

Policy Responses and Customer Risk Protection

In response to broader reliability concerns and future forecasts of substantial load growth,⁷⁴ the state has undertaken a series of market reforms and reliability initiatives. Most notably, Senate Bill 6 mandates the PUCT to ensure that large load customers contribute to network upgrades and establishes interconnection standards for large load customers which will minimize stranded costs and maintain system reliability. Notable features of Senate Bill 6 include:⁷⁵

- + Require disclosure of duplicative interconnection requests within Texas
- + Require demonstration of site control and financial commitment
- + Disclose on-site back-up generation
- + Require that large load customers connecting after December 31, 2025 allow load curtailment during emergency conditions

Going forward, these reforms will help mitigate the risks of cost shifting and electricity impacts from data center growth.

Alongside these policy efforts, more coordinated, data-driven and stakeholder-focused planning approaches are also emerging, such as COMPASS initiative – a multi-disciplinary research consortium based at the Bureau of Economic Geology at The University of Texas at Austin.⁷⁶ In an interview, Dr. Ning Lin, principal investigator of COMPASS, described how the effort integrates localized analysis of site suitability, water and cooling, grid and on-site power, permitting, and community engagement with active cross-stakeholder coordination. This framework brings together communities, developers, and public agencies to build a shared understanding of project feasibility and impacts. Approaches like this can help inform planning and improve transparency, while recognizing that their applicability can vary by context.⁷⁷

⁷⁴ Electric Reliability Council of Texas. (n.d.). *Load forecast*. ERCOT. <https://www.ercot.com/gridinfo/load/forecast>

⁷⁵ Texas Legislature. (2025). *Senate Bill 6: Relating to the planning for, interconnection and operation of, and costs related to providing service for certain electrical loads and to the generation of electric power by a water supply or sewer service corporation* (Enrolled bill). LegiScan. <https://legiscan.com/TX/text/SB6/id/3248460>

⁷⁶ Collaborative Optimization & Management of Power Allocation – Surface & Subsurface Strategies <https://compass.beg.utexas.edu/>

⁷⁷ Interview with Dr. Ning Lin, University of Texas at Austin, April 2026