

By: Patterson

H.B. No. 553

A BILL TO BE ENTITLED

AN ACT

relating to the permitting of renewable energy generation facilities by the Public Utility Commission of Texas; authorizing fees.

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

SECTION 1. Chapter 35, Utilities Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. RENEWABLE ENERGY GENERATION FACILITY PERMIT

Sec. 35.201. DEFINITIONS; APPLICABILITY. (a) In this subchapter:

(1) "Permit holder" means a person who holds a permit issued under this subchapter.

(2) "Person" includes an electric cooperative and a municipally owned utility.

(3) "Renewable energy generation facility" means:

(A) a wind power facility as defined by Section 301.0001; or

(B) a solar power facility as defined by Section 302.0001.

(b) This subchapter applies to a renewable energy generation facility regardless of whether the facility is the subject of a wind power facility agreement or solar power facility agreement entered into under Chapter 301 or 302.

Sec. 35.202. LEGISLATIVE POLICY AND PURPOSE. The

1 conservation and development of all the natural resources of this
2 state are declared to be public rights and duties. It is also
3 declared that the protection of the wildlife, water, and land of
4 this state against the impacts of renewable energy generation
5 facilities is in the public interest. In the exercise of the police
6 power of this state, it is necessary and desirable to provide
7 additional means so that the installation and removal of renewable
8 energy generation facilities is placed under the authority and
9 direction of the commission.

10 Sec. 35.203. PERMIT REQUIRED; APPLICATION. (a) A person
11 may not operate a renewable energy generation facility in this
12 state unless the person holds a permit issued by the commission
13 under this subchapter. A person may not construct a renewable
14 energy generation facility in this state unless:

15 (1) the person holds a permit to operate a renewable
16 energy generation facility issued by the commission under this
17 subchapter; or

18 (2) the commission by order approves the construction.

19 (b) A person may apply for a permit to operate a renewable
20 energy generation facility by filing with the commission:

21 (1) a description of the location of the facility;

22 (2) a description of the type of facility;

23 (3) a copy of any information filed with the Federal
24 Energy Regulatory Commission in connection with registration with
25 that commission;

26 (4) any assumed business or professional name of the
27 applicant filed under Chapter 71, Business & Commerce Code;

1 (5) an environmental impact statement produced by the
2 Parks and Wildlife Department under Section 11.006, Parks and
3 Wildlife Code;

4 (6) any wind power facility agreement or solar power
5 facility agreement applicable to the facility entered into under
6 Chapter 301 or 302 by the applicant;

7 (7) the address of an Internet website that provides
8 information about the proposed facility;

9 (8) an affidavit that lists the names and addresses of
10 the persons who may be affected by the application and includes the
11 source of the list; and

12 (9) any other information required by commission rule,
13 provided the commission protects the competitive process in a
14 manner that ensures the confidentiality of competitively sensitive
15 information.

16 Sec. 35.204. NOTICE AND HEARING ON APPLICATION. (a) When
17 an application for a permit is filed under Section 35.203, or when
18 an application for a permit amendment is filed, the commission
19 shall:

20 (1) give notice of the application to affected
21 parties, including any owner of property located within 25 miles of
22 the boundary of the facility; and

23 (2) if requested:

24 (A) set a time and place for a hearing; and

25 (B) give notice of the hearing to affected
26 parties, including any owner of property located within 25 miles of
27 the boundary of the facility.

1 (b) For any application involving a generation capacity of
2 15 megawatts or more, the notice must be given to the county judge
3 of each county located within 25 miles of the boundary of the
4 facility who has requested in writing that the commission give that
5 notice.

6 (c) The commission may not act on an application before the
7 30th day after the date the commission gives notice of the
8 application under Subsections (a) and (b), as applicable,
9 regardless of whether a hearing is requested.

10 (d) Notwithstanding any other provision of this subchapter,
11 the commission may approve an application to amend a permit without
12 holding a hearing if:

13 (1) the applicant is not applying to:

14 (A) significantly increase the amount of
15 electricity generated under the permit; or

16 (B) materially change the placement of the
17 renewable energy generation facility;

18 (2) the commission determines that the applicant's
19 compliance history raises no issues regarding the applicant's
20 ability to comply with a material term of the permit; and

21 (3) the commission:

22 (A) gives notice of the application to the county
23 judge of each county and the governing body of each municipality in
24 which the facility is located at least 30 days before the date of
25 the commission's approval of the application; and

26 (B) allows the county judges and governing bodies
27 to present information to the commission on the application.

1 Sec. 35.205. APPROVAL OR DENIAL OF APPLICATION. (a) The
2 commission may approve an application only if the commission finds
3 that issuance or amendment of the permit would not violate state or
4 federal law or rule and would not interfere with the purpose of this
5 subchapter.

6 (b) In considering an application for the issuance or
7 amendment of a permit, the commission shall consider the compliance
8 history of the applicant.

