

By: McLaughlin

H.B. No. 3580

A BILL TO BE ENTITLED

AN ACT

relating to renewable energy generation facilities.

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

SECTION 1. Subtitle F, Title 10, Government Code, is amended by adding Chapter 2278 to read as follows:

CHAPTER 2278. PROHIBITION ON GRANTING OF INCENTIVES FOR RENEWABLE
ENERGY GENERATION FACILITIES

Sec. 2278.001. DEFINITIONS. In this chapter:

(1) "Economic incentive" means a rebate, refund, or other monetary incentive offered by this state or a political subdivision of this state.

(2) "Renewable energy generation facility" means a renewable energy generation facility to which Subchapter F, Chapter 35, Utilities Code, applies.

(3) "Tax incentive" means an abatement, credit, discount, exclusion, exemption, limitation on taxable value, refund, special valuation, special accounting treatment, special appraisal method or provision, special rate, or special method of reporting authorized by state law or the state constitution that relates to a tax imposed by this state or a political subdivision of this state.

Sec. 2278.002. PROHIBITION ON INCENTIVES AND RENEWAL OF INCENTIVES. (a) Except as otherwise provided by this chapter, neither this state nor a political subdivision of this state may

1 provide an economic incentive or a tax incentive to a person for the
2 construction, maintenance, or operation of a renewable energy
3 generation facility.

4 (b) An economic incentive or a tax incentive for the
5 construction, maintenance, or operation of a renewable energy
6 generation facility that was granted to a person before the date the
7 incentive became disallowed under Subsection (a) may not be renewed
8 after that date.

9 Sec. 2278.003. EXCEPTION: PREVIOUSLY GRANTED INCENTIVES.
10 Subject to Section 2278.002(b), a person who is receiving an
11 economic incentive or a tax incentive from this state or a political
12 subdivision of this state for the construction, maintenance, or
13 operation of a renewable energy generation facility under an
14 agreement that was executed before the date the incentive becomes
15 disallowed under Section 2278.002(a) may continue to receive the
16 incentive as provided under the terms of that agreement.

17 SECTION 2. Chapter 35, Utilities Code, is amended by adding
18 Subchapter F to read as follows:

19 SUBCHAPTER F. RENEWABLE ENERGY GENERATION FACILITY PERMIT

20 Sec. 35.201. DEFINITIONS. In this subchapter:

21 (1) "Person" includes an electric cooperative and a
22 municipally owned utility.

23 (2) "Renewable energy generation facility" means:

24 (A) a wind power facility as defined by Section
25 301.0001; or

26 (B) a solar power facility as defined by Section
27 302.0001.

1 Sec. 35.202. APPLICABILITY. (a) This subchapter applies
2 only to a renewable energy generation facility that is intended to
3 be used to sell energy or ancillary services at wholesale.

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

8 Sec. 35.203. PERMIT REQUIRED; APPLICATION. (a) A person
9 may not interconnect a renewable energy generation facility to a
10 transmission facility unless the person holds a permit to operate a
11 renewable energy generation facility issued by the commission under
12 this subchapter.

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

- 15 (1) a description of the location of the facility;
16 (2) a description of the type of facility;
17 (3) any assumed business or professional name of the
18 applicant filed under Chapter 71, Business & Commerce Code;
19 (4) an impact review described by Subsection (c); and
20 (5) any other information required by commission rule.

21 (c) A person who applies for a permit under this subchapter
22 must conduct an impact review of the facility to be permitted. The
23 impact review must evaluate the potential effects of the facility
24 relating to the following:

- 25 (1) the land in the area of the facility, including the
26 potential for degradation, potential for soil contamination, and
27 subsequent possibility for the land to be used for agricultural

1 purposes;

2 (2) local water resources, including potential
3 groundwater depletion, harmful runoff, and chemical contamination;

4 (3) local wildlife, including potential habitat
5 destruction and long-term effects on biodiversity; and

6 (4) the local community and economy, including
7 property values and infrastructure.

8 (d) The commission shall publish each permit application
9 received under this section, including the impact review, on the
10 commission's Internet website at least 60 days before the
11 commission approves or denies the permit.

12 Sec. 35.204. APPROVAL OR DENIAL OF APPLICATION. The
13 commission may approve an application only if:

14 (1) the commissioners court of the county in which the
15 renewable energy generation facility is located consents; and

16 (2) the commission finds that issuance of the permit
17 would not violate state law.

18 Sec. 35.205. 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. 35.206. 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 3. Chapter 2278, Government Code, as added by this
5 Act, applies to an economic incentive or a tax incentive received by
6 a person regardless of the date the person first began receiving the
7 incentive and irrespective of whether the incentive is the subject
8 of an agreement between the person and this state or a political
9 subdivision of this state.

10 SECTION 4. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2025.