.B. 383
By: Middleton
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to a U.S. Department of the Interior press release, the federal Bureau of Ocean Energy Management (BOEM) held its first offshore wind lease sale in the Gulf of Mexico in 2023, which included two areas offshore from Galveston. The bill sponsor informed the committee that the proposed leases on Texas' coast received no bids due to a lack of competitive interest. Nevertheless, in December of 2024, BOEM announced that it was issuing a determination of competitive interest for wind energy leases in areas off the Texas coast after receiving an unsolicited request expressing interest in acquiring a commercial wind energy lease in certain areas in the Gulf. The bill sponsor has further informed the committee of concerns with such proposed projects and the potential negative impacts to Texas' environment, economy, and coastal industries and that, while the current federal administration has not signaled its intention to follow through with such a project, 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 prohibiting a person or entity from interconnecting applicable offshore wind power facilities to the ERCOT power grid.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 383 amends the Utilities Code to prohibit a person or entity from interconnecting to the ERCOT power grid a wind power facility located in the area in the Gulf of America seaward of the coast that is within three marine leagues of the coast, as set under applicable state law, or a transmission or distribution facility that directly interconnects to such a wind power facility. The bill establishes that a "wind power facility" includes a wind turbine generator and a facility or equipment used to support the operation of a wind turbine generator, including an electrical transmission or communications line, an electric transformer, a battery storage facility, an energy storage facility, or telecommunications equipment.

S.B. 383 applies only to a wind power facility or transmission or distribution facility a person or entity seeks to interconnect to the ERCOT power grid on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.