

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 363

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## AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Geothermal Production  
3 Expansion Act of 2013”.

4 **SEC. 2. NONCOMPETITIVE LEASING OF ADJOINING AREAS**  
5 **FOR DEVELOPMENT OF GEOTHERMAL RE-**  
6 **SOURCES.**

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

10 “(4) ADJOINING LAND.—

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

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

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

24 “(II) shall be determined by the  
25 Secretary with respect to a lease  
26 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 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 270  
19 days after the date of enactment of the Geo-  
20 thermal Production Expansion Act of 2013, the

1           Secretary shall issue regulations to carry out  
2           this paragraph.”.

Passed the Senate July 9, 2014.

Attest:

*Secretary.*



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