

By: King

S.B. No. 2321

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of emissions by the Texas Commission on Environmental Quality during an event affecting electric demand or grid reliability.

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

SECTION 1. Subchapter D, Chapter 382, Health and Safety Code, is amended by adding Section 382.086 to read as follows:

Sec. 382.086. ENFORCEMENT DURING ELECTRIC DEMAND AND RELIABILITY EVENT. (a) The commission shall exercise the commission's enforcement discretion to waive enforcement for emissions from generation facilities and on-site backup generation facilities in the ERCOT power region during a period requested by the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region if the independent organization notifies the commission that electric demand and reliability needs in the region cannot be met or that a local electric grid reliability issue in the region exists during that period.

(b) After the independent organization submits a notification to the commission under Subsection (a):

(1) the independent organization shall notify market participants in the ERCOT power region of the period in the notification during which limits or standards described by Subdivision (2) do not apply to the operation of a generation

1 facility or on-site backup generation facility in the ERCOT power
2 region; and

3 (2) notwithstanding any other law and subject to
4 Subsection (d), the commission may not enforce a rule or standard,
5 including an emissions limit or standard, hours of operation limit,
6 or any similar operational limit, against the owner or operator of a
7 generation facility or on-site backup generation facility for the
8 period in the notification.

9 (c) The owner or operator of a generation facility or
10 on-site backup generation facility eligible for waived enforcement
11 during the period in a notification submitted under Subsection (a)
12 shall:

13 (1) take commercially reasonable steps to operate
14 environmental controls and minimize excess emissions during the
15 period;

16 (2) maintain operational records during the period;
17 and

18 (3) submit proper documentation of the facility's
19 operational records to the commission, including:

20 (A) the facility's name;

21 (B) a contact name and phone number;

22 (C) the county in which the facility is located;

23 (D) the customer reference number issued to the
24 facility by the commission;

25 (E) the name of any units in the facility that
26 exceeded an emissions limit or standard during the period; and

27 (F) a description of the emissions event,

1 including the date, time, pollutant, quantity, and duration.

2 (d) The commission may not consider an exceedance of an
3 emissions limit or standard during a period for which a
4 notification is submitted under Subsection (a) as the basis for an
5 enforcement action against the owner or operator of a generation
6 facility or on-site backup generation facility unless the owner or
7 operator fails to submit the documentation required by Subsection
8 (c)(3).

9 (e) The owner or operator of a generation facility or an
10 on-site backup generation facility eligible for waived enforcement
11 during the period in a notification submitted under Subsection (a)
12 may report any exceedance of an emissions limit or standard as an
13 event that did not result in the emission of at least a reportable
14 quantity of unauthorized emissions, in accordance with commission
15 regulations and permit requirements.

16 SECTION 2. This Act takes effect September 1, 2025.