New large data centers can’t be studied or switched on in Texas until the audit ends.

Batch Zero, approved in June, is how ERCOT, the state’s grid operator, studies loads of 75 MW and up as one group. Since August it has paused the study and new energizations for a governor-ordered audit; since September 21, environmental permits are paused too. No end date is set; the pauses are tied to the audit’s completion.

01 · THE MAIN TRACK, ERCOT’S BATCH ZERO

STEP 1
Request
Load submitted through its utility. Loads of 75 MW and up must meet the PUC’s interconnection standards under SB 6.

CLOSED · JUL 24

STEP 2
Classify
Each load sorted as base, studied or excluded. Base and studied loads go into the batch study.

CONDITIONAL · SEP 3

STEP 3
Verify & audit
Added by the governor on Aug 3: tax incentives, power, water and cooling, community impact, ownership.

REPORT DUE BY DEC 10

STEP 4
Study & allocate
One study of the whole batch allocates grid capacity by year, 2028–2032, and the transmission it needs.

PAUSED · WAS APR 2027

STEP 5
Energize
Load switched on once its conditions are met and ERCOT approves.

PAUSED · NEW ≥75 MW

PAUSED ADDED SINCE AUGUST UNCHANGED

02 · RUNNING ALONGSIDE

Environmental permits TCEQ
PAUSED · SEP 21

Air and water permits and authorizations for infrastructure directly supporting data centers.

Water reporting TWDB
ENFORCED · SEP 14

Survey responses required by the Water Code, now enforced and fed into the audit.

Sales-tax exemption COMPTROLLER
SET BY STATUTE

Certification under Tax Code §151.359 (state tax) or §151.3595 (state and local).

~474 GW
REQUESTS TO CONNECT, ABOUT 90% DATA CENTERS

~194 GW
CONDITIONALLY IN BATCH ZERO, BASE AND STUDIED

~302 GW
LEFT OUT OF BATCH ZERO

75 MW
SIZE AT WHICH A LOAD ENTERS THE PROCESS

Dec 10
DEADLINE FOR ERCOT’S VERIFICATION REPORT

ERCOT: Electric Reliability Council of Texas. PUC: Public Utility Commission of Texas. TCEQ: Texas Commission on Environmental Quality. TWDB: Texas Water Development Board. SB 6: Senate Bill 6 (2025). Sources: Governor’s letter to the PUC and ERCOT (3 Aug 2026) and releases (14 and 21 Sep 2026); ERCOT Board, “Batch Zero Update” (Sep 2026), and release (18 Jun 2026); Comptroller forms AP-233 and 01-929. Classification counts are conditional; final inclusion follows the audit. ERCOT gives studied load as 127.9 GW in its summary and 125.4 GW in its chart; the summary is used. The pauses apply only to data center and crypto loads not yet connected. General process, not specific to any company.

NOT INVESTMENT ADVICE

The pauses rest on directives. Ending the tax breaks would take a new law.

ERCOT runs the process under PUC oversight. The governor appoints PUC and TCEQ commissioners, with Senate consent, to staggered six-year terms. The Legislature writes the statutes, including SB 6 (Senate Bill 6, 2025) and the sales-tax exemptions; it next meets January 12, 2027, and only the governor can call a special session.

01 · WHO CONTROLS WHAT

Each pause was put in place by ERCOT or TCEQ at the governor's direction. The tax exemptions are statute.

WHAT	WHO RUNS IT	WHAT IT RESTS ON	CHANGED BY
Batch study and allocation	ERCOT, under the PUC	Batch Zero rules, PUC-approved in June	PUC APPROVAL
Study and energization pause	ERCOT and the PUC	Governor's directive, 3 Aug 2026	EXECUTIVE
Environmental permit pause	TCEQ	Governor's directive, 21 Sep 2026	EXECUTIVE
Water reporting enforcement	TWDB	Water Code; directive, 14 Sep 2026	EXECUTIVE
Interconnection standards	PUC	Rule under SB 6 (2025)	PUC RULEMAKING
Sales-tax exemptions	Comptroller	Tax Code §151.359, §151.3595	NEW LAW

ERCOT Electric Reliability Council of Texas, the grid operator
PUC Public Utility Commission of Texas
TCEQ Texas Commission on Environmental Quality
TWDB Texas Water Development Board

02 · WHAT COMES NEXT

All three pauses are tied to the audit's completion. Whether filing the report counts as completion isn't stated.

Dec 10, 2026	ERCOT due to file its verification and community impact reports
Jan 12, 2027	90th Legislature convenes for 140 days
Jan 2027	New governor takes office
Mar 12, 2027	Last day to file most bills
May 31, 2027	Session ends
Summer 2027	Applications for the next batch expected to open
TBD	Batch Zero study results, originally due Apr 9, 2027

3
PAUSES IN FORCE, ALL FROM GOVERNOR'S DIRECTIVES

2
SALES-TAX EXEMPTIONS IN STATUTE

6 years
STAGGERED PUC AND TCEQ TERMS

Jan 12
LEGISLATURE CONVENES, 2027

140 days
LENGTH OF THE REGULAR SESSION

Sources: Governor's letters and releases (3 Aug, 14 Sep and 21 Sep 2026); ERCOT Board, "Batch Zero Update" (Sep 2026), and news release (18 Jun 2026); PUC and TCEQ commissioner pages; Texas Utilities Code §12.051; Comptroller forms AP-233 and 01-929. Session dates per the 90th Legislature calendar; the governor-elect takes office in January 2027. How readily a successor could change the pauses is untested, and the legal reach of the directives has been questioned. SB 6 directs the PUC to set standards for loads of 75 MW and up; the PUC adopted its rule (16 TAC §25.194) in September 2026. General process, not specific to any company.

NOT INVESTMENT ADVICE