

115TH CONGRESS
1ST SESSION

H. R. 4568

To amend the Geothermal Steam Act of 1970 to promote timely exploration for geothermal resources under geothermal leases, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 2017

Mr. LABRADOR (for himself and Mr. GOSAR) introduced the following bill;
which was referred to the Committee on Natural Resources

A BILL

To amend the Geothermal Steam Act of 1970 to promote timely exploration for geothermal resources under geothermal leases, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Enhancing Geothermal
5 Production on Federal Lands Act”.

6 **SEC. 2. GEOTHERMAL PRODUCTION ON FEDERAL LANDS.**

7 The Geothermal Steam Act of 1970 (30 U.S.C. 1001
8 et seq.) is amended by adding at the end the following:

1 **“SEC. 30. GEOTHERMAL EXPLORATION TEST PROJECTS.**

2 “(a) DEFINITION OF GEOTHERMAL EXPLORATION
3 TEST PROJECT.—In this section, the term ‘geothermal ex-
4 ploration test project’ means the drilling of a well to test
5 or explore for geothermal resources on lands for which the
6 Secretary has issued a lease under this Act, that—

7 “(1) is carried out by the holder of the lease;

8 “(2) causes—

9 “(A) less than 5 acres of soil or vegetation
10 disruption at the location of each geothermal
11 exploration well; and

12 “(B) not more than an additional 5 acres
13 of soil or vegetation disruption during access or
14 egress to the test site;

15 “(3) is developed—

16 “(A) 8 inches or less in diameter;

17 “(B) in a manner that does not require
18 off-road motorized access other than to and
19 from the well site along an identified off-road
20 route;

21 “(C) without construction of new roads
22 other than upgrading of existing drainage cross-
23 ings for safety purposes; and

24 “(D) with the use of rubber-tired digging
25 or drilling equipment vehicles;

1 “(4) is completed in less than 90 days, includ-
2 ing the removal of any surface infrastructure from
3 the site; and

4 “(5) requires the restoration of the project site
5 within 3 years of the date of first exploration drilling
6 to approximately the condition that existed at the
7 time the project began, unless the site is subse-
8 quently used as part of energy development under
9 the lease.

10 “(b) CATEGORICAL EXCLUSION.—

11 “(1) IN GENERAL.—Unless extraordinary cir-
12 cumstances exist, a project that the Secretary deter-
13 mines under subsection (c) is a geothermal explo-
14 ration test project shall be categorically excluded
15 from the requirements for an environmental assess-
16 ment or an environmental impact statement under
17 the National Environmental Policy Act of 1969 (42
18 U.S.C. 4321 et seq.) or section 1508.4 of title 40,
19 Code of Federal Regulations (or a successor regula-
20 tion).

21 “(2) EXTRAORDINARY CIRCUMSTANCES DEFINI-
22 TION.—In this subsection, the term ‘extraordinary
23 circumstances’ has the same meaning given such
24 term in the Department of the Interior Depart-

1 mental Manual, 516 DM 2.3A(3) and 516 DM 2,
2 Appendix 2 (or successor provisions).

3 “(c) PROCESS.—

4 “(1) REQUIREMENT TO PROVIDE NOTICE.—A
5 leaseholder shall provide notice to the Secretary of
6 the leaseholder’s intent to carry out a geothermal ex-
7 ploration test project at least 30 days before the
8 start of drilling under the project.

9 “(2) REVIEW AND DETERMINATION.—Not later
10 than 10 days after receipt of a notice of intent
11 under paragraph (1), the Secretary shall, with re-
12 spect to the project described in the notice of in-
13 tent—

14 “(A) determine if the project qualifies for
15 a categorical exclusion under subsection (b);
16 and

17 “(B) notify the leaseholder of such deter-
18 mination.

19 “(3) OPPORTUNITY TO REMEDY.—

20 “(A) IN GENERAL.—If the Secretary deter-
21 mines under paragraph (2)(A) that the project
22 does not qualify for a categorical exclusion
23 under subsection (b), the Secretary shall—

24 “(i) include in such notice clear and
25 detailed findings on any deficiencies in the

1 project that resulted in such determina-
2 tion; and

3 “(ii) allow the leaseholder to remedy
4 any such deficiencies and resubmit the no-
5 tice of intent under paragraph (1).”.

6 **SEC. 3. GEOTHERMAL LEASING PRIORITY AREAS.**

7 The Geothermal Steam Act of 1970 (30 U.S.C. 1001
8 et seq.) is further amended by adding at the end the fol-
9 lowing:

10 **“SEC. 31. GEOTHERMAL LEASING PRIORITY AREAS.**

11 “(a) DEFINITION OF COVERED LAND.—In this sec-
12 tion, the term ‘covered land’ means land that is—

13 “(1) Federal land; and

14 “(2) not excluded from the development of geo-
15 thermal energy under—

16 “(A) a land use plan established under the
17 Federal Land Policy and Management Act of
18 1976 (43 U.S.C. 1701 et seq.); or

19 “(B) any other Federal law.

