

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 3534
OFFERED BY MR. INSLEE OF WASHINGTON**

Add at the end the following:

1 **TITLE _____—GEOTHERMAL**
2 **PRODUCTION EXPANSION**

3 **SEC. ____ 1. SHORT TITLE.**

4 This title may be cited as the “Geothermal Produc-
5 tion Expansion Act”.

6 **SEC. ____ 2. FINDINGS.**

7 The Congress finds the following:

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

10 (2) Development of such energy should be pro-
11 moted on appropriate Federal lands.

12 (3) Under the Energy Policy Act of 2005, the
13 Bureau of Land Management is authorized to issue
14 three different types of non-competitive leases for
15 production of geothermal energy on Federal lands,
16 including non-competitive geothermal leases to min-
17 ing claim holders that have a valid operating plan,
18 direct use leases, and leases on parcels that do not
19 sell at a competitive auction.

1 (4) Federal geothermal energy leasing activity
2 should be directed towards those seeking to develop
3 the land as opposed to those seeking to speculate on
4 geothermal resources and thereby artificially raising
5 the cost of legitimate geothermal energy develop-
6 ment.

7 (5) Developers of geothermal energy on Federal
8 lands that have invested substantial capital and
9 made high risk investments should be allowed to se-
10 cure a discovery of geothermal energy resources.

11 (6) Successful geothermal development on Fed-
12 eral lands will provide increased revenue to the Fed-
13 eral Government, with the payment of production
14 royalties over decades.

15 **SEC. 3. NONCOMPETITIVE LEASING OF ADJOINING**
16 **AREAS FOR DEVELOPMENT OF GEOTHERMAL**
17 **RESOURCES.**

18 (a) IN GENERAL.—Section 4(b) of the Geothermal
19 Steam Act of 1970 (30 U.S.C. 1003(b)) by adding at the
20 end the following:

21 “(4) ADJOINING LANDS.—

22 “(A) IN GENERAL.—An area of qualified
23 Federal lands that adjoins other lands for
24 which a qualified lessee holds a legal right to
25 develop geothermal resources may be available

1 for noncompetitive lease under this section to
2 the qualified lessee at the fair market value per
3 acre, if—

4 “(i) the area of qualified Federal
5 lands—

6 “(I) consists of not less than 1
7 acre, and not more than 640 acres;
8 and

9 “(II) is not already leased under
10 this Act or nominated to be leased
11 under subsection (a);

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

18 “(iii) sufficient geological and other
19 technical data prepared by a qualified geo-
20 thermal professional has been submitted by
21 the qualified lessee to the relevant Federal
22 land management agency that would en-
23 gender a belief in individuals who are expe-
24 rienced in the subject matter that—

1 “(I) there is a valid discovery of
2 geothermal resources on the lands for
3 which the qualified lessee holds the
4 legal right to develop geothermal re-
5 sources; and

6 “(II) such thermal feature ex-
7 tends into the adjoining areas.

8 “(B) DETERMINATION OF FAIR MARKET
9 VALUE.—

10 “(i) IN GENERAL.—The Secretary
11 shall—

12 “(I) publish a notice of any re-
13 quest to lease land under this para-
14 graph;

15 “(II) determine fair market value
16 for purposes of this paragraph in ac-
17 cordance with procedures for making
18 such determinations that are estab-
19 lished by regulations issued by the
20 Secretary;

21 “(III) provide to a qualified les-
22 see and publish any proposed deter-
23 mination under this subparagraph of
24 the fair market value of an area that

1 the qualified lessee seeks to lease
2 under this paragraph;

3 “(IV) provide to such qualified
4 lessee the opportunity to appeal such
5 proposed determination within the 30-
6 day period after it is provided to the
7 qualified lessee; and

8 “(V) provide to any interested
9 member of the public the opportunity
10 to appeal such proposed determination
11 in accordance with the process set
12 forth in parts 4, 1840, and 3200.5 of
13 title 43, Code of Federal Regulations
14 (as in effect on the date of enactment
15 of the Geothermal Production Expan-
16 sion Act) within the 30-day period
17 after it published.

18 “(ii) LIMITATION ON NOMINATION.—
19 After publication of a notice of request to
20 lease land under this paragraph, the Sec-
21 retary may not accept under subsection (a)
22 any nomination of the land for leasing un-
23 less the request has been denied or with-
24 drawn.

1 “(iii) REGULATIONS: DEADLINE; PUB-
2 LICATION OF PROPOSED REGULATIONS.—
3 The regulations required under clause (i)
4 shall be issued by not later than 90 days
5 after the date of enactment of this Act,
6 and after publication of, and an oppor-
7 tunity for public comment on, the proposed
8 regulations.

9 “(C) DEFINITIONS.—In this paragraph—

10 “(i) 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 under
17 this paragraph;

18 “(II) 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

1 “(III) shall be not less than the
2 greater of—

3 “(aa) four times the median
4 amount paid per acre for all
5 lands leased under this Act in the
6 preceding year; or

7 “(bb) \$50;

8 “(ii) the term ‘industry standards’
9 means the standards by which a qualified
10 geothermal professional assesses whether
11 downhole or flowing temperature measure-
12 ments with indications of permeability are
13 sufficient to produce energy from geo-
14 thermal resources as determined through
15 flow or injection testing or measurement of
16 lost circulation while drilling;

17 “(iii) the term ‘qualified Federal
18 lands’ means lands that are otherwise
19 available for leasing under this Act;

20 “(iv) the term ‘qualified geothermal
21 professional’ means an individual who is an
22 engineer or geoscientist in good profes-
23 sional standing with at least five years of
24 experience in geothermal exploration, de-

1 velopment, project assessment, or any com-
2 bination of the forgoing;

3 “(v) the term ‘qualified lessee’ means
4 a person that may hold a geothermal lease
5 under part 3202.10 of title 43, Code of
6 Federal Regulations, as in effect on the
7 date of enactment of the Geothermal Pro-
8 duction Expansion Act; and

9 “(vi) the term ‘valid discovery’ means
10 a discovery of a geothermal resource by a
11 new or existing slim hole or production
12 well, that exhibits downhole or flowing
13 temperature measurements with indica-
14 tions of permeability sufficient to meet in-
15 dustry standards.”.

16 (b) DEADLINE FOR REGULATIONS.—The Secretary
17 shall issue regulations to implement the amendment made
18 by subsection (a), by not later than 6 months after the
19 date of the enactment of this Act.

