

By: King
(Bell of Kaufman)

S.B. No. 2321

Substitute the following for S.B. No. 2321:

By: Bell of Kaufman

C.S.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 may exercise the commission's enforcement discretion to waive enforcement for emissions from electric generation facilities and on-site backup generation facilities in this state during a period requested by an independent system operator if the independent system operator notifies the commission that additional electric generation is necessary to mitigate an emergency condition or a significant risk of an emergency condition.

(b) After an independent system operator submits a notification to the commission under Subsection (a):

(1) the independent system operator shall notify market participants in this state of the period in the notification during which limits or standards described by Subdivision (2) may not apply to the operation of an electric generation facility or on-site backup generation facility in this state; and

(2) notwithstanding any other state law and subject to

Subsection (d), the commission has the discretion to enforce a rule or standard, including an emissions limit or standard, hours of operation limit, or any similar operational limit, against the owner or operator of an electric generation facility or on-site backup generation facility for the period in the notification.

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

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

(2) maintain operational records during the period;
and

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

(A) the facility's name;
(B) a contact name and phone number;
(C) the county in which the facility is located;
(D) the customer reference number issued to the facility by the commission;

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

(F) a description of the emissions event, including the date, time, pollutant, quantity, and duration.

(d) The commission has the discretion to consider whether an exceedance of an emissions limit or standard during a period for

1 which a notification is submitted under Subsection (a) is
2 appropriate as the basis for an enforcement action against the
3 owner or operator of an electric generation facility or on-site
4 backup generation facility based on information available to the
5 commission, including information contained in the documentation
6 required by Subsection (c)(3).

7 (e) The owner or operator of an electric generation facility
8 or an on-site backup generation facility eligible for waived
9 enforcement during the period in a notification submitted under
10 Subsection (a) shall report any exceedance of an emissions limit or
11 standard in accordance with commission regulations and permit
12 requirements.

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