9 (c) A permit holder does not have a vested right in a permit.

10 Sec. 35.206. CONDITIONS OF PERMIT. (a) For each permit,
11 the commission shall prescribe the conditions under which it is
12 issued, including:

13 (1) the boundary of the permitted facility location;

14 (2) the maximum number of renewable energy generation
15 facilities authorized by the permit; and

16 (3) any monitoring and reporting requirements
17 prescribed by the commission for the permit holder.

18 (b) The commission, on its own motion after reasonable
19 notice and hearing, may require a permit holder to conform to new or
20 additional conditions to comply with this subchapter or rules
21 adopted under this subchapter.

22 (c) A permit holder shall:

23 (1) ensure that the permitted facility is located at
24 least:

25 (A) 500 feet from any property line, unless the
26 permit holder has obtained a written waiver from each owner of
27 property located less than 500 feet from the permitted facility;

1 and

2 (B) 1,000 feet from any habitable structure,
3 unless the permit holder has obtained a written waiver from each
4 owner of the habitable structure;

5 (2) provide a publicly accessible Internet website
6 that displays:

7 (A) a map of the boundaries of the permitted
8 facility;

9 (B) any interconnection request numbers assigned
10 to the permitted facility;

11 (C) the name of the owner of the permitted
12 facility; and

13 (D) any other information the commission
14 requires; and

15 (3) post at each entrance to the permitted facility a
16 sign that:

17 (A) includes:

18 (i) the name of the facility;

19 (ii) the name of the owner of the facility;

20 (iii) the name, business address, and
21 telephone number of the operator of the facility;

22 (iv) a general description of the property
23 on which the facility is located, including the boundaries of the
24 property; and

25 (v) emergency contact information for the
26 facility;

27 (B) uses contrasting colors with block letters at

1 least one inch in height; and

2 (C) is displayed in a conspicuous manner clearly
3 visible to the public.

4 Sec. 35.207. MONITORING AND REPORTING. The commission by
5 rule may, in coordination with the Parks and Wildlife Department,
6 require a permit holder to:

7 (1) monitor, record, and report on environmental
8 impacts created by the permitted facility;

9 (2) conduct wildlife assessments around the permitted
10 facility; and

11 (3) provide to the commission other information about
12 the operation of the permitted facility.

13 Sec. 35.208. FACILITY REMOVAL BY COMMISSION. (a) The
14 commission may determine after reasonable notice and hearing that a
15 permit holder has not removed a renewable energy generation
16 facility according to the requirements of an applicable wind power
17 facility agreement or solar power facility agreement entered into
18 under Chapter 301 or 302 and that the permit holder has not
19 delivered financial assurance required under Chapter 301 or 302, as
20 applicable. After making the determination, the commission may:

21 (1) order the permit holder to comply with the wind
22 power facility agreement or solar power facility agreement; or

23 (2) fulfill the requirements of the wind power
24 facility agreement or solar power facility agreement if the permit
25 holder cannot be found or does not have assets with which to comply
26 with the wind power facility agreement or solar power facility
27 agreement.

1 (b) The commission or its employees or agents, on proper
2 identification, may enter the land of another for the purpose of
3 implementing Subsection (a)(2).

4 (c) The commission's removal of a renewable energy
5 generation facility under this section does not prevent the
6 commission from seeking penalties or other relief provided by law
7 from the permit holder.

8 (d) The commission and its employees and agents are not
9 liable for any damages arising from an act or omission if the act or
10 omission is part of a good-faith effort to carry out this section.

11 (e) If the commission removes a renewable energy generation
12 facility under this section, the commission may recover from the
13 permit holder all costs the commission incurs. The commission by
14 order may require the permit holder to reimburse the commission for
15 those costs or may request the attorney general to file suit against
16 the permit holder to recover those costs. At the request of the
17 commission, the attorney general may file suit to enforce an order
18 the commission issues under this subsection. A suit under this
19 subsection may be filed in Travis County. Costs recovered under
20 this subsection shall be deposited to the renewable energy
21 generation facility cleanup fund.

22 Sec. 35.209. RENEWABLE ENERGY GENERATION FACILITY CLEANUP
23 FUND. (a) The renewable energy generation facility cleanup fund is
24 a dedicated account in the general revenue fund.

25 (b) The fund consists of:

26 (1) environmental impact fees collected under Section
27 35.210;

1 (2) private contributions; and

2 (3) legislative appropriations.

3 (c) Money in the fund may be used only by the commission to
4 implement this subchapter.

5 Sec. 35.210. ENVIRONMENTAL IMPACT FEE. (a) An annual
6 environmental impact fee is imposed on each permit holder.

7 (b) Except as provided by Subsection (c), environmental
8 impact fees must be deposited in the renewable energy generation
9 facility cleanup fund.

