

113th CONGRESS

1st Session

S. 363

To expand geothermal production, and for other purposes.

IN THE SENATE OF THE UNITED STATES

February 14, 2013

Mr. WYDEN (for himself, Ms. MURKOWSKI, Mr. BEGICH, 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Geothermal Production Expansion Act of 2013'.

SEC. 2. NONCOMPETITIVE LEASING OF ADJOINING AREAS FOR DEVELOPMENT OF GEOTHERMAL RESOURCES.

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

`(4) ADJOINING LAND-

`(A) DEFINITIONS- In this paragraph:

`(i) FAIR MARKET VALUE PER ACRE- The term `fair market value per acre' means a dollar amount per acre that--

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

`(II) shall be determined by the Secretary with respect to a lease under this paragraph, by not later than the end of the 180-day period beginning on the date the Secretary receives an application for the lease; and

`(III) shall be not less than the greater of--

`(aa) 4 times the median amount paid per acre for all land leased under this Act during the preceding year; or

`(bb) \$50.

`(ii) INDUSTRY STANDARDS- The term `industry standards' means the standards by which a qualified geothermal professional assesses whether downhole or flowing temperature measurements with indications of permeability are sufficient to produce energy from geothermal resources, as determined through flow or injection testing or measurement of lost circulation while drilling.

`(iii) QUALIFIED FEDERAL LAND- The term `qualified Federal land' means land that is otherwise available for leasing under this Act.

`(iv) QUALIFIED GEOTHERMAL PROFESSIONAL- The term `qualified geothermal professional' means an individual who is an engineer or geoscientist in good professional standing with at least 5 years of experience in geothermal exploration, development, or project assessment.

`(v) QUALIFIED LESSEE- The term `qualified lessee' means a person that may hold a geothermal lease under this Act (including applicable regulations).

`(vi) VALID DISCOVERY- The term `valid discovery' means a discovery of a geothermal resource by a new or existing slim hole or production well, that exhibits downhole or flowing temperature measurements with indications of permeability that are sufficient to meet industry standards.

`(B) AUTHORITY- An area of qualified Federal land that adjoins other land for which a qualified lessee holds a legal right to develop geothermal resources may be available for a noncompetitive lease under this section to the qualified lessee at the fair market value per acre, if--

`(i) the area of qualified Federal land--

`(I) consists of not less than 1 acre and not more than 640 acres; and

`(II) is not already leased under this Act or nominated to be leased under subsection (a);

`(ii) the qualified lessee has not previously received a noncompetitive lease under this paragraph in connection with the valid discovery for which data has been submitted under clause (iii)(I); and

`(iii) sufficient geological and other technical data prepared by a qualified geothermal professional has been submitted by the qualified lessee to the applicable Federal land management agency that would lead individuals who are experienced in the subject matter to believe that--

`(I) there is a valid discovery of geothermal resources on the land for which the qualified lessee holds the legal right to develop geothermal resources; and

`(II) that thermal feature extends into the adjoining areas.

`(C) DETERMINATION OF FAIR MARKET VALUE-

`(i) IN GENERAL- The Secretary shall--

`(I) publish a notice of any request to lease land under this paragraph;

`(II) determine fair market value for purposes of this paragraph in accordance with procedures for making those determinations that are established by regulations issued by the Secretary;

`(III) provide to a qualified lessee and publish, with an opportunity for public comment for a period of 30 days, any proposed determination under this subparagraph of the fair market value of an area that the qualified lessee seeks to lease under this paragraph; and

`(IV) provide to the qualified lessee and any adversely affected party the opportunity to appeal the final determination of fair market value in an administrative proceeding before the applicable Federal land management agency, in accordance with applicable law (including regulations).

`(ii) LIMITATION ON NOMINATION- After publication of a notice of request to lease land under this paragraph, the Secretary may not accept under subsection (a) any nomination of the land for leasing unless the request has been denied or withdrawn.

`(iii) ANNUAL RENTAL- For purposes of section 5(a)(3), a lease awarded under this paragraph shall be considered a lease awarded in a competitive lease sale.

`(D) REGULATIONS- Not later than 270 days after the date of enactment of the Geothermal Production Expansion Act of 2013, the Secretary shall issue regulations to carry out this paragraph.'.

END