

UTILITIES CODE

TITLE 6. PRIVATE POWER AGREEMENTS

CHAPTER 302. SOLAR POWER FACILITY AGREEMENTS

Sec. 302.0001. DEFINITIONS. In this chapter:

(1) "Grantee" means a person, other than an electric utility, as defined by Section 31.002, who:

(A) leases property from a landowner; and

(B) operates a solar power facility on the property.

(2) "Solar energy device" has the meaning assigned by Section 185.001.

(3) "Solar power facility" includes:

(A) a solar energy device; and

(B) a facility or equipment, other than a facility or equipment owned by an electric utility, as defined by Section 31.002, used to support the operation of a solar energy device, including an underground or aboveground electrical transmission or communications line, an electric transformer, a battery storage facility, an energy storage facility, telecommunications equipment, a road, a meteorological tower, or a maintenance yard.

(4) "Solar power facility agreement" means a lease agreement between a grantee and a landowner that authorizes the grantee to operate a solar power facility on the leased property.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0002. APPLICABILITY. This chapter applies only to a solar power facility that is a generation asset as defined by Section 39.251.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0003. WAIVER VOID; REMEDIES. (a) A provision of a solar power facility agreement that purports to waive a right or exempt a grantee from a liability or duty established by this

chapter is void.

(b) A person who is harmed by a violation of this chapter is entitled to appropriate injunctive relief to prevent further violation of this chapter.

(c) The provisions of this section are not exclusive. The remedies provided in this section are in addition to any other procedures or remedies provided by other law.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0004. REQUIRED AGREEMENT PROVISIONS ON FACILITY REMOVAL. (a) A solar power facility agreement must provide that the grantee is responsible for removing the grantee's solar power facilities from the landowner's property and that the grantee shall, in accordance with any other applicable laws or regulations, safely:

(1) clear, clean, and remove from the property each solar energy device, transformer, and substation;

(2) for each foundation of a solar energy device, transformer, or substation installed in the ground:

(A) clear, clean, and remove the foundation from the ground to a depth of at least three feet below the surface grade of the land in which the foundation is installed; and

(B) ensure that each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property;

(3) for each buried cable, including power, fiber-optic, and communications cables, installed in the ground:

(A) clear, clean, and remove the cable from the ground to a depth of at least three feet below the surface grade of the land in which the cable is installed; and

(B) ensure that each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property; and

(4) clear, clean, and remove from the property each overhead power or communications line installed by the grantee on the property.

(b) The agreement must provide that, at the request of the landowner, the grantee shall:

(1) clear, clean, and remove each road constructed by the grantee on the property; and

(2) ensure that each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property.

(c) The agreement must provide that, at the request of the landowner, if reasonable, the grantee shall:

(1) remove from the property all rocks over 12 inches in diameter excavated during the decommissioning or removal process;

(2) return the property to a tillable state using scarification, V-rip, or disc methods, as appropriate; and

(3) ensure that:

(A) each hole or cavity created in the ground by the removal is filled with soil of the same type or a similar type as the predominant soil found on the property; and

(B) the surface is returned as near as reasonably possible to the same condition as before the grantee dug holes or cavities, including by reseeding pastureland with native grasses prescribed by an appropriate governmental agency, if any.

(d) The landowner shall make a request under Subsection (b) or (c) not later than the 180th day after the later of:

(1) the date on which the solar power facility is no longer capable of generating electricity in commercial quantities; or

(2) the date the landowner receives written notice of intent to decommission the solar power facility from the grantee.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.

Sec. 302.0005. REQUIRED AGREEMENT PROVISIONS ON FINANCIAL ASSURANCE. (a) A solar power facility agreement must provide that the grantee shall obtain and deliver to the landowner evidence of financial assurance that conforms to the requirements of this section to secure the performance of the grantee's obligation to

remove the grantee's solar power facilities located on the landowner's property as described by Section 302.0004. Acceptable forms of financial assurance include a parent company guaranty with a minimum investment grade credit rating for the parent company issued by a major domestic credit rating agency, a letter of credit, a bond, or another form of financial assurance reasonably acceptable to the landowner.

(b) The amount of the financial assurance must be at least equal to the estimated amount by which the cost of removing the solar power facilities from the landowner's property and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins exceeds the salvage value of the solar power facilities, less any portion of the value of the solar power facilities pledged to secure outstanding debt.

(c) The agreement must provide that:

(1) the estimated cost of removing the solar power facilities from the landowner's property and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins and the estimated salvage value of the solar power facilities must be determined by an independent, third-party professional engineer licensed in this state;

(2) the grantee must deliver to the landowner an updated estimate, prepared by an independent, third-party professional engineer licensed in this state, of the cost of removal and the salvage value:

(A) on or before the 10th anniversary of the commercial operations date of the solar power facilities; and

(B) at least once every five years after the commercial operations date of the solar power facilities for the remainder of the term of the agreement; and

(3) the grantee is responsible for ensuring that the amount of the financial assurance remains sufficient to cover the amount required by Subsection (b), consistent with the estimates required by this subsection.

(d) The grantee is responsible for the costs of obtaining financial assurance described by this section and costs of determining the estimated removal costs and salvage value.

(e) The agreement must provide that the grantee shall deliver the financial assurance not later than the earlier of:

(1) the date the solar power facility agreement is terminated; or

(2) the 20th anniversary of the commercial operations date of the solar power facilities located on the landowner's leased property.

(f) For purposes of this section, "commercial operations date" means the date on which the solar power facilities are approved for participation in market operations by a regional transmission organization and does not include the generation of electrical energy or other operations conducted before that date for purposes of maintenance and testing.

(g) The grantee may not cancel financial assurance before the date the grantee has completed the grantee's obligation to remove the grantee's solar power facilities located on the landowner's property in the manner provided by this chapter, unless the grantee provides the landowner with replacement financial assurance at the time of or before the cancellation. In the event of a transfer of ownership of the grantee's solar power facilities, the financial security provided by the grantee shall remain in place until the date evidence of financial security meeting the requirements of this chapter is provided to the landowner.

Added by Acts 2021, 87th Leg., R.S., Ch. 582 (S.B. 760), Sec. 2, eff. September 1, 2021.