

BILL ANALYSIS: HB 14

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PURPOSE

Authored by Representative Cody Harris, HB 14 proposes a framework to support the development and deployment of advanced nuclear reactors in Texas for the purpose of bolstering energy security and economic growth through strategic collaboration, investment, and enhanced regulatory programs.

BACKGROUND

The Electric Reliability Council of Texas (ERCOT) forecasts that Texas' total annual load will double from 2023 to 2029 ([ERCOT, 2024a, p. 4](#)). While that amount of growth will not be realized in this decade, even realizing a portion of that growth demands more reliable and scalable electricity generation capacity in the ERCOT region. Nuclear energy will be essential in meeting this growing demand over the next decades. As the federal government reduces regulations and expands opportunities for nuclear development, Texas has the capability to lead the nation in the deployment of advanced nuclear reactors.

In August of 2023, Governor Greg Abbott established the Texas Advanced Nuclear Working Group, overseen by the Public Utility Commission of Texas. The Working Group published its final report, *Deploying a World-Renowned Advanced Nuclear Industry in Texas: Considerations and Recommendations for Action*, in November of 2024. The report provides seven legislative recommendations, many of which are implemented by HB 14 with the goal to shape Texas as a national and global leader in advanced nuclear technology ([Texas Advanced Nuclear Reactor Working Group, 2024](#)).

SECTION-BY-SECTION ANALYSIS

Section 1 adds Chapter 483 to the Government Code, introducing the "Texas Advanced Nuclear Deployment Act."

Subchapter A:

Section 483.001 defines key terms such as "Advanced nuclear reactor," "Advanced nuclear reactor project," "Applicant," "Combined License," "Construction Permit," and others. "Commission" means the Public Utility Commission of Texas. "Director" means the director of the Texas Advanced Nuclear Deployment Office of the Governor. "Program" means the Texas Advanced Nuclear Energy Program under the Texas Energy Fund.

Section 483.002 lays out the purpose of the Act, which is to promote the development of advanced nuclear reactor projects for dispatchable electric generation and high-wage advanced manufacturing jobs in Texas.

Section 483.101 states the Texas Advanced Nuclear Deployment Office will be administratively attached to the office of the governor.

Section 483.102 establishes the Texas Advanced Nuclear Energy Program as a separate account within the Texas energy fund. Money in this account can be used without any further appropriation to provide grants for the development of advanced nuclear projects.

Section 483.104 sets an expiration for this chapter of September 1, 2040.

Subchapter B:

Section 483.201 creates the Texas Advanced Nuclear Deployment Office. The purpose of the office is to:

1. Collaborate with stakeholders and leaders throughout the state to craft a statewide public outreach program.
2. Identify financial, regulatory, and licensing barriers and provide recommendations to the governor and legislature.
3. Provide strategic leadership in Texas.
4. Leverage institutions of higher education, industry, and regulatory stakeholders to strategically implement a plan to develop advanced nuclear energy and technologies.
5. Support the development of an advanced nuclear energy supply chain in this state.

Section 483.202 defines the duties of the director of the Texas Advanced Nuclear Deployment Office. The office is attached to the office of the governor. The director is appointed by the governor and must have experience in advanced nuclear energy as well as executive and organizational ability. The director's duties include:

1. Managing the affairs of the office.
2. Creating a plan to engage with stakeholders and gathering input on the development of the rules of the commission related to the fund programs.
3. Administering the fund provided by the legislature and fund programs.
4. Establishing the appropriate standards to ensure the proper use of funds.
5. Facilitating the location, expansion, and retention of advanced nuclear reactor projects.
6. Delivering to the governor and Legislative Budget Board a strategic plan to further goals every two years.
7. Employing a nuclear permitting coordinator with familiarity with permitting and regulatory process.

The nuclear permitting officer's duties include:

1. Acting as a single point of contact for stakeholders in the permitting process at the state and federal levels.
2. Identifying siting opportunities and required permits, and facilitating approvals for nuclear energy sites and key personnel.

3. Providing assistance to industry in navigating local, state, and federal regulations and regulatory entities.
4. Sharing information on the state's economic incentive programs.

The director can hire staff and convene an advisory committee.

Section 483.203 states that the office will evaluate grant applications based on factors such as the quality of services and management, efficiency of operations, access, and ability to repay the grant.

Section 483.304 establishes the confidentiality from disclosure for applications submitted to the commission under this subchapter.

Section 483.205 states that this chapter expires September 1, 2040.

Section 483.206 states that the office shall establish procedures for the application and awarding of grants under this chapter and the administration of the program.

Subchapter C:

Section 483.301 states that the office and director will administer the following fund programs without further appropriation.

Section 483.302: Tier 1 Project Development and Supply Chain Program: The office can provide a reimbursement grant for the costs associated with initial development of a nuclear project.

Section 483.303: Tier 2 Advanced Nuclear Construction Program: The office can provide a reimbursement grant for the costs associated with the construction of an advanced nuclear project.

Section 2 amends Chapter 301, Labor Code, to add Subchapter L for the Advanced Nuclear Workforce Development Program.

Advanced Nuclear Workforce Development Program: The office will administer an advanced nuclear workforce development program to address skill and labor gaps in the advanced nuclear sector in Texas.

Section 3 amends the Texas Utilities Code by adding Chapter 44 to establish the Texas Advanced Nuclear Energy Fund.

Section 44.101: Tier 3 Completion Payment Program: The commission can provide a grant for the costs associated with the completion and operation of an advanced nuclear reactor project in this state. The commission can provide a grant on a per megawatt basis only for an advanced nuclear reactor project that is operating.

Section 44.102 provides a framework for procedures involving grant applications, program administration, and a tiered completion bonus program incentivizing Texas-based production and employment.

Section 4 specifies the effective date of the Act as September 1, 2025.

REFERENCES

Electric Reliability Council of Texas (ERCOT). (2024, July 18). *2024 ERCOT system planning long-term hourly peak demand and energy forecast mid-year update*. https://www.ercot.com/files/docs/2024/01/18/2024_LTLF_Report.docx

Texas Advanced Nuclear Reactor Working Group. (2024). *Deploying a world-renowned advanced nuclear industry in Texas*. https://ftp.puc.texas.gov/public/puct-info/industry/nuclear/Advanced_Nuclear_Report.pdf

