BILL ANALYSIS

Senate Research Center
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S.B. 1825
By: Schwertner
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has the fastest-growing battery market in the country, with more than 13,000 megawatts (MW) of total battery energy storage resource discharge capacity and an additional 120,000 MWs of stand-alone battery projects in the interconnection queue. With the increasing integration of utility-scale batteries into Texas' electricity system, there is a growing need for clear safety standards and emergency response protocols to govern battery facility operations.

S.B. 1825 creates Chapter 187 of the Utilities Code to establish fire safety standards for battery energy storage systems in Texas. The bill sets requirements related to the design, safety, installation, operation, and testing of utility-scale battery facilities. S.B. 1825 also requires the development of a comprehensive emergency operations plan for these sites, including planning and communication procedures.

As proposed, S.B. 1825 amends current law relating to fire safety standards and emergency operations plans for the operation of battery energy storage.

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 Subtitle B, Title 4, Utilities Code, by adding Chapter 187, as follows:

CHAPTER 187. BATTERY ENERGY STORAGE FIRE SAFETY

Sec. 187.001. DEFINITIONS. Defines "battery energy storage," "battery operator," "electric cooperative," "municipally owned utility," "electric utility," and "power generation company."

Sec. 187.002. FIRE SAFETY STANDARDS FOR BATTERY ENERGY STORAGE. (a) Requires the state fire marshal to adopt and periodically update fire safety standards and testing requirements for battery energy storage. Requires that the standards and requirements be based on model code requirements for battery energy storage equipment or facilities established by UL Solutions, such as UL 9540A performance criteria and minimum standards related to the design, safety, and installation of stationary energy storage systems established by the National Fire Protection Association, such as NFPA 855.

(b) Requires each battery operator or municipally owned utility that owns or operates a battery energy storage to ensure that the storage meets the fire safety standards and testing requirements adopted by the state fire marshal under Subsection (a) at the time of interconnection.

(c) Prohibits a municipality or county, unless expressly authorized by another statute, from adopting, enforcing, or maintaining an ordinance, order, or rule regulating conduct in a field of regulation that is inconsistent with the fire safety

standards and testing requirements adopted by the state fire marshal. Provides that an ordinance, order, or rule that violates this subsection is void and unenforceable.

(d) Requires a battery operator that owns or operates battery energy storage, on request by a municipality in which the battery energy storage is located, or a county in which the battery energy storage is located if the storage is in an unincorporated area, to, at the battery operator's expense, contract with an independent, third-party engineer licensed in this state or other consultant with appropriate expertise to:

(1) evaluate the design, safety, and installation of the battery energy storage before the start of commercial operations to ensure compliance with the requirements of this section;

(2) produce a written report that includes the evaluation, identifies any noted deficiencies in compliance with the standards adopted by the state fire marshal, and recommends appropriate actions to correct deficiencies; and

(3) provide the written report described by Subdivision (2) to the requesting municipality or county.

(e) Requires the battery operator to make available to the engineer or consultant and the requesting municipality or county certain documents if held or created by the battery operator.

(f) Requires each battery operator, at least once every three years, to contract, at the battery operator's expense, with an independent, third-party engineer licensed in this state or other consultant with appropriate expertise to produce a fire safety inspection report for the battery operator's battery energy storage and provide the report to the municipality in which the storage is located or to the county in which the storage is located if the facility or equipment is in an unincorporated area. Requires that the report include an evaluation of certain information and identify any noted deficiencies and recommend appropriate actions to correct deficiencies.

Sec. 187.003. EMERGENCY OPERATIONS PLANS FOR BATTERY ENERGY STORAGE. (a) Defines "first responder."

(b) Provides that this section applies only to a battery operator or a municipally owned utility that owns or operates battery energy storage, whether standalone or colocated with another generation asset.

(c) Requires a battery operator or a municipally owned utility to which this section applies to produce a site-specific emergency operations plan for each battery energy storage site owned or operated by the battery operator or utility. Requires that the site-specific emergency operations plan include certain criteria.

(d) Requires the battery operator or municipally owned utility, before starting commercial operations, to provide the site-specific emergency operations plan developed under Subsection (c) to the local first responder that is responsible for providing fire protection services in the area in which the battery energy storage is located and maintain materials safety data sheets or comparable documents and the site-specific emergency operations plan developed under Subsection (c) at an on-site location accessible to personnel responsible for the operations and maintenance of the battery energy storage and first responders.

(e) Requires the battery operator or municipally owned utility to offer to local first responders, at no cost to the responders, certain education and annual training regarding responding to an equipment failure incident at the battery energy storage site.

SECTION 2. Makes application of Sections 187.002 and 187.003, Utilities Code, as added by this Act, prospective to January 1, 2027.

SECTION 3. Effective date: September 1, 2025.