

BILL ANALYSIS

C.S.H.B. 5568
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that a geothermal energy conservation well is a specific type of geothermal well designed to capture, transfer, or store thermal energy from underground sources for later use and, unlike traditional geothermal wells used for direct power generation, is focused on energy conservation and management, ensuring efficient utilization of geothermal heat. The bill author has also informed the committee that while these wells manage thermal energy and do not function as battery energy storage systems, which store electrical energy rather than heat, there are concerns that a geothermal energy conservation well may be misinterpreted as a type of battery storage resource under a certain statutory definition. C.S.H.B. 5568 seeks to address these concerns by specifying that a geothermal energy conservation well is not a battery energy storage resource for purposes of the applicable law.

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

C.S.H.B. 5568 amends the Natural Resources Code to rename, for purposes of the designation by the Railroad Commission of Texas (RRC) under the orphaned well reduction program of a person as the operator of an energy conservation well who files with the RRC a factually supported claim based on a recognized legal theory to a continuing possessory right in the geologic space accessed by the well, an energy conservation well as a geothermal energy conservation well. The bill specifies that such a well is not a battery energy storage resource.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 5568 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute omits the specification from the introduced that a geothermal energy conservation well is an electric energy storage facility.