20 “(b) DESIGNATION OF GEOTHERMAL LEASING PRI-
21 ORITY AREAS.—The Secretary, in consultation with the
22 Secretary of Energy, shall designate portions of covered
23 land as geothermal leasing priority areas as soon as prac-
24 ticable, but not later than 5 years, after the date of the
25 enactment of this section.

1 “(c) CRITERIA FOR SELECTION.—In determining
2 which covered lands to designate as geothermal leasing
3 priority areas under subsection (b), the Secretary, in con-
4 sultation with the Secretary of Energy, shall consider if—

5 “(1) the covered land is preferable for geo-
6 thermal leasing;

7 “(2) production of geothermal energy on such
8 land is economically viable, including if such land
9 has access to methods of energy transmission; and

10 “(3) the designation would be in compliance
11 with section 202 of the Federal Land Policy and
12 Management Act of 1976 (43 U.S.C. 1712), includ-
13 ing subsection (c)(9) of that section.

14 “(d) REVIEW AND MODIFICATION.—Not less fre-
15 quently than once every 10 years, the Secretary shall—

16 “(1) review covered land and, if appropriate,
17 make additional designations of geothermal leasing
18 priority areas; and

19 “(2) review each area designated as a geo-
20 thermal leasing priority area under this section, and,
21 if appropriate, remove such designation.

22 “(e) PROGRAMMATIC ENVIRONMENTAL IMPACT
23 STATEMENT.—

24 “(1) INITIAL DESIGNATIONS.—Not later than 5
25 years after the date of the enactment of this section,

1 the Secretary shall prepare a supplement to any
2 final programmatic environmental impact statement
3 for geothermal leasing that is the most recently fi-
4 nalized such statement with respect to covered land
5 designated as a geothermal leasing priority area
6 under subsection (b).

7 “(2) SUBSEQUENT DESIGNATIONS.—Each des-
8 ignation of a geothermal leasing priority area under
9 subsection (d) shall be included in a programmatic
10 environmental impact statement for geothermal leas-
11 ing or in a supplement to such a statement.

12 “(3) CONSULTATIONS.—In developing any pro-
13 grammatic environmental impact statement for geo-
14 thermal leasing or supplement to such a statement
15 under this section, the Secretary shall consult, on an
16 ongoing basis, with appropriate State, Tribal, and
17 local governments, transmission infrastructure own-
18 ers and operators, developers, and other appropriate
19 entities.

20 “(4) PROCEDURE.—The Secretary may not
21 delay issuing a permit or holding a lease sale under
22 this Act because the supplement required under
23 paragraph (1) has not been finalized by the Sec-
24 retary.

1 “(f) COMPLIANCE WITH NEPA.—If the Secretary
2 determines that the designation of a geothermal leasing
3 priority area has been sufficiently analyzed by a pro-
4 grammatic environmental impact statement, the Secretary
5 shall not prepare any additional analysis under the Na-
6 tional Environmental Policy Act of 1969 (42 U.S.C. 4321
7 et seq.) with respect to geothermal lease sales for such
8 geothermal leasing priority area.”.

9 **SEC. 4. FACILITATION OF COPRODUCTION OF GEO-**
10 **THERMAL ENERGY ON OIL AND GAS LEASES.**

11 Section 4(b) of the Geothermal Steam Act of 1970
12 (30 U.S.C. 1003(b)) is amended by adding at the end the
13 following:

14 “(4) LAND SUBJECT TO OIL AND GAS LEASE.—
15 Land under an oil and gas lease issued pursuant to
16 the Mineral Leasing Act (30 U.S.C. 181 et seq.) or
17 the Mineral Leasing Act for Acquired Lands (30
18 U.S.C. 351 et seq.) that is subject to an approved
19 application for permit to drill and from which oil
20 and gas production is occurring may be available for
21 noncompetitive leasing under subsection (c) by the
22 holder of the oil and gas lease—

23 “(A) on a determination that geothermal
24 energy will be produced from a well producing
25 or capable of producing oil and gas; and

1 “(B) in order to provide for the coproduc-
2 tion of geothermal energy with oil and gas.”.

