IEC DALLAS

GOVERNMENT AFFAIRS

MONTHLY UPDATE

ADVOCATING
We represent our members on key policy issues at the local, state, and federal levels.

INFLUENCING
We work to shape legislation that supports the electrical industry and your business.

INFORMING
We keep members informed on important policy updates and legislative activity.

STRENGTHENING
Your voice, together with IEC Dallas, helps strengthen our industry and build a better future.

JULY 31, 2026

NEC 2026 takes effect in 32 days. TDLR opened a faster path to the journeyman license on July 1st. Senate Finance took up the data center sales tax exemption on July 27th, ERCOT broke its all-time demand record twice in one week, and the Aligned Data Centers deal closed at 40 billion dollars with the company staying in Dallas.

LICENSING & CODE

Licensing & Code Updates

New Accelerated Path to Journeyman Took Effect July 1st

TDLR adopted new rules creating the Journeyman Electrician Education Program, or JEEP. The rules amend 16 TAC Chapter 73 and add a new Section 73.112, and the adoption was published in the June 26, 2026 Texas Register at 51 TexReg 4177. They took effect July 1, 2026.

Completion of a TDLR-approved JEEP program ordinarily provides 4,000 hours of on-the-job training credit toward the 8,000 hours required. TDLR approves both the program and its curriculum and charges a 90 dollar fee to evaluate one. Under Section 73.21, an applicant may sit for the journeyman exam after completing an approved JEEP program or an apprenticeship training program, or after logging 7,000 hours of on-the-job training. The rule is open to any program TDLR approves, and Texas State Technical College developed the initial proposal.

Only 2,365 of 8,490 journeyman candidates passed in fiscal year 2024, a pass rate of 27.9 percent. Supporters argued that allowing qualified candidates to test earlier could improve preparedness and address the state's shortage of licensed journeyman electricians. The program runs alongside the traditional apprenticeship route rather than replacing it.

Sources: TDLR Commission Adopts Rules, July 2, 2026 . TDLR Exam Statistics FY2024 . Texas Association of Business, May 26, 2026

2026 NEC Takes Effect September 1st

On July 28th the Texas Commission of Licensing and Regulation considered final adoption of the 2026 National Electrical Code for non-exempt electrical work in Texas. The rule is 16 TAC Section 73.100, proposed in the March 20, 2026 Texas Register with an effective date of September 1, 2026, which is now 32 days out. Occupations Code Section 1305.101 requires TDLR to adopt the most recent edition of the NEC as the state code.

The rule also amends Section 210.8(F). The 2026 NEC as published by NFPA carries an exception for listed HVAC equipment that expires September 1, 2026, and the Texas rule adopts that exception without an expiration date. Without it, outdoor HVAC outlets at dwellings would have started requiring GFCI protection on the same day the new code took effect, bringing back the nuisance tripping problem covered in last month's update.

The state-adopted NEC applies to non-exempt electrical work throughout Texas. Municipalities and regional authorities may adopt local amendments and administer local inspection programs within the authority provided by Chapter 1305 of the Occupations Code.

TDLR has scheduled the updated electrician examinations based on the 2026 NEC for September 1, 2026. As of July 30th, TDLR's public exam page still described the exams as based on the 2023 NEC. The specific code changes were covered in last month's update.

Sources: TDLR, The Texas Circuit, inaugural edition, July 30, 2026 (subscription page) . Texas Register, March 20, 2026 (16 TAC 73.100) . TDLR Exam Information . IEC Fort Worth

TDLR Launches a Monthly Newsletter for the Electrical Program

TDLR distributed the inaugural edition of The Texas Circuit on July 30th. The publication introduces itself as a monthly briefing for the electrical program from Deputy Chief Electrical Inspector Josh Hall, covering law and rule changes, NEC updates, and a code article each month. That edition reported the July 28th Commission action on the 2026 NEC and walked through 2023 NEC 210.52(C)(2) and (3), the receptacle placement rules for island and peninsular countertops and work surfaces.

The publication is distributed through TDLR's email updates page.

Sources: TDLR, The Texas Circuit, inaugural edition, July 30, 2026 (subscription page) . TDLR Electricians Program

DATA CENTERS & THE GRID

Data Centers & The Grid

Texas Broke Its All-Time Demand Record Twice in One Week

ERCOT set a new preliminary hourly demand record of 91,089 megawatts on July 22nd, after breaking the previous record the day before. Early real-time reporting placed the July 22nd peak at 91,308 megawatts, but ERCOT's current settlement figure is 91,089 megawatts. The previous high was 85,508 megawatts, set August 10, 2023. ERCOT treats every demand record as unofficial until final settlement, and points to the Demand and Energy Report for current official figures.

