

2025 TEXAS 89TH LEGISLATURE WRAP-UP



Over the last two sessions, the Texas Legislature made grid issues top priority. These efforts took shape in a number of ways, but one theme was constant; the primary focus was generation-side planning. With the Texas Energy Fund from the 88th Session still in the early stages of implementation and supply chain logistics threatening not just longer timelines to build enough generation to meet higher load forecasts from ERCOT, but also higher consumer costs, the 89th session was poised to focus on reducing customer costs. This is where demand-side resources could play a pivotal role.

While this session did see a fair number of filed demand-side energy resource bills, the tenor of the session generally shifted towards attacks on renewable resources. Texas ranks first in wind generation and is gaining quickly in solar and battery storage projects. Fears about the reliability of these resources, factual or not, took center stage in the form of several bills aimed to regulate private property owners' rights to take on renewable projects. Other topics that saw significant focus were transmission, resource interconnection, nuclear energy development, and energy and building codes.

SPEER LEGISLATIVE PRIORITIES:

- **EERS Goal Improved Performance**
- **Workforce Development**
- **Updated Codes**
- **DR Residential Incentives and DERs**
- **Transmission Buildout**
- **Insurance**
- **Extreme Weather Preparedness**

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At the outset of the 89th Legislative Session, SPEER released a set of [legislative priorities](#) aimed at addressing key reforms to reassure Texans that their leaders were committed to policies that ensure reliable and affordable electricity for all. These priorities guided our efforts to educate elected officials and advocate for effective solutions to strengthen grid reliability and resilience. Throughout the 180-day regular session, SPEER tracked over **300 bills**, engaged in substantive discussions with policymakers and stakeholders, and provided resources and testimony in support of several important pieces of legislation.

Below is a list of pertinent bills that were considered. This should not be considered a comprehensive list of bills, but high level review. For a look at all 300 bills we tracked, please visit the [SPEER Texas Policy webpage](#).

KEY GRID LEGISLATION:

Energy Priorities: As previously noted, the primary focus of the State's top elected officials was on improving grid reliability and identifying the challenges to large load growth. It was discussed early in session that ERCOT peak load forecasts had almost doubled by 2030 to over 130 gigawatts (GWs).

[SB 6](#) was the top priority grid bill as denoted by its high bill number. The bill in its final iteration had four main objectives: ensure transmission costs are properly allocated, establish grid reliability protection measures, bring transparency and credibility to load forecasting, and protecting residential customers from outages by requiring load shed capabilities of large loads. SB 6 was passed out of both houses with bipartisan support. In addition to passing SB 6, the legislature also appropriated the remaining five billion dollars to the Texas Energy Fund which was passed during the 88th legislative session.

Several bills targeting renewable generation resources (wind, solar, and battery storage) were considered throughout session. [SB 819](#), which would put onerous regulations on private property owners seeking to interconnect utility scale facilities to the Texas grid, [SB 388](#), which sought to limit the percentage of the state's renewable resources in the energy resource mixture to 50%, [SB 715](#) and its companion [HB 3356](#), which set firming requirements and penalties for energy facilities, all died before the end of session. These bills not passing mark big wins for anyone seeking to keep electric bills low for customers as renewables provide low-cost energy year-round to all Texans.

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SPEER PRIORITIES:

EERS Goal Improved Performance: Since being the first state in the nation to implement an energy efficiency resource standard, Texas' energy efficiency programs have remained stagnant. It's been since 2011 that any meaningful legislation was passed to improve the energy efficiency utility programs. This session, [SB 2994](#) was filed. The intent of the bill was to find compromise between all stakeholders that would benefit and grow the programs. SB 2994 would have shifted load management out of the goals, moved the cost-effectiveness criteria to the portfolio level, increased funding to low-income and hard-to-reach populations, and provided enhanced flexibility to the utilities as they administered their programs. It did receive bipartisan support in the Senate, but died due to end of session deadlines in the House. This is the second session in a row where an energy efficiency goal bill moved out of the Senate but did not get through the House.

