89R18526 SCR-D

By:  Harris, et al. H.B. No. 14

Substitute the following for H.B. No. 14:

By:  King C.S.H.B. No. 14

A BILL TO BE ENTITLED

AN ACT

relating to support for the development of the nuclear energy industry.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Subtitle F, Title 4, Government Code, is amended by adding Chapter 483 to read as follows:

CHAPTER 483.  TEXAS ADVANCED NUCLEAR ENERGY OFFICE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 483.001.  DEFINITIONS. In this chapter:

(1)  "Advanced nuclear reactor" means a range of nuclear reactor technologies determined by the office to be either of generation III or generation IV, including large light water reactors, small modular reactors, microreactors, and nuclear cogeneration.

(2)  "Advanced nuclear reactor project" means an electric generation facility that relies on an advanced nuclear reactor to generate power, a nuclear fuel cycle facility that supplies advanced nuclear reactors, or associated technologies supporting the advanced nuclear energy industry.

(3)  "Combined license" means a license issued by the nuclear commission that authorizes a licensee to construct and operate a nuclear power facility, such as a nuclear plant at a specific site, with specified conditions.

(4)  "Construction permit" means a permit issued by the nuclear commission for the construction of a nuclear production or utilization facility.

(5)  "Director" means the director of the office.

(6)  "Nuclear commission" means the United States Nuclear Regulatory Commission or a representative of that commission.

(7)  "Office" means the Texas Advanced Nuclear Energy Office established under Subchapter B.

(8)  "Utility commission" means the Public Utility Commission of Texas.

Sec. 483.002.  EXPIRATION. This chapter expires September 1, 2040.

SUBCHAPTER B. TEXAS ADVANCED NUCLEAR ENERGY OFFICE

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

(b)  The purposes of the office are to:

(1)  provide strategic leadership for the advanced nuclear reactor system in this state;

(2)  collaborate with interested stakeholders and state and local leaders to craft a statewide strategic advanced nuclear energy public outreach program;

(3)  promote the development of advanced nuclear reactor projects for dispatchable electric generation while creating high-wage advanced manufacturing jobs in this state;

(4)  lead the transition to a balanced energy future by advancing innovative nuclear energy generation technologies while delivering safe, reliable, and clean energy solutions that address the state's growing demand;

(5)  enhance the state's energy security, foster economic growth, and ensure the safety of future nuclear energy generation development;

(6)  identify barriers to the financial viability of nuclear energy generation and regulatory and licensing complexities that increase risk to developers of nuclear energy;

(7)  provide recommendations to the governor and legislature regarding advanced nuclear energy and associated technologies;

(8)  leverage the expertise and capacity of institutions of higher education, the nuclear energy industry, and regulatory stakeholders to develop a comprehensive strategic plan to ensure the development of advanced nuclear energy and associated technologies in this state; and

(9)  support the development of an advanced nuclear energy supply chain and associated technologies in this state.

(c)  The office may:

(1)  solicit and accept gifts, grants, or loans from and contract with any entity;

(2)  establish ad hoc advisory committees as necessary to carry out the office's duties under this chapter; and

(3)  exercise any other power necessary to carry out this chapter.

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

Sec. 483.102.  DIRECTOR; DUTIES. (a) The governor shall appoint a director of the office. The director serves at the pleasure of the governor.

(b)  The director must have demonstrated:

(1)  experience in the field of advanced nuclear energy; and

(2)  executive and organizational ability.

(c)  The director shall:

(1)  manage the affairs of the office;

(2)  advise the utility commission on the provision of grants from the Texas energy fund under Chapter 34, Utilities Code, for nuclear energy generation facilities;

(3)  administer programs established by this chapter;

(4)  establish appropriate standards to ensure proper use of money under this chapter; and

(5)  facilitate the location, expansion, and retention of advanced nuclear reactor projects in this state.

