

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB75 by Hall (Relating to the resilience of the electric grid and certain municipalities.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB75, As Passed 2nd House: a negative impact of (\$659,906) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$329,953)
2027	(\$329,953)
2028	(\$329,953)
2029	(\$329,953)
2030	(\$329,953)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$329,953)	3.0
2027	(\$329,953)	3.0
2028	(\$329,953)	3.0
2029	(\$329,953)	3.0
2030	(\$329,953)	3.0

Fiscal Analysis

The bill would establish the Texas Grid Security Commission, consisting of members from various state agencies.

The commission would oversee the enhancement and resilience of the state's electric grid, including evaluating hazards, responding to natural disasters, cyber-attacks, and physical sabotage. The bill mandates that by December 2026 the commission must deliver a plan to the legislature for protecting the Electric Reliability Council of Texas (ERCOT) electric grid from all hazards. The bill also mandates that the commission will provide an annual report assessing threats to the electric grid and efforts taken to mitigate them

This bill would require the Public Utility Commission of Texas (PUC) and ERCOT to conduct simulated or tabletop exercises with providers of electric generation service and transmission and distribution service in the ERCOT power region to mitigate and prepare for a threat of an attack or an actual physical attack on a critical facility. The exercise must be conducted at least once every two years.

Methodology

Based on the analysis of the PUC, this estimate assumes the agency would require 3.0 additional full time equivalents (FTE) positions to implement the provisions of the bill due to increased work demand for the Critical Infrastructure Security and Risk Management team with Statewide Operations Center (SOC) activations. Three Project Specialists V (\$82,000 per year with estimated benefits of \$23,304) would be needed to coordinate the simulated exercises, conduct outreach and training with the affected utilities, and participate in the physical security tabletop exercises with the utilities. Other associated costs include \$6,210 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$8,100 per year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, WP, GDZ, JBel, RStu