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A BILL TO BE ENTITLED

AN ACT

relating to funding mechanisms within the Office of the Governor and Texas Public Utility Commission to support the deployment of advanced nuclear reactors in this state.

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 DEPLOYMENT ACT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 483.001.  DEFININTIONS. IN THIS CHAPTER:

(1)  "Advanced nuclear reactor" means a range of proven and innovative nuclear reactor technologies across two generations (Gen III+ and Gen IV) and includes large light water reactors, small modular reactors, microreactors, and nuclear cogeneration.

(2)  "Advanced nuclear reactor project" means an electric generation facility relying on an advanced nuclear reactor to generate power.

(3)  "Applicant" means a person or an entity applying for a license, permit, or other form of nuclear commission permission or approval under 10 C.F.R Parts 50, 52, 53, 54, or 55.

(4)  "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.

(5)  "Commission" means the Public Utility Commission of Texas.

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

(7)  "Director" means the director of the Texas Advanced Nuclear Deployment Office of the Governor.

(8)  "Final investment decision" means the final decision of a company to invest in a nuclear project.

(9)  "Nuclear commission" means the U.S. Nuclear Regulatory Commission or its duly authorized representatives.

(10)  "Operating license" means a license issued by the nuclear commission that allows a person to operate a nuclear power plant or reactor.

(11)  "Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency other than the nuclear commission or the U.S. Department of Energy, except that the Department shall be considered a person to the extent that its facilities are subject to the licensing and related regulatory authority of the commission pursuant to section 202 of the Energy Reorganization Act of 1974, any state or any political subdivision of, or any political entity within a State, any foreign government or nation or any political subdivision of any such government or nation, or other entity; and any legal successor, representative, agent, or agency of the foregoing.

(11)  "Program" means the Texas Advanced Nuclear Energy Program under the Texas energy fund established by Section 49-q, Article III, Texas Constitution.

Sec. 483.002.  PURPOSE. (a) The purpose of this Act is to promote the development of advanced nuclear reactor projects for dispatchable electric generation while creating high-wage advanced manufacturing jobs in this state. The Act will spearhead the transition to a balanced energy future by advancing innovative nuclear generation technologies while delivering safe, reliable, and clean energy solutions that address the state's growing demand. The governor and legislature are committed to enhancing the state's energy security and fostering economic growth, ensuring that future development is safe and reliable.

Sec. 483.101.  ADMINISTRATIVE ATTACHMENT. (a) The office is administratively attached to the office of the governor, and the office of the governor shall provide administrative support to the office as provided by this section. The equal employment opportunity officer and the internal auditor of the office of the governor shall serve the same functions for the office as they serve for the office of the governor.

Sec. 483.102.  PROGRAM ESTABLISHMENT; ELIGIBILITY. (a) The commission shall establish a separate account for the program under the Texas energy fund authorized by Section 49-q, Article III, Texas Constitution.

(b)  The commission may use money in the account without further appropriation to provide grants under this subchapter to a person for the development of an advanced nuclear reactor projects in this state.

Sec. 483.103.  USE OF PROGRAM FUNDS. (a) Money in the program's account may be used only to administer grants established under this subchapter.

Sec. 483.104.  EXPIRATION. This chapter expires September 1, 2040.

SUBCHAPTER B. TEXAS ADVANCED NUCLEAR DEPLOYMENT OFFICE

Sec. 483.201.  OFFICE. (a) The Texas Advanced Nuclear Deployment Office is an office within the office of the governor.

(b)  The purposes of the office are to:

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

(2)  identify barriers to financial viability of nuclear energy generation, regulatory and licensing complexities that increase risk to developers of nuclear energy and provide recommendations to the governor and legislature regarding advanced nuclear energy and technologies;

(3)  provide strategic leadership within the advanced nuclear reactor system in this state;

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

(5)  support the development of an advanced nuclear energy supply chain in this state.

Sec. 483.202.  DIRECTOR; DUTIES. (a) The governor shall appoint a director of the office who serves at the pleasure of the governor.

(b)  The director must have demonstrated experience in the areas of advanced nuclear energy and executive and organizational ability.

(c)  The director shall:

(1)  manage the affairs of the office;

(2)  develop a plan to engage with stakeholders to gather input and solicit feedback on the development of rules promulgated by the commission related to the fund and fund programs;

(3)  administer the fund provided by the legislature and fund programs consistent with this chapter;

(4)  establish the appropriate standards to ensure the proper use of funds authorized under this chapter;

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

(6)  deliver to the governor and Legislative Budget Board a strategic plan to further goals, purposes, and objectives of this chapter on or before December 1 of each even-numbered year; and

(7)  employ a nuclear permitting coordinator with a demonstrated familiarity with the permitting and regulatory process in this state and a developed network of contacts within the government of this state for the purposes of assisting businesses throughout the permitting and regulatory process.