10 (c) The commission shall designate 20 percent of the revenue
11 collected from environmental impact fees to be deposited in the
12 renewable energy generation facility cleanup fund and used only for
13 the removal of renewable energy generation facilities under Section
14 35.208. If the commission determines that the renewable energy
15 generation facility cleanup fund has a sufficient amount of money
16 to fund removal of renewable energy generation facilities under
17 Section 35.208, the commission may instead deposit 20 percent of
18 the revenue from environmental impact fees in the county and road
19 district highway fund.

20 (d) The fee for each year is imposed on each permit in effect
21 during any part of the year. The commission may establish reduced
22 fees for inactive permits.

23 (e) The commission by rule shall adopt a fee schedule for
24 determining the amount of the fee to be charged. In determining the
25 fee amount under this section, the commission may consider:

26 (1) the efficiency of the renewable energy generation
27 facility;

1 (2) the area and size of the renewable energy
2 generation facility;

3 (3) the renewable energy generation facility's
4 environmental impact score provided under Section 11.006, Parks and
5 Wildlife Code; and

6 (4) expenses necessary to implement this subchapter.

7 Sec. 35.211. FEDERAL FUNDS. The commission may execute
8 agreements with the United States Environmental Protection Agency
9 or any other federal agency that administers programs providing
10 federal cooperation, assistance, grants, or loans for research,
11 development, investigation, training, planning, studies,
12 programming, or construction related to methods, procedures,
13 mitigation, and facilities for the removal of renewable energy
14 generation facilities. The commission may accept federal funds for
15 these purposes and for other purposes consistent with the
16 objectives of this subchapter and may use the funds as prescribed by
17 law or as provided by agreement.

18 Sec. 35.212. POWER TO REGULATE AND SUPERVISE. (a) For
19 purposes of this subchapter, a provision of Subchapter B or E,
20 Chapter 14, that authorizes the commission to regulate a public
21 utility also applies to a person required to obtain a permit under
22 this subchapter, including an electric cooperative and a
23 municipally owned utility.

24 (b) The commission may adopt and enforce rules reasonably
25 required in the exercise of its powers under this subchapter.

26 Sec. 35.213. ENFORCEMENT AND PENALTIES. For the purposes
27 of enforcing this subchapter, a reference in Chapter 15 to a person

1 includes any person required to obtain a permit under this
2 subchapter, including an electric cooperative and a municipally
3 owned utility.

4 SECTION 2. Subchapter A, Chapter 11, Parks and Wildlife
5 Code, is amended by adding Section 11.006 to read as follows:

6 Sec. 11.006. ENVIRONMENTAL IMPACT STATEMENTS FOR RENEWABLE
7 ENERGY GENERATION FACILITIES. The commission by rule shall adopt a
8 system for providing an environmental impact statement to an
9 applicant for a renewable energy generation facility permit under
10 Section 35.203, Utilities Code. The system must establish:

11 (1) a process for a person to apply for and receive
12 from the department an environmental impact statement;

13 (2) criteria for the department to evaluate the
14 environmental impact of a proposed renewable energy generation
15 facility, including:

16 (A) conservation of natural resources;

17 (B) continuous use of the land on which a
18 facility is located for agricultural and wildlife purposes; and

19 (C) in coordination with the Texas A&M AgriLife
20 Extension Service, agricultural best practices;

21 (3) a method for the department to provide an
22 environmental impact score for a renewable energy generation
23 facility, based on the criteria described by Subdivision (2);

24 (4) fees for providing the environmental impact
25 statements, in an amount sufficient to cover the department's costs
26 of implementing this section; and

27 (5) guidelines for the department's use of any map

1 applications necessary for the implementation of this section.

2 SECTION 3. (a) Except as otherwise provided by rules
3 adopted by the Public Utility Commission of Texas under Subsection
4 (b) of this section, Subchapter F, Chapter 35, Utilities Code, as
5 added by this Act, applies to all renewable energy generation
6 facilities in this state, including:

7 (1) renewable energy generation facilities that:

8 (A) generate renewable energy before the
9 effective date of this Act; or

10 (B) are interconnected to a transmission
11 facility before the effective date of this Act; and

12 (2) renewable energy generation facilities the
13 construction of which began before the effective date of this Act.

14 (b) The Public Utility Commission of Texas by rule shall
15 authorize a person who operates or constructs a facility described
16 by Subsection (a)(1) or (2) of this section to continue to operate
17 or construct the facility after the effective date of this Act while
18 the person applies for a permit for the facility as required under
19 Subchapter F, Chapter 35, Utilities Code, as added by this Act. The
20 rules may require a person who operates or constructs a facility
21 described by Subsection (a)(1) or (2) of this section to apply for a
22 permit for the facility as required under Subchapter F, Chapter 35,
23 Utilities Code, as added by this Act, by a certain date.

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