

BILL ANALYSIS

Senate Research Center
89R30392 JXC-D

C.S.H.B. 3228
By: Lambert et al. (Perry)
Business & Commerce
5/15/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In recent years, a 30-acre graveyard of windmill blades has developed near Sweetwater, Texas, due to financial mismanagement by a purported recycling company that was ultimately unable to meet its obligations.

H.B. 3228 is intended to ensure that the financial resources necessary to recycle and dispose of windmill blades and other wind and solar power facility components are available even in the event a power generator or recycler folds due to financial mismanagement by accounting for those costs in the financial assurance that wind and solar power providers must make to the owner of the land on which they install their generation equipment via the necessary lease agreement prior to construction of the project.

(Original Author/Sponsor's Statement of Intent)

C.S.H.B. 3228 amends current law relating to the inclusion of certain provisions in lease agreements for wind or solar power facilities.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 301.0001, Utilities Code, by adding Subdivision (1-a) to define "recycle" and amending Subdivision (2) to redefine "wind power facility."

SECTION 2. Amends Section 301.0003, Utilities Code, by adding Subsection (a-1), as follows:

(a-1) Requires that a wind power facility agreement provide that the grantee is responsible for:

(1) collecting and reusing or recycling, or shipping for reuse or recycling, all components of the wind power facility practicably capable of being reused or recycled, including the wind turbine blades, in accordance with any other applicable laws or regulations; and

(2) disposing of all components of the wind power facility not practicably capable of being reused or recycled at a facility authorized under state and federal law to dispose of hazardous substances for a component considered hazardous under those laws or, for nonhazardous components, at a municipal solid waste landfill or other appropriate waste disposal facility authorized under state and federal law to dispose of that type of component.

SECTION 3. Amends Sections 301.0004(a), (b), (c), and (d), Utilities Code, as follows:

(a) Requires that a wind power facility agreement provide that the grantee obtain and deliver to the landowner evidence of financial assurance that conforms to the

requirements of Section 301.0004 (Required Agreement Provisions on Financial Assurance) to secure the performance of the grantee's obligations under Section 301.0003 (Required Agreement Provisions on Facility Removal), rather than the grantee's obligation to remove the grantee's wind power facilities located on the landowner's property as described by Section 301.0003.

(b) Requires that the amount of the financial assurance be at least equal to the estimated amount by which the cost of removing the wind power facilities from the landowner's property, recycling or disposing of all the components of the wind power facilities, and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins exceeds the salvage value of the wind power facilities, less any portion of the value of the wind power facilities pledged to secure outstanding debt.

(c) Makes conforming changes to this subsection.

(d) Provides that the grantee is responsible for the costs of obtaining financial assurance described by this section and costs of determining the estimated removal, recycling, and disposal costs and salvage value.

SECTION 4. Amends Section 302.0001, Utilities Code, by adding Subdivision (1-a) to define "recycle" and amending Subdivision (3) to redefine "solar power facility."

SECTION 5. Amends Section 302.0004, Utilities Code, by adding Subsection (a-1), as follows:

(a-1) Requires that a solar power facility agreement provide that the grantee is responsible for:

(1) collecting and reusing or recycling, or shipping for reuse or recycling, all components of the solar power facility practicably capable of being reused or recycled, including the photovoltaic modules, in accordance with any other applicable laws or regulations; and

(2) disposing of all components of the solar power facility not practicably capable of being reused or recycled at a facility authorized under state and federal law to dispose of hazardous substances for a component considered hazardous under those laws or for nonhazardous components, at a municipal solid waste landfill or other appropriate waste disposal facility authorized under state and federal law to dispose of that type of component.

SECTION 6. Amends Sections 302.0005(a), (b), (c), and (d), Utilities Code, as follows:

(a) Requires that a solar power facility agreement is required to provide that the grantee obtain and deliver to the landowner evidence of financial assurance that conforms to the requirements of Section 302.0005 (Required Agreement Provisions on Financial Assurance) to secure the performance of the grantee's obligations under Section 302.0004 (Required Agreement Provisions on Facility Removal), rather than the grantee's obligation to remove the grantee's solar power facilities located on the landowner's property as described by Section 302.0004.

(b) Requires that the amount of the financial assurance be at least equal to the estimated amount by which the cost of removing the solar power facilities from the landowner's property, recycling or disposing of all the components of the solar power facilities, and restoring the property to as near as reasonably possible the condition of the property as of the date the agreement begins exceeds the salvage value of the solar power facilities, less any portion of the value of the solar power facilities pledged to secure outstanding debt.

(c) Makes conforming changes to this subsection.

(d) Provides that the grantee is responsible for the costs of obtaining financial assurance described by this section and costs of determining the estimated removal, recycling, and disposal costs and salvage value.

SECTION 7. Makes application of Chapters 301 (Wind Power Facility Agreements) and 302 (Solar Power Facility Agreements), Utilities Code, as amended by this Act, prospective.

SECTION 8. Effective date: September 1, 2025.