While we are disappointed that the Legislature did not move forward on an energy efficiency goal bill, we are excited that [HB 5323](#), which establishes the Texas Energy Waste Advisory Committee, was passed out of both chambers. This advisory committee will bring together regulatory agencies in the state to reduce energy waste, increase energy efficiency, and enhance demand response programs, thereby increasing grid reliability. SPEER supported both bills throughout the process and provided feedback as requested by policymakers throughout session.

There were also a handful of bills that would have provided ad valorem tax relief for energy efficient technologies. None of those bills passed.

Updated Codes: [SB 783](#) is a refile from last session. This bill opens the opportunity for the State Energy Conservation Office to consider adopting new energy codes with or without amendments. This bill received bipartisan support and will be effective on September 1st. SPEER supported this bill and applauds the work done by all involved to compromise and find commonsense solutions to allow SECO to move forward with new energy codes.

A building codes bill, [HB 871](#), received support from the House, passing out of the chamber just before House deadlines. This bill would have increased statewide building code standards to the 2018 code for municipalities in the state. It should be noted, over 330 Texas municipalities have already adopted the 2018 or above standards, however the state code is still on the 2015 standards. Building codes increase resiliency and reduce energy consumption for Texans. SPEER supported this bill.

Another key bill for SPEER in the codes area was [HB 4016](#). This bill would have banned electric resistance heating as a primary heating source for dwellings greater than 500 square feet. Electric resistance heating is the primary factor in residential peak load in Texas being as high as it is currently. By requiring a more efficient heating source in homes, this would have significantly impacted our existing peaks and ultimately saved Texans money on energy bills. Unfortunately, this bill died in committee after receiving a hearing.

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Workforce Development: The energy sector remains a top source of employment for Texans. As a result, workforce development remains a top priority for SPEER. This session saw several bills aimed at improving state workforce across all sectors. One bill we tracked, [SB 2925](#), which establishes the Task Force on Modernizing Manufacturing, will become effective on September 1st of this year.

[HB 3260](#) was approved and becomes effective in September as well. This bill establishes the Texas Industry-Recognized Apprenticeship Programs Grant Program, allowing the Texas Workforce Commission to streamline industry-recognized apprenticeship programs.

[HB 4443](#) would have established a pilot program to train workers for careers in energy efficient technologies in the Dallas-Fort Worth area, which was engrossed out of the House, but did not get assigned a Senate committee and died.

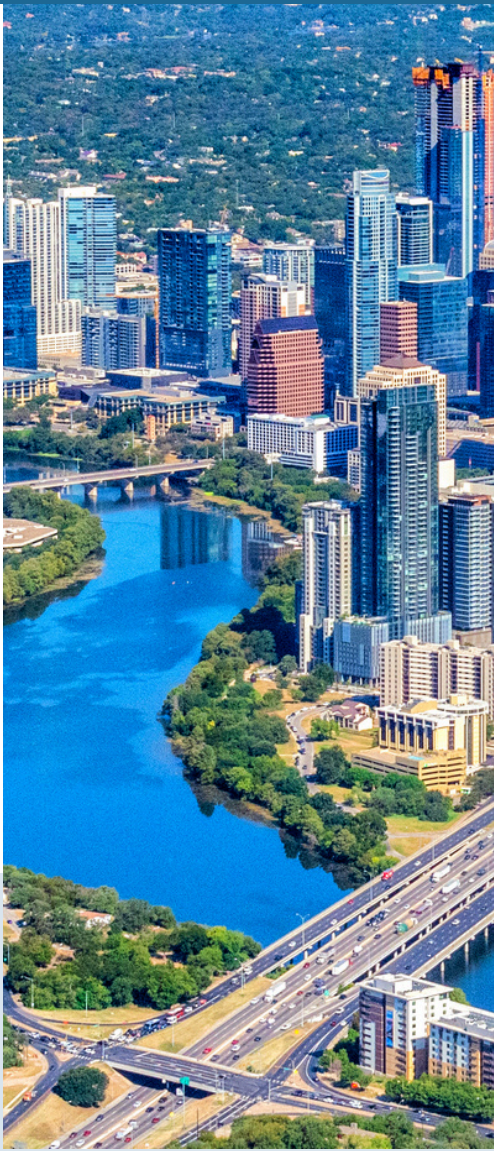
DR Residential Incentives and DERs: [HB 4367/SB 1916](#) were filed, which would have required load management programs in utility energy efficiency programs to have a goal. Neither bill received a hearing.

