



Subscribe

OPINION // OUTLOOK

Abbott's unilateral data center moratorium threatens Houston industry | Opinion

By **Jeremy Kitchen**

Sep 23, 2026



Texas Governor Greg Abbott speaks during a visit to Ernie's Cafe and Catering in Pasadena, Tuesday, Sept. 1, 2026.

Jason Fochtman/Houston Chronicle

Gov. Greg Abbott has directed the Texas Commission on Environmental Quality to halt all permits sought by data centers until the Electric Reliability Council of Texas completes an audit of projects seeking access to the electric grid.

Whatever Texans think about data centers, that directive should raise concerns. Grid reliability, water availability and infrastructure costs are legitimate policy questions. Whether one governor may effectively close Texas to an entire industry without clear legislative authorization is another question altogether.

Abbott's latest move builds on directives issued in recent months. Earlier this year, he directed the Public Utility Commission of Texas and ERCOT to audit data centers seeking grid interconnection and prevent projects from advancing until the audit was completed. That intervention effectively stopped ERCOT's "Batch Zero" process, which was intended to evaluate an initial group of large-load interconnection requests under the framework created by Senate Bill 6. He later directed the Texas Water Development Board to enforce existing water-use reporting requirements against data centers.

ADVERTISEMENT

Article continues below this ad

This new TCEQ directive goes further. It does not merely demand compliance with an existing reporting law or scrutinize requests to connect to an already constrained electric grid. Abbott's order tells the state's environmental regulator to issue no permits sought by data center projects while other agencies conduct their reviews.

Yes, data centers should pay the infrastructure costs they create. They should not shift the expense of transmission upgrades onto homeowners and small businesses. They should comply with environmental laws and accurately report their water and electricity use. Texas should also reconsider whether an industry capable of attracting billions in private investment needs special tax privileges.



Want more Houston Chronicle?

Make us a Preferred Source on Google to see more of us when you search.

[Add Preferred Source](#)

None of that answers the central question: Where did the governor obtain the authority to suspend permitting for an entire industry?

SB 6 created requirements for large electric loads, including infrastructure costs, financial commitments and reliability standards. Those provisions operate through the state's utility regulatory structure. They do not appear to authorize the governor to order TCEQ to stop processing environmental permits.

ADVERTISEMENT

Article continues below this ad

Existing law places TCEQ's jurisdiction and regulatory authority with the commission itself. The Texas Water Code assigns the commission its jurisdiction, general powers and rulemaking responsibilities. The commission may delegate certain responsibilities to its executive director. None of those provisions appears to give the governor a general power to suspend permit processing for a particular industry.

Texas law does give the governor limited authority to suspend certain regulatory statutes and agency rules during a declared disaster when compliance would hinder the state's response. But Abbott's data center directive does not identify a disaster or invoke that emergency authority.

The governor appoints the members of the PUC and TCEQ, subject to Senate confirmation. That gives him significant influence over state policy. But political influence over an agency is not the same as personally possessing the agency's statutory powers.

The Legislature created these agencies, defined their responsibilities and established the standards they administer. The Texas Constitution also states that the power to suspend laws belongs to the Legislature. If permit applications are to be frozen

regardless of whether they satisfy standards enacted by lawmakers, the governor should identify the specific authority allowing him to order that result.

This distinction especially matters in Houston. The region's economy depends on large, capital-intensive industries making long-term investments under reasonably predictable rules. Energy producers, manufacturers, technology companies and infrastructure developers may disagree with particular regulations, but they all need to know that Texas law will not abruptly change through a letter from one elected official.

ADVERTISEMENT

Article continues below this ad

Some may argue that the immediate economic effect will be limited because ERCOT already faces a substantial interconnection backlog. That may be true. A project unable to obtain sufficient electricity cannot operate merely because it secured an environmental permit. But an operational delay caused by grid limitations is different from an executive directive ordering a state agency to withhold permits. The precedent exists even if relatively few projects are immediately affected.

Other states have used legislation, established environmental reviews or created voluntary agreements to address data center growth. Those policies can be

debated, but they show that legitimate infrastructure concerns can be addressed through ordinary governing processes.

Texas can protect its grid and water resources without embracing government-by-decree. If existing laws are inadequate, Abbott should ask the Legislature to change them. Lawmakers can debate neutral standards for large industrial loads, determine who pays for new infrastructure and decide whether data centers should continue receiving tax incentives.

Today, the target is data centers. A future governor could invoke the same claimed authority against a different industry.

ADVERTISEMENT

Article continues below this ad

The question is larger than any one technology or project. If a governor can unilaterally stop permits for an entire lawful industry, where does that power end?

Jeramy Kitchen is president of Texas Policy Research, nonpartisan public policy organization committed to advancing liberty-based solutions that improve governance across the Lone Star State.