

HB 3364 -- USE OF RESOURCES BY INDUSTRIAL USERS

SPONSOR: Costlow

This bill requires municipally owned electric utilities and electric cooperatives to develop a service tariff schedule applicable to customers projected to have an annual peak demand of 50 megawatts or more that ensures customers' rates reasonably reflect the representative share of the costs incurred to serve the customers and prevent other customer classes' rates from reflecting unjust or unreasonable costs arising from service to such customers.

Municipally owned water utilities, public water supply districts, and water corporations must develop a service tariff schedule applicable to customers projected to exceed 2 million gallons per day or 80% of the available capacity for that system per day that ensures customers' rates reasonably reflect the representative share of the costs incurred to serve the customers and prevent other customer classes' rates from reflecting unjust or unreasonable costs arising from service to such customers. A water corporation must submit contracts for service to customers projected to exceed 2,000,000 gallons per day or 80% of the available capacity for that system per day for approval by the Public Service Commission.

All electric providers must establish a load-shedding plan with large-load customers, as defined in the bill, for the protection or restoration of system operations that prioritize continuation of service for critical facilities and residential services.

The bill also specifies that it is unlawful for any person to withdraw and use more than 2 million gallons of water per day on average in a single month unless the person holds a major industrial water user permit issued by the Department of Natural Resources, is a public water system, or the water is used for agricultural purposes.

The Director of the Department must review each major industrial water user permit application to ensure certain conditions specified in the bill have been met prior to approving a major industrial water user permit application.

When a person applies for a permit or permit renewal, the Department must send a written notice to the county commission of the county where the water resource is located within 30 business days after receiving the permit application. Within 120 days

after the receipt of a complete application, the Director must determine whether the applicant complied with the application requirements and hold a 30-day public comment period regarding the director's determination. Within 60 days after the comment period, the Director must approve or deny the permit. To renew a valid permit, an applicant must file a renewal application with the Department no later than 271 days before the expiration of the existing permit.

The Director may impose additional conditions to address any substantial or material change or may deny a renewal application as necessary to comply with the permit requirements based on any such substantial or material changes. If the Director is in the process of reviewing the renewal application before the final decision is made and the existing applicant's permit expires, the applicant is able to operate under the terms of the expired permit until a final decision is made by the Director.

In the absence of an appeal, the decision of the Director shall be final.

A permit is effective for five years from the date of issuance. The permit holder must annually report certain information to the Department that will be made available on the Department's website.

Any other major water user may request the Department to reevaluate any existing major industrial water user permit through a mechanism created by the department. The Department must notify the major water user with the Director's findings within 120 days of the request for reevaluation.

If the Attorney General receives a complaint for violations of the provisions of the bill, or at the request of the Department, the Attorney General must bring an injunctive action or other appropriate action. A suit can be brought in Cole County or any county where the defendant's principal place of business is located or where the withdrawal of water occurred. Any member of the commission deemed to have violated the provisions of the bill must forfeit his or her office upon such findings of a violation.

Whenever a state of emergency is declared by the Governor in any part of the State based on drought conditions, the Department must reevaluate any existing permit.

This bill is similar to HB 3362 (2026).