

## **Important Energy and Grid Legislation Passed in the 89<sup>th</sup> Regular Texas Legislative Session for Local Governments**

The dynamic nature of energy legislation requires careful consideration from local governments to ensure that all requirements, obligations, or opportunities are met. Below is a synopsis of legislation that became law following the 89<sup>th</sup> regular session of the Texas Legislature in 2025 that is pertinent to local governments.

### **Senate Bill 6**

This bill adds Utilities Code §37.0561 and amends Utilities Code §35.004 to require large load customers (generally  $\geq 75$  megawatts) to contribute to recovering the cost of the interconnection incurred by the utility and require electric cooperatives or municipally owned utilities to pass through the reasonable cost of large load interconnection to the large load customer. Additionally, Utilities Code §37.0561 requires the creation of standards for interconnecting large load customers. These standards include several new or altered requirements and obligations for municipally owned utilities.

### **Senate Bill 1036**

This adds Chapter 1806 to the Occupations Code to address concerns surrounding fraudulent and predatory residential solar panel sales practices. It establishes a requirement for solar panel sales companies and salespeople to register with the Texas Department of Licensing and Regulation (TDLR) and grants TDLR the authority to create standardized contracts. This bill is important for local governments to be aware of since they may find the need to direct residents towards TDLR for issues with solar panel sales practices.

### **Senate Bill 1202**

This bill amends the Local Government Code to expedite the approval process for home backup power generating installations (e.g. backup generators and energy storage systems) by allowing third party evaluation of development documents and inspections in place of regulatory inspections or reviews. Additionally, the bill requires regulatory authorities to issue approval, permit, or certification within three business days of receiving the notice.

### **Senate Bill 1697**

This Bill amends the Utilities Code to require the Public Utility Commission of Texas to develop, publish, and periodically update a consumer guide about home solar energy devices that covers suggested questions for utilities/providers, design and efficiency considerations, financial factors, and a commission contact. This resource will be useful for local governments to be able to reference.

**House Bill 431**

This bill amends the Texas Property Code definition of “solar energy devices” to explicitly include a “solar roof tile,” granting legal protection against homeowners’ associations restricting their appearance or size. This bill is important for local governments to be aware of in order to address citizen complaints.

**House Bill 4370**

This bill amends the Local Government Code to authorize public improvement districts, municipal management districts, water control and improvement districts, fresh water supply districts, and municipal utility districts to include geothermal water conveyance facilities or improvements into public improvement projects. Additionally, it includes provisions for acquisition, construction, or improvement that can be paid for through a public improvement project. The bill also makes other changes related to geothermal water conveyance facilities, as well as the obligations and requirements for the aforementioned entities.