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S. 1149

To expand geothermal production, and for other purposes.

IN THE SENATE OF THE UNITED STATES

June 7, 2011

Mr. Wyden (for himself, Mr. Crapo, Mr. Risch, and Mr. Merkley) introduced the following bill; which was read twice and referred to the Committee on Energy and 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

States to develop clean renewable geothermal energy;

moted on appropriate Federal land;

(2) development of that energy should be pro-

1	(3) under the Energy Policy Act of 2005 (42
2	U.S.C. 15801 et seq.), the Bureau of Land Manage-
3	ment is authorized to issue 3 different types of non-
4	competitive leases for production of geothermal en-
5	ergy on Federal land, including—
6	(A) noncompetitive geothermal leases to
7	mining claim holders that have a valid oper-
8	ating plan;
9	(B) direct use leases; and
10	(C) leases on parcels that do not sell at a
11	competitive auction;
12	(4) Federal geothermal energy leasing activity
13	should be directed toward persons seeking to develop
14	the land as opposed to persons seeking to speculate
15	on geothermal resources and artificially raising the
16	cost of legitimate geothermal energy development;
17	(5) developers of geothermal energy on Federal
18	land that have invested substantial capital and made
19	high risk investments should be allowed to secure a
20	discovery of geothermal energy resources; and
21	(6) successful geothermal development on Fed-
22	eral land will provide increased revenue to the Fed-
23	eral Government, with the payment of production

royalties over decades.

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1	SEC. 3. NONCOMPETITIVE LEASING OF ADJOINING AREAS
2	FOR DEVELOPMENT OF GEOTHERMAL RE-
3	SOURCES.
4	Section 4(b) of the Geothermal Steam Act of 1970
5	(30 U.S.C. 1003(b)) is amended by adding at the end the
6	following:
7	"(4) Adjoining Land.—
8	"(A) Definitions.—In this paragraph:
9	"(i) Fair market value per
10	ACRE.—The term 'fair market value per
11	acre' means a dollar amount per acre
12	that—
13	"(I) except as provided in this
14	clause, shall be equal to the market
15	value per acre as determined by the
16	Secretary under regulations issued
17	under this paragraph;
18	" (Π) shall be determined by the
19	Secretary with respect to a lease
20	under this paragraph, by not later
21	than the end of the 90-day period be-
22	ginning on the date the Secretary re-
23	ceives an application for the lease;
24	and
25	"(III) shall be not less than the
26	greater of—

1	"(aa) 4 times the median
2	amount paid per acre for all land
3	leased under this Act during the
4	preceding year; or
5	"(bb) \$50.
6	"(ii) Industry standards.—The
7	term 'industry standards' means the stand-
8	ards by which a qualified geothermal pro-
9	fessional assesses whether downhole or
10	flowing temperature measurements with
11	indications of permeability are sufficient to
12	produce energy from geothermal resources,
13	as determined through flow or injection
14	testing or measurement of lost circulation
15	while drilling.
16	"(iii) Qualified federal land.—
17	The term 'qualified Federal land' means
18	land that is otherwise available for leasing
19	under this Act.
20	"(iv) Qualified geothermal pro-
21	FESSIONAL.—The term 'qualified geo-
22	thermal professional' means an individual
23	who is an engineer or geoscientist in good
24	professional standing with at least 5 years

1	of experience in geothermal exploration,
2	development, or project assessment.
3	"(v) Qualified lessee.—The term
4	'qualified lessee' means a person that may
5	hold a geothermal lease under this Act (in-
6	cluding applicable regulations).
7	"(vi) Valid discovery.—The term
8	'valid discovery' means a discovery of a
9	geothermal resource by a new or existing
10	slim hole or production well, that exhibits
11	downhole or flowing temperature measure-
12	ments with indications of permeability that
13	are sufficient to meet industry standards.
14	"(B) AUTHORITY.—An area of qualified
15	Federal land that adjoins other land for which
16	a qualified lessee holds a legal right to develop
17	geothermal resources may be available for a
18	noncompetitive lease under this section to the
19	qualified lessee at the fair market value per
20	acre, if—
21	"(i) the area of qualified Federal
22	land—
23	"(I) consists of not less than 1
24	acre and not more than 640 acres;
25	and

1	"(II) is not already leased under
2	this Act or nominated to be leased
3	under subsection (a);
4	"(ii) the qualified lessee has not pre-
5	viously received a noncompetitive lease
6	under this paragraph in connection with
7	the valid discovery for which data has been
8	submitted under clause (iii)(I); and
9	"(iii) sufficient geological and other
10	technical data prepared by a qualified geo-
11	thermal professional has been submitted by
12	the qualified lessee to the applicable Fed-
13	eral land management agency that would
14	lead individuals who are experienced in the
15	subject matter to believe that—
16	"(I) there is a valid discovery of
17	geothermal resources on the land for
18	which the qualified lessee holds the
19	legal right to develop geothermal re-
20	sources; and
21	"(II) that thermal feature ex-
22	tends into the adjoining areas.
23	"(C) Determination of fair market
24	VALUE —

1	"(i) IN GENERAL.—The Secretary
2	shall—
3	"(I) publish a notice of any re-
4	quest to lease land under this para-
5	graph;
6	"(II) determine fair market value
7	for purposes of this paragraph in ac-
8	cordance with procedures for making
9	those determinations that are estab-
10	lished by regulations issued by the
11	Secretary;
12	"(III) provide to a qualified les-
13	see and publish, with an opportunity
14	for public comment for a period of 30
15	days, any proposed determination
16	under this subparagraph of the fair
17	market value of an area that the
18	qualified lessee seeks to lease under
19	this paragraph; and
20	"(IV) provide to the qualified les-
21	see and any adversely affected party
22	the opportunity to appeal the final de-
23	termination of fair market value in an
24	administrative proceeding before the
25	applicable Federal land management

1	agency, in accordance with applicable
2	law (including regulations).
3	"(ii) Limitation on nomination.—
4	After publication of a notice of request to
5	lease land under this paragraph, the Sec-
6	retary may not accept under subsection (a)
7	any nomination of the land for leasing un-
8	less the request has been denied or with
9	drawn.
10	"(iii) Annual Rental.—For pur-
11	poses of section 5(a)(3), a lease awarded
12	under this paragraph shall be considered a
13	lease awarded in a competitive lease sale
14	"(D) REGULATIONS.—Not later than 180
15	days after the date of enactment of the Geo-
16	thermal Production Expansion Act of 2011, the
17	Secretary shall issue regulations to carry out
18	this paragraph.".

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