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

Sec. 483.103.  STRATEGIC PLAN. Not later than December 1 of each even-numbered year, the director shall 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) The director may employ a nuclear permitting coordinator to assist businesses throughout the nuclear energy generation permitting and regulatory process.

(b)  A nuclear permitting coordinator must have:

(1)  a demonstrated familiarity with the permitting and regulatory process in this state; and

(2)  a network of contacts within the government of this state.

(c)  The nuclear permitting coordinator shall:

(1)  act as a single point of contact for stakeholders during the nuclear energy generation permitting process;

(2)  identify active or likely siting opportunities and required permits and approvals for nuclear energy generation sites and key personnel;

(3)  provide tailored assistance for regulated persons navigating local, state, and federal regulations for nuclear energy generation facilities; and

(4)  share information regarding this state's economic incentive programs for advanced nuclear reactor projects.

SUBCHAPTER C.  TEXAS ADVANCED NUCLEAR DEVELOPMENT FUND; GRANT PROGRAMS

Sec. 483.201.  TEXAS ADVANCED NUCLEAR DEVELOPMENT FUND. (a) The Texas advanced nuclear development fund is created as a dedicated account in the general revenue fund. The fund consists of:

(1)  gifts, grants, or donations to the fund; and

(2)  money from any other source designated by the legislature.

(b)  The office may use money in the fund:

(1)  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

(2)  to pay for reasonable and necessary costs for staff support necessary to facilitate the work of the office.

(c)  Each biennium, the director shall allocate an amount of the money appropriated to the fund for that biennium not to exceed 25 percent to fund projects that may qualify for the program established in Section 483.203.

Sec. 483.202.  REIMBURSEMENT GRANT PROGRAMS ESTABLISHED. (a) The office shall establish grant programs under this subchapter and the director shall administer those programs.

(b)  The office may only provide a grant under this subchapter to reimburse expenses paid by a recipient using the recipient's own funds. The office may not provide 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)  Before awarding a grant under this subchapter, the office shall enter into a written agreement with the grant recipient. A written agreement under this subsection must:

(1)  specify benchmarks for the completion of the project for which the grant is provided; and

(2)  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) The office may provide a reimbursement grant from the Texas advanced nuclear development fund under this section for the expenses associated with initial development of an advanced nuclear reactor project in this state.

(b)  Expenses that qualify for reimbursement under this section are limited to expenses attributable or allocable to:

(1)  technology development, including university technology development;

(2)  feasibility studies;

(3)  site planning, including conceptual site-specific engineering studies;

(4)  front-end engineering design, including interconnection costs that would otherwise be paid by the project;

(5)  site and environmental characterization;

(6)  nuclear commission early site permit work;

(7)  preparation of the construction permit or combined license application to the nuclear commission;

(8)  expanding existing nuclear assets in the state;

(9)  developing manufacturing capacity and readiness;

(10)  fuel processing, manufacturing, and fabrication activities essential to the fuel cycle supply; and

(11)  preparation of local, state, and non-nuclear commission federal permits.

(c)  A grant provided under this section may not exceed the lesser of:

(1)  50 percent of the amount of qualifying expenses associated with the initial development of the project; or

(2)  $12.5 million.

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

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

(b)   Expenses that qualify for reimbursement under this section are limited to expenses associated with:

(1)  the nuclear commission's review of the construction permit or combined license application;

(2)  procurement of long-lead components; or

(3)  construction activities, including the manufacture, fabrication, quality assurance, placement, erection, installation, modification, inspection, or testing of an advanced nuclear reactor project.

(c)  A grant provided under this section may not exceed the lesser of:

(1)  50 percent of the amount of qualifying expenses associated with the project; or

(2)  $200 million.

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

(e)  The office may not provide 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)  The office shall 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. The office shall evaluate an application for a grant under this subchapter based on the grant applicant's:

(1)  quality of services and management;

(2)  efficiency of operations;

(3)  access to resources essential for operating the project for which the grant is requested, such as land, water, and reliable infrastructure, as applicable;

(4)  application or docketing of a permit or license with the nuclear commission; and

(5)  evidence of creditworthiness and ability to repay the grant.