[SB 2021](#) sought to create a regulatory structure for interconnection of distributed energy resources onto the Texas grid. While the bill did receive a hearing in Senate Business and Commerce, it did not receive a vote and died in committee.

Transmission Buildout: Transmission saw plenty of filed bills this session. House Rep. Drew Darby, a leading voice on transmission needs in the Capitol, filed several bills to address transmission needs. [HB 3044](#), which would have created a rule to eliminate generic constraints, and [HB 3069](#), which sought to improve long-term planning criteria for transmission projects and amend the certificate of convenience process, both died. Additionally, [HB 2152](#) by Rep. Eddie Morales, which would have required a Permian Basin reliability plan for transmission, was engrossed out of the House but did not receive a hearing in Senate Business and Commerce.

While reducing transmission congestion and increasing infrastructure remains top priority, another aspect of transmission and distribution planning is vegetation management. Bills like [HB 1606](#), which require notice to customers on how to request vegetation management trimming, were passed this session.

Insurance: The concern of increasing insurance premiums following annual extreme weather events in Texas is gaining more attention. While SPEER only tracked two bills that directly looked at insurance, and neither ended up relating to reducing premiums, there were several bills filed that may indirectly impact insurance needs of the state. These bills took shape in extreme weather preparedness and wildfire mitigation bills. [HB 145](#) allows utilities to self-insure for potential damages the utility may be liable for in the event of a wildfire. It also requires a mitigation plan be filed with the PUCT. This bill was passed out of the Legislature.



Extreme Weather Preparedness: As noted above, wildfire mitigation took centerstage this session following large Panhandle fires in February of 2024. Another bill SPEER tracked was [SB 1312](#), which would have amended current statute prohibiting utilities from disconnecting service to include any county in a relevant service territory subject to weather-related disaster declaration by the governor. SB 1312 did not receive a hearing.

OTHER BILLS OF NOTE:

Nuclear Energy: [HB 14](#) was a priority of the House and was passed through to the governor's desk. This bill will create the Texas Advanced Nuclear Energy Office in the Office of the Governor to promote planning, coordinating, and provide support to develop nuclear energy industry in Texas.

Utility Regulation: [HB 2868](#) sought to update the process used by regulatory authorities when evaluating capital structure of electric utilities during rate cases. This bill died in committee. [HB 5247](#) was approved; it will establish an alternative rate adjustment process for utilities constructing new transmission under the Permian Basin Plan stemming from legislation in the 88th session.

90TH LEGISLATURE PREVIEW:

There is much to be learned from this session as we look forward over the next two years. SPEER is hopeful that the Governor and Lt. Governor recognize the tremendous impacts that improved energy efficiency programs may have on the state. One way to see those impacts would be to consider interim studies aimed at reducing customer costs through increased demand-side resources. An interim review of electric resistance heating, improved building codes, or a holistic review of the energy efficiency programs would all greatly benefit policymakers heading into the 90th session. Energy costs continue to be a burden on Texans that we must address. Demand-side resources remain the most cost-effective and scalable solution for the near-term as we plan long-term for more generation resources.

SPEER will continue to promote energy efficiency efforts in the region through bringing together diverse stakeholders to build consensus around well researched, cost-effective policies. Through these efforts we will be able to keep the lights on for all Texans when we need them most.

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