No conservation appeals went out on either day. At the 5 p.m. peak on July 22nd the grid still had more than 20,000 megawatts of headroom, enough for another 5 million homes. Solar set a record at 34,700 megawatts and batteries set one at 11,980 megawatts discharged.

On July 29th, ERCOT CEO Pablo Vegas told the Senate Business and Commerce Committee that statewide demand could reach roughly 175,000 megawatts by 2032, close to double the July 22nd record. He also warned that the tightest hours have moved to late evening, after solar drops off and batteries run down, and that clearing future peaks will be harder than this one was. Meeting that evening demand will require new generation, storage, and transmission, all of which carries a substantial electrical scope.

Sources: Texas Tribune, July 29, 2026 . ERCOT Yearly Peak Demand Records

Regulators Ask Lawmakers for More Control Over Data Centers

On June 10th, Governor Abbott sent a letter to the Public Utility Commission, the agency that regulates utilities and electric rates, and to ERCOT. He directed the PUC to require data centers to pay all of their own electric infrastructure costs, ordered both agencies to review the authority they already hold, and required a joint memorandum back to his office by July 17th.

PUC Chairman Thomas Gleeson delivered that memorandum this month. Alongside a list of steps already taken under Senate Bill 6 from the 2025 session, reporting on the memorandum describes three legislative asks: authority for ERCOT to talk directly to a data center during an emergency instead of routing through its utility, a state registration requirement for very large power users, and extension of the Lone Star Infrastructure Protection Act to cover data centers.

The letter also sets out what the Governor intends to pursue in 2027. Abbott pledged to work with the Legislature to repeal the sales tax exemptions and other incentives for data centers, to require that data centers add generating capacity rather than only demand, to require water-efficient technologies including closed-loop cooling systems on new builds, and to require large data centers to report electricity and water use to the PUC each year.

Separately, the PUC's proposed rule for interconnecting loads of 75 megawatts or larger, 16 TAC 25.194, is still pending in Project 58481. Comments closed in April and the Commission has not announced a decision date. University of Texas energy researcher Joshua Rhodes told the Texas Tribune he expects data centers to be a central focus of the next legislative session.

Sources: Governor Abbott directive letter, June 10, 2026 . PUC Chairman Gleeson response . Texas Tribune / Houston Public Media, July 29, 2026 . Senate Bill 6 (89R)

Aligned Data Centers Deal Closes at 40 Billion Dollars, Stays in Dallas

On July 21st, BlackRock's Global Infrastructure Partners, MGX, and the AI Infrastructure Partnership completed their purchase of 100 percent of Aligned Data Centers at an enterprise value of roughly 40 billion dollars. It is one of the largest private investments ever made in digital infrastructure.

Aligned keeps its headquarters in Dallas and its current management. The buyers committed another 5 billion dollars in growth capital at closing to fund expansion. The company's portfolio spans 51 campuses with more than 6.4 gigawatts operating or planned, and Dallas is one of its core markets alongside Northern Virginia, Chicago, Phoenix, and Salt Lake City. An expansion commitment of that size, at a company headquartered in Dallas, suggests the North Texas construction pipeline will stay active well beyond the projects already under way.

Sources: Aligned Data Centers press release, July 21, 2026

At the Capitol in July: Senators Press the Data Center Tax Break

Two Senate hearings took up data centers in late July. Senate Finance spent July 27th on the data center sales tax exemptions. Senate Business and Commerce took up grid and transmission issues July 29th, the hearing where ERCOT delivered the demand forecast above. The Finance hearings follow the Governor's June letter, which pledged to repeal the data center sales tax exemption outright.

Brad Reynolds of the Comptroller's Revenue Estimating Division testified in Senate Finance that the exemptions cost about 14.6 million dollars when they took effect in fiscal 2014 and 2015 and are now projected at roughly 3.3 billion dollars by 2029.

Reynolds explained that there are two exemptions, both limited to single-user facilities, so colocation and multi-tenant data centers receive nothing. The 2013 version, Tax Code Section 151.359, requires 100,000 square feet of IT space, 20 permanent jobs, and 200 million dollars of capital investment over three years. The 2015 version for large qualifying data centers, Section 151.3595, requires 250,000 square feet, 40 permanent jobs, and 500 million dollars over five years. Neither counts construction jobs.

