

BILL ANALYSIS

H.B. 3240
By: Guerra
Energy Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to the National Association of Manufacturers, Texas has the potential to produce enough geothermal energy to decarbonize its entire power grid, due to Texas' abundance of available geothermal energy. The author has informed the committee that although large energy providers such as Chevron and Shell have already endorsed geothermal energy and invested in geothermal projects, Texas lacks a comprehensive policy framework for geothermal energy production, transportation, and storage. H.B. 3240 seeks to provide the legislature with the information it needs to establish that framework by creating the Texas Geothermal Energy Production Policy Council to study this issue and provide pertinent policy recommendations.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3240 amends the Natural Resources Code to establish the Texas geothermal energy production policy council within the Railroad Commission of Texas (RRC) to study and make recommendations relating to the RRC's policy framework for geothermal energy development. The council is composed of the following members:

- the chair of the RRC or the chair's designee;
- the director of the Bureau of Economic Geology of The University of Texas at Austin or the director's designee; and
- not more than 11 members appointed by the RRC to represent as many different types of participants as possible, including at least three but not more than five representatives from the geothermal energy industry.

H.B. 3240 makes the RRC chair or the chair's designee the chair of the council and establishes that a council member is not entitled to compensation or reimbursement of expenses for service on the council. The bill requires the council to do the following:

- study the development of geothermal energy industries in Texas, including the development of facilities for the production, pipeline transportation, and storage of geothermal energy;
- analyze how tax incentives or cooperation with the Geothermal Technologies Office of the U.S. Department of Energy could encourage the development of geothermal energy projects in Texas; and
- develop a state plan for geothermal energy production oversight by the RRC.

The bill requires the council to make recommendations to the legislature relating to legislative changes needed for the oversight and regulation of production, pipeline transportation, and storage of geothermal energy.

H.B. 3240 abolishes the council and sets the bill's provisions to expire on January 1, 2032.

EFFECTIVE DATE

September 1, 2025.