3 **SEC. 5. NONCOMPETITIVE LEASING OF ADJOINING AREAS**
4 **FOR DEVELOPMENT OF GEOTHERMAL RE-**
5 **SOURCES.**

6 Section 4(b) of the Geothermal Steam Act of 1970
7 (30 U.S.C. 1003(b)) is further amended by adding at the
8 end the following:

9 “(5) ADJOINING LAND.—

10 “(A) DEFINITIONS.—In this paragraph:

11 “(i) FAIR MARKET VALUE PER
12 ACRE.—The term ‘fair market value per
13 acre’ means a dollar amount per acre
14 that—

15 “(I) except as provided in this
16 clause, shall be equal to the market
17 value per acre (taking into account
18 the determination under subparagraph
19 (B)(iii) regarding a valid discovery on
20 the adjoining land) as determined by
21 the Secretary under regulations issued
22 under this paragraph;

23 “(II) shall be determined by the
24 Secretary with respect to a lease
25 under this paragraph, by not later

1 than the end of the 180-day period
2 beginning on the date the Secretary
3 receives an application for the lease;
4 and

5 “(III) shall be not less than the
6 greater of—

7 “(aa) 4 times the median
8 amount paid per acre for all land
9 leased under this Act during the
10 preceding year; or

11 “(bb) \$50.

12 “(ii) INDUSTRY STANDARDS.—The
13 term ‘industry standards’ means the stand-
14 ards by which a qualified geothermal pro-
15 fessional assesses whether downhole or
16 flowing temperature measurements with
17 indications of permeability are sufficient to
18 produce energy from geothermal resources,
19 as determined through flow or injection
20 testing or measurement of lost circulation
21 while drilling.

22 “(iii) QUALIFIED FEDERAL LAND.—
23 The term ‘qualified Federal land’ means
24 land that is otherwise available for leasing
25 under this Act.

1 “(iv) QUALIFIED GEOTHERMAL PRO-
2 FESSIONAL.—The term ‘qualified geo-
3 thermal professional’ means an individual
4 who is an engineer or geoscientist in good
5 professional standing with at least 5 years
6 of experience in geothermal exploration,
7 development, or project assessment.

8 “(v) QUALIFIED LESSEE.—The term
9 ‘qualified lessee’ means a person who may
10 hold a geothermal lease under this Act (in-
11 cluding applicable regulations).

12 “(vi) VALID DISCOVERY.—The term
13 ‘valid discovery’ means a discovery of a
14 geothermal resource by a new or existing
15 slim hole or production well, that exhibits
16 downhole or flowing temperature measure-
17 ments with indications of permeability that
18 are sufficient to meet industry standards.

19 “(B) AUTHORITY.—An area of qualified
20 Federal land that adjoins other land for which
21 a qualified lessee holds a legal right to develop
22 geothermal resources may be available for a
23 noncompetitive lease under this section to the
24 qualified lessee at the fair market value per
25 acre, if—

1 “(i) the area of qualified Federal
2 land—

3 “(I) consists of not less than 1
4 acre and not more than 640 acres;
5 and

6 “(II) is not already leased under
7 this Act or nominated to be leased
8 under subsection (a);

9 “(ii) the qualified lessee has not pre-
10 viously received a noncompetitive lease
11 under this paragraph in connection with
12 the valid discovery for which data has been
13 submitted under clause (iii)(I); and

14 “(iii) sufficient geological and other
15 technical data prepared by a qualified geo-
16 thermal professional has been submitted by
17 the qualified lessee to the applicable Fed-
18 eral land management agency that would
19 lead individuals who are experienced in the
20 subject matter to believe that—

21 “(I) there is a valid discovery of
22 geothermal resources on the land for
23 which the qualified lessee holds the
24 legal right to develop geothermal re-
25 sources; and

1 “(II) that geothermal feature ex-
2 tends into the adjoining areas.

3 “(C) DETERMINATION OF FAIR MARKET
4 VALUE.—

5 “(i) IN GENERAL.—The Secretary
6 shall—

7 “(I) publish a notice of any re-
8 quest to lease land under this para-
9 graph;

10 “(II) determine fair market value
11 for purposes of this paragraph in ac-
12 cordance with procedures for making
13 those determinations that are estab-
14 lished by regulations issued by the
15 Secretary;

16 “(III) provide to a qualified les-
17 see and publish, with an opportunity
18 for public comment for a period of 30
19 days, any proposed determination
20 under this subparagraph of the fair
21 market value of an area that the
22 qualified lessee seeks to lease under
23 this paragraph; and

24 “(IV) provide to the qualified les-
25 see and any adversely affected party

1 the opportunity to appeal the final de-
2 termination of fair market value in an
3 administrative proceeding before the
4 applicable Federal land management
5 agency, in accordance with applicable
6 law (including regulations).

7 “(ii) LIMITATION ON NOMINATION.—
8 After publication of a notice of request to
9 lease land under this paragraph, the Sec-
10 retary may not accept under subsection (a)
11 any nomination of the land for leasing un-
12 less the request has been denied or with-
13 drawn.

14 “(iii) ANNUAL RENTAL.—For pur-
15 poses of section 5(a)(3), a lease awarded
16 under this paragraph shall be considered a
17 lease awarded in a competitive lease sale.

18 “(D) REGULATIONS.—Not later than 270
19 days after the date of enactment of this para-
20 graph, the Secretary shall issue regulations to
21 carry out this paragraph.”

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