

By: Parker

S.B. No. 2060

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. DEFINITIONS. 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.

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

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

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

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

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

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

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

27           (11) "Program" means the Texas Advanced Nuclear Energy

1 Program under the Texas energy fund established by Section 49-q,  
2 Article III, Texas Constitution.

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

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

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

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

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

4       Sec. 483.104. EXPIRATION. This chapter expires September  
5 1, 2040.

6       SUBCHAPTER B. TEXAS ADVANCED NUCLEAR DEPLOYMENT OFFICE

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

9       (b) The purposes of the office are to:

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

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

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

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

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

27       Sec. 483.202. DIRECTOR; DUTIES. (a) The governor shall

1 appoint a director of the office who serves at the pleasure of the  
2 governor.

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

6 (c) The director shall:

7 (1) manage the affairs of the office;

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

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

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

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

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

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

27 (d) The nuclear permitting coordinator shall:

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

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

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

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

11         (e) The director may:

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

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

16         Sec. 483.203. APPLICATION EVALUATION. (a) The office  
17 shall evaluate an application for a grant under this subchapter  
18 based on the grant applicant's:

19           (1) quality of services and management;

20           (2) efficiency of operations;

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

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

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

6        Sec. 483.204. CONFIDENTIALITY. Information submitted to  
7 the commission in an application for a grant under this subchapter  
8 is confidential and not subject to disclosure under Chapter 552,  
9 Government Code.

10       Sec. 483.205. EXPIRATION. This chapter expires September  
11 1, 2040.

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

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

17           (2) the administration of the programs.

18                                SUBCHAPTER C. FUND PROGRAMS

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

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

26       Sec. 483.302. TIER 1 PROJECT DEVELOPMENT AND SUPPLY CHAIN  
27 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



1 project in this state.

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

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

6 (2) qualifying expenses associated with:

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

9 (B) procurement of long-lead components; and

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

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

16 (1) 30 percent to the grant recipient after the  
17 construction permit or combined license application is docketed at  
18 the nuclear commission; and

19 (2) 70 percent to the grant recipient after the final  
20 investment decision for the project is made.

21 (d) The office shall provide for the proceeds of each  
22 reimbursement grant awarded under this section to be distributed to  
23 the grant recipient on a rolling basis for qualifying expenses  
24 under this section, including eligible expenses that were incurred  
25 prior to the project's enrollment in the program. The total amount  
26 of disbursements per project may not exceed the maximum amount as  
27 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

1 chapter;

2 (2) the administration of the program; and

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

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