

112TH CONGRESS
1ST SESSION

H. R. 2776

To expand geothermal production, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2011

Mr. SIMPSON (for himself, Mr. INSLEE, Mr. WALDEN, Mr. BLUMENAUER, and Mr. DEFAZIO) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To expand geothermal production, 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 “Geothermal Production
5 Expansion Act of 2011”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) it is in the best interest of the United
9 States to develop clean renewable geothermal energy;

10 (2) development of that energy should be pro-
11 moted on appropriate Federal land; and

1 (3) successful geothermal development on Fed-
 2 eral land will provide increased revenue to the Fed-
 3 eral Government, with the payment of production
 4 royalties over decades.

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

8 Section 4(b) of the Geothermal Steam Act of 1970
 9 (30 U.S.C. 1003(b)) is amended by adding at the end the
 10 following:

11 “(4) ADJOINING LAND.—

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

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

17 “(I) except as provided in this
 18 clause, shall be equal to the market
 19 value per acre as determined by the
 20 Secretary under regulations issued
 21 under this paragraph;

22 “(II) shall be determined by the
 23 Secretary with respect to a lease
 24 under this paragraph, by not later
 25 than the end of the 90-day period be-

1 ginning on the date the Secretary re-
2 ceives an application for the lease;
3 and

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

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

10 “(bb) \$50.

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

21 “(iii) QUALIFIED FEDERAL LAND.—
22 The term ‘qualified Federal land’ means
23 land that is otherwise available for leasing
24 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 that 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 thermal 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 180
19 days after the date of enactment of the Geo-
20 thermal Production Expansion Act of 2011, the
21 Secretary shall issue regulations to carry out
22 this paragraph.”.

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