

## **Resolution on Strengthening the Authority of Local Governments in Development Decisions related to Electric Grid Security and Reliability**

WHEREAS novel large technological developments related to electric grid security and reliability, such as Battery Energy Storage Systems (BESS), AI data centers, and cryptocurrency mining operations, are rapidly descending upon Texas in massive numbers, especially to unincorporated rural communities, currently totaling 844 data centers and 969 BESS already operating or planned; and

WHEREAS Texas is the global epicenter for cryptocurrency mining operations, with current energy demand at more than 4,000 MW and forecast by ERCOT to grow exponentially;

WHEREAS BESS, cryptocurrency and data centers and BESS are often directly interconnected with the electric grid and with their massive power requirements affect its security and reliability, as well as increasing the cost of electricity for residential consumers; and

WHEREAS data centers require astronomical amounts of water for their daily operation, and BESS also require enormous quantities water availability for fighting fires in case of thermal runaway events, and their developers seem unconcerned about their impact on scarce water resources in much of Texas, which also suffers from prolonged drought conditions; and

WHEREAS lithium-ion batteries manufactured in China are currently known to be in 90% of BESS, and the federal Department of War has determined that they are a national security threat and removed them from all military bases, and the Lone Star Infrastructure Protection Act, as amended, seeks to prohibit access to the electric grid through equipment and services originating in China, but enforcement has been lax and ineffective;

WHEREAS these large grid-related industrial developments, while alleging that they will bring great economic benefits to the communities where they are installed, carry both well documented and little understood risks to the health, safety, and welfare of the surrounding populations, the environment, and water resources; and

WHEREAS the people who will directly bear the adverse impacts of novel technological developments to their health, safety and welfare, the integrity of their environments, and the resources which sustain life must have the right to decide whether to expose themselves to such risks, a principle similar to individual Prior Informed Consent for medical procedures;

WHEREAS Subsidiarity is a legal principle that social and political issues should be dealt with at the most immediate or local level that is consistent with their resolution; and

WHEREAS the Precautionary Principle is a legal principle for the regulation of innovative technologies which have the potential for causing harm but where scientific knowledge and practical experience is lacking to evaluate them, requiring additional time and resources for investigation to weigh their potential impacts; and

WHEREAS Property Rights are robustly protected in Texas by both the State Constitution and statutes, they are not unlimited and may, for example, be superseded by the need to abate a public nuisance, requiring site-specific evaluations for which local authorities are best suited; and

WHEREAS the State of Texas recognized the importance of local governments having a voice in planning for their own development when it enacted Chapter 391 of the Texas Government Code creating the possibility for local governments to come together at the subregional level to pursue common interests through planning coordination with State agencies; and

WHEREAS State agencies have not been responsive to the requests of 391 Commissions dealing with BESS to engage with them in planning coordination; and

WHEREAS in the absence of an overall unified State permitting process for inherently dangerous and resource-intensive industrial and technological developments such as BESS, cryptocurrency and data centers, Counties are forced, as a matter of utmost urgency, to rely upon themselves for assuring protection of the health, safety, and welfare of their people, environment, water resources, and preventing an exponential increase in the cost of electricity; and

WHEREAS Counties currently lack authority sufficient to meet the unprecedented challenge of BESS, cryptocurrency and data center developers moving into their jurisdictions, finding themselves on an uneven playing field in the face of wealthy, very often foreign, companies, prepared to bring legal actions against them; and

WHEREAS recent developments, notably in Hood County, demonstrated that members of the Texas Legislature, have directly interfered with and attempted to prevent Counties from carrying out their responsibility to protect the health, safety and welfare of their populations in the face of a massive incursion by data centers and colocated BESS and have threatened legal actions against them for their efforts to deal with the crisis; and

WHEREAS for these reasons Texas Counties, other political subdivisions of the State such as 391 Commissions, and local communities, especially in rural areas, are beginning to loudly demand the right to decide whether to accept BESS, cryptocurrency and data centers, which carry well-documented in addition to not well understood risks of irreparable harm to their lives, safety, welfare, and way of life,

NOW THEREFORE BE IT RESOLVED by the Republican Party of Texas that:

1. State agencies which engage in the approval and rulemaking dealing with BESS, cryptocurrency and data centers shall assure that Counties and other units of local government 1) are immediately informed when such facilities apply for permits or grid interconnection, 2) are advised if their parent companies fail to timely submit an LSIPA attestation, and 3) provide the means for holding those agencies accountable for damages resulting from a failure of due diligence.

2. The Texas Legislature shall amend the Texas Local Government Code to extend legal authority of Counties to write specific codes and ordinances applicable to AI and cryptocurrency data centers and BESS.

3. The Texas Local Government Code Chapter 391 should be amended to include ERCOT and LCRA, requiring these entities to engage with 391 commissions in

planning coordination to site BESS, cryptocurrency mining and data centers in their jurisdictions.

4. Plank 9 of the 2024 Republican Party Platform on “Limiting Overreaching State Government” shall be extended to support the right and power of local governments to decide whether to site BESS, cryptocurrency mining and data centers in their jurisdictions.

5. HB 3167 the “shot clock rule” should be amended so as to suspend it for a certain class of developments whose threats are too novel to be evaluated with confidence in 30 days, and in those cases to allow this rule to be substituted by moratoria with the express purpose of allowing sufficient time to take a well-informed decision.

6. Chapter 121.003 of the Texas Health and Safety Code should be strengthened to leave no doubt that in developments based on novel technologies which pose existential and/or unevaluated threats, the people who must bear the risks have the right to decide through their local government entities whether to expose themselves to such risks.