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

SECTION 2.  Subchapter A, Chapter 302, Labor Code, is amended by adding Section 302.0081 to read as follows:

Sec. 302.0081.  ADVANCED NUCLEAR ENERGY WORKFORCE DEVELOPMENT PROGRAM. (a) In this section:

(1)  "Coordinating board" means the Texas Higher Education Coordinating Board.

(2)  "General academic teaching institution," "institution of higher education," "public junior college," and "public technical institute" have the meanings assigned by Section 61.003, Education Code.

(3)  "Office" means the Texas Advanced Nuclear Energy Office established under Chapter 483, Government Code.

(4)  "Program" means the advanced nuclear energy workforce development program established under this section.

(b)  The commission, in collaboration with the coordinating board and the office, by rule shall establish and administer the advanced nuclear energy workforce development program under this section for the purpose of addressing urgent skilled labor demands in the advanced nuclear energy industry in this state.

(c)  Under the program, the commission shall:

(1)  create a strategic plan for:

(A)  addressing labor supply gaps and talent retention issues in the advanced nuclear energy industry; and

(B)  providing financial assistance, including through the creation of strategic partnerships among public and private entities and advanced nuclear energy industry stakeholders, to incentivize and support:

(i)  the creation by institutions of higher education of education and training programs in the field of advanced nuclear energy; and

(ii)  research and leadership development in the field of advanced nuclear energy at general academic teaching institutions; and

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

(d)  In developing curriculum requirements under Subsection (c)(2), the commission shall:

(1)  consult with:

(A)  representatives of the coordinating board, general academic teaching institutions, public technical institutes, and public junior colleges;

(B)  representatives of the office; and

(C)  employers in the advanced nuclear energy industry; and

(2)  focus on developing curricula for programs leading to high-wage jobs in the areas of:

(A)  nuclear-grade welding;

(B)  radiological control and monitoring;

(C)  reactor operations;

(D)  nuclear instrumentation and control; and

(E)  nuclear, electrical, chemical, civil, and environmental engineering.

(e)  Not later than September 1 of each year, the commission shall 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 the commission's activities under the program. The report may include the commission's recommendations for legislative or other action.

SECTION 3.  Chapter 34, Utilities Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. ADVANCED NUCLEAR COMPLETION

Sec. 34.0301.  DEFINITIONS. In this subchapter:

(1)  "Advanced nuclear reactor" and "advanced nuclear reactor project" have the meanings assigned by Section 483.001, Government Code.

(2)  "Fund" means the Texas energy fund established by Section 49-q, Article III, Texas Constitution.

Sec. 34.0302.  COMPLETION GRANT PROGRAM. (a) The commission may provide, using money available in the 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 ERCOT power grid.

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

(c)  The commission by rule shall establish procedures for:

(1)  the application for and award of a grant under this section;

(2)  the administration of the grant program; and

(3)  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)  The commission may not provide a grant under this subchapter before June 2, 2029.

(e)  Section 34.0106(b) does not apply to a grant awarded under this subchapter.

Sec. 34.0303.  NUCLEAR GRANT PROGRAM ACCOUNT. (a) The commission shall establish a separate account within the fund for the program described by this subchapter. Money in the account may be used only to fund grants awarded under this subchapter.

(b)  The commission shall transfer to the account described by Subsection (a):

(1)  the returns received after September 1, 2025, from the investment of money in the fund;

(2)  unspent money remaining in the fund on May 31, 2029; and

(3)  money repaid to the fund from loan recipients.

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

SECTION 4.  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. If the legislature does not appropriate money specifically for that purpose, the office of the governor may, but is not required to, implement those changes in law using other appropriations available for that purpose.

SECTION 5.  This Act takes effect September 1, 2025.