(d)  The nuclear permitting coordinator shall:

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

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

(3)  provide tailored assistance to help industry navigate relevant local, state, and federal regulations and regulatory entities for nuclear facilities; and

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

(e)  The director may:

(1)  hire staff as necessary to implement the duties of the office under this chapter; and

(2)  convene an advisory committee in the manner provided by Chapter 2110, Government Code.

Sec. 483.203.  APPLICATION EVALUATION. (a) 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; and

(4)  evidence of creditworthiness and ability to repay the grant subject to Subsection (b), including the grant applicant's total assets, total liabilities, net worth, and credit ratings issued by major credit rating agencies.

(b)  A grant agreement under Sections 483.302 or 483.303 may include a provision stating that the grant recipient shall repay the grant funds received if the grant recipient fails to obtain an operating license for the advanced nuclear reactor project that was financed using those funds.

Sec. 483.204.  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.

Sec. 483.205.  EXPIRATION. This chapter expires September 1, 2040.

Sec. 483.206.  RULES. The office by rule shall establish procedures for:

(1)  the application for and award of a grant under this chapter, including the required documentation for qualifying expenses under Sections 483.303 and 483.304; and

(2)  the administration of the programs.

SUBCHAPTER C. FUND PROGRAMS

Sec. 483.301.  PROGRAM ESTABLISHMENT; ELIGIBILITY. (a) The office shall establish and the director shall administer the programs established under this subchapter.

(b)  The office may use money in the fund without further appropriation to provide grants under this Subchapter to a person for the development of an advanced nuclear reactor project in this state.

Sec. 483.302.  TIER 1 PROJECT DEVELOPMENT AND SUPPLY CHAIN PROGRAM. (a) The office shall provide a reimbursement grant for the costs associated with initial development of an advanced nuclear reactor project in this state.

(b)  The office may provide a reimbursement grant under this section only for qualifying expenses associated with:

(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 borne 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)  advancing the expansion of current nuclear assets in the state;

(9)  develop manufacturing capacity and readiness; and

(10)  fuel fabrication activities essential to the fuel cycle supply.

(c)  The office may not provide a reimbursement grant under this section until the applicant has filed its Early Site Permit, construction permit, or combined license application with the nuclear commission.

Sec. 483.303.  TIER 2 ADVANCED NUCLEAR CONSTRUCTION PROGRAM. (a) The office shall provide a reimbursement grant for the costs associated with the construction of an advanced nuclear reactor project in this state.

(b)  The office may provide a reimbursement grant under this section only for:

(1)  a project whose construction permit or combined license application is under review by the nuclear commission; and

(2)  qualifying expenses associated with:

(A)  nuclear commission review of the construction permit or combined license application;

(B)  procurement of long-lead components; and

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

(c)  The office may not provide a grant under this section of more than $200 million per project to be allocated as follows:

(1)  30 percent to the grant recipient after the construction permit or combined license application is docketed at the nuclear commission; and

(2)  70 percent to the grant recipient after the final investment decision for the project is made.

(d)  The office shall provide for the proceeds of each reimbursement grant awarded under this section to be distributed to the grant recipient on a rolling basis for qualifying expenses under this section, including eligible expenses that were incurred prior to the project's enrollment in the program. The total amount of disbursements per project may not exceed the maximum amount as limited by Subsection (c).

SECTION 2.  Chapter 301, Labor Code, is amended by adding Subchapter L to read as follows:

SUBCHAPTER L. ADVANCED NUCLEAR WORKFORCE DEVELOPMENT PROGRAM

Sec. 301.201.  COOPERATION WITH TEXAS ADVANCED NUCLEAR ENERGY OFFICE AND TEXAS HIGHER EDUCATION COORDINATING BOARD. The commission shall collaborate with the Texas Advanced Nuclear Energy Office established in chapter 483, Government Code, and the Texas Higher Education Coordinating Board to administer an advanced nuclear workforce development program to address skill and labor gaps in the advanced nuclear energy industry in this state.

SECTION 3.  Subtitle B, Title 2, Utilities Code, is amended by adding Chapter 44 to read as follows:

CHAPTER 44. TEXAS ADVANCED NUCLEAR COMPLETION FUND

SUBCHAPTER A. TEXAS ADVANCED NUCLEAR ENERGY FUND

Sec. 44.101.  TIER 3 COMPLETION PAYMENT PROGRAM. (a) The commission shall provide a grant for the costs associated with the completion and operation of an advanced nuclear reactor project in this state.

(b)  The commission may provide a grant under this section on a per megawatt basis only for an advanced nuclear reactor project that is activated and operating.

(c)  Any monies earned on interest, unspent funds, or loan repayments from the Texas Energy Fund is deposited into the Sec. 44.101 program.

Sec. 44.102.  RULES. The commission by rule shall establish procedures for:

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

(2)  the administration of the program; and

(3)  a tiered completion bonus program to incentivize advanced nuclear reactors that have demonstrated a prioritization and utilization of Texas based manufacturing, supply chain, fuel fabrication, and workforce.

SECTION 4.  This Act takes effect September 1, 2025.