

**BILL ANALYSIS**

Senate Research Center

H.B. 3229  
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Engrossed

**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 or perform the services it was contracted to deliver. While wind and solar power facilities are required by existing law to obtain and deliver full financial assurance for decommissioning and land restoration, the same obligation does not apply to recycling companies who take title of wind and solar generation components for recycling—meaning no financial assurance is available to cover disposal costs when a recycler fails to complete the task.

H.B. 3229 is intended to enhance transparency and accountability in wind and solar generation by:

- (1) requiring renewable energy recyclers to submit annual reports detailing their inventory of components accepted for recycling, projected timelines for recycling, and cost estimates for completing the process;
- (2) mandating that renewable recycling facilities provide financial assurance to cover 125 percent of the estimated costs to ensure that resources are available to complete the necessary recycling and disposal activities;
- (3) establishing a public listing of compliant entities; and
- (4) mandating that anyone recycling renewable energy components must contract with a compliant entity.

H.B. 3229 amends current law relating to recycling of certain renewable energy components and authorizes an administrative penalty.

**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 Subtitle B, Title 5, Health and Safety Code, by adding Chapter 376, as follows:

CHAPTER 376. RENEWABLE ENERGY COMPONENT RECYCLING FACILITIES

Sec. 376.001. DEFINITION. Defines "commission."

Sec. 376.002. APPLICABILITY. Provides that this chapter applies only to a recycling facility that accepts, processes, and repurposes components to recover valuable materials from certain energy generation and storage devices, generators, and systems.

Sec. 376.003. REPORT. (a) Requires the owner of a recycling facility to submit a report to the Texas Commission on Environmental Quality (TCEQ) not later than January 15 of each year that includes:

(1) an inventory of all components of a wind turbine generator, solar energy device, or battery energy storage system accepted by the facility for recycling that have not yet been recycled, including any components the facility has taken title to or assumed control of regardless of whether the components are located at the facility;

(2) an estimated timeline for recycling or disposing of the components described by Subdivision (1); and

(3) a cost estimate for recycling or disposing of the components described by Subdivision (1) prepared by an independent, third-party professional engineer licensed in this state.

(b) Requires the owner of the recycling facility to submit with the facility's first report submitted under Subsection (a) evidence of financial assurance in an amount equal to 100 percent of the cost estimated under Subsection (a)(3) and submit with each subsequent report any additional financial assurance necessary to ensure that the amount of financial assurance the owner has on file with TCEQ for the facility is at least equal to 100 percent of the cost estimated under Subsection (a)(3) in the subsequent report.

(c) Provides that acceptable forms of financial assurance for purposes of this section include a parent company guaranty with a minimum investment grade credit rating for the parent company issued by a major domestic credit rating agency, a letter of credit, or a bond.

Sec. 376.004. INTERNET POSTING. Requires TCEQ to maintain on its Internet website a list of recycling facilities in this state that are in compliance with this chapter.

Sec. 376.005. ADMINISTRATIVE PENALTY. (a) Prohibits a person from accepting, processing, or repurposing components as described by Section 376.002 for compensation unless the person complies with the requirements of this chapter.

(b) Authorizes TCEQ to impose an administrative penalty on an owner or operator of a recycling facility to which this section applies in accordance with Section 7.052(b-5), Water Code.

SECTION 2. Amends Section 5.013(a), Water Code, to provide that TCEQ has general jurisdiction over certain matters, including the responsibilities assigned to TCEQ by certain chapters of Health and Safety Code, including Chapter 376.

SECTION 3. Amends Section 7.052, Water Code, by adding Subsection (b-5) to prohibit the amount of the penalty for a violation of Chapter 376, Health and Safety Code, from exceeding \$500 a day for each violation.

SECTION 4. Effective date: September 1, 2025.