Of about 138 certified data centers, 20 are under audit and six were found noncompliant. One missed the square footage threshold and five missed the jobs requirement.

> *“I was surprised that given the value of the sales tax exemption that they wouldn't manage to employ 20 people.”*
>
> Brad Reynolds, Revenue Estimating Division, Texas Comptroller of Public Accounts. Senate Finance, July 27, 2026, at 1:26:35. Watch the clip

Senator Juan Hinojosa asked Reynolds in that same Senate Finance hearing for an average job count per facility. Reynolds said he did not know, and he agreed with Hinojosa that permanent headcount after construction is small next to the size of the investment. Reynolds also told the committee there are now enough data centers in Texas to support full-time work for specialized electricians who are not on any data center's payroll.

Sources: Senate Finance hearing, July 27, 2026 . Clip: Reynolds on data center jobs

WORKFORCE

Workforce & Industry

BlackRock Future Builders: First Grant Window Closed July 10th

IEC Dallas is one of the recipients of the 30 million dollar Texas commitment the BlackRock Foundation announced in May, which aims to train more than 12,000 Texans for electrical careers. That money pays for the 80-hour SafeSTART pre-apprenticeship, a journeyman exam prep course for eligible apprentices, and direct access into the IEC Dallas registered apprenticeship program.

A separate and larger round is under way. The BlackRock Foundation closed applications on July 10th for the first cycle of a 25 million dollar national skilled trades grant round, part of the broader 100 million dollar Future Builders effort. Jobs for the Future administers it, awards run from 500,000 dollars to 1 million dollars over two years, recipients will be named in the fall, and a second cycle follows.

Sources: BlackRock press release, June 1, 2026 . Future Builders RFP (Jobs for the Future) . Dallas Innovates, May 6, 2026

LOOKING AHEAD

What to Watch: Now through January 2027

When	What
July 31, 2026	Deadline set in the Governor's June 10th letter for the PUC to initiate action reducing residential ratepayer transmission costs.
August 2026	ERCOT expects to notify Batch Zero applicants of project classification. Cleared projects move toward full electrical buildout.
September 1, 2026	2026 NEC takes effect statewide. TDLR journeyman and master exams switch to the new edition the same day.
Fall 2026	BlackRock Foundation names Future Builders grant recipients from the first national funding cycle.
Fall 2026	Interim committees hold hearings on 2027 priorities. The House Committee on Licensing and Administrative Procedures has an interim charge to examine occupational licensing and regulatory requirements for state-regulated trades and professions.
Late 2026	PUC expected to act on the large-load interconnection rule, 16 TAC 25.194, covering loads of 75 megawatts or larger.
November 3, 2026	General election.
November 9, 2026	Bill pre-filing opens for the 2027 session, the first Monday after the general election. First look at proposals affecting electricians.
November 2026	Texas Jobs Council delivers its final report with executive and legislative recommendations on the skilled trades shortage.
January 12, 2027	90th Texas Legislature convenes. Data center grid policy, occupational licensing, and workforce are expected early priorities.

LEGISLATIVE SNAPSHOT

Why Texas Lawmakers Only Meet Every Other Year

The Texas Legislature is the body that writes state law, and unlike Congress it does not meet year-round. Under Article 3, Section 5 of the Texas Constitution, it convenes at noon on the second Tuesday of January in odd-numbered years and sits for no more than 140 days. The 89th Legislature adjourned its regular session on June 2, 2025, and the 90th convenes January 12, 2027. That gap of roughly 19 months is called the interim, and we are in month 13 of it.

Almost any change to state law touching your license, your exams, or your job sites has to pass inside that 140-day window or wait two more years for the next session. Thousands of bills get filed and most never receive a hearing. Members can begin pre-filing bills on the first Monday after the general election, which is November 9th this year.

Why it matters: interim charges and the hearings that follow them are the best available forecast of what the Legislature will focus on next session. Committees spend the interim studying topics assigned to them by the Lieutenant Governor and the Speaker, and the questions members ask in those hearings tend to become the bills they file. Chairman Gleeson asking lawmakers in July for new authority over data centers is one example, and Senate Finance devoting a full day to the data center tax exemption in the same week is another. Both landed roughly six months before any bill can be voted on, and both tell you where the 2027 session is heading.