

(2) there are institutional and economic barriers to the commercialization of geothermal technology; and

(3) Federal agencies should consider the use of geothermal energy in the Government's buildings.

(Pub. L. 96-294, title VI, § 602, June 30, 1980, 94 Stat. 763.)

Statutory Notes and Related Subsidiaries

SHORT TITLE

Pub. L. 96-294, title VI, § 601, June 30, 1980, 94 Stat. 763, provided that: "This title [enacting this chapter and sections 1146 and 1147 of this title and amending sections 1141 and 1143 of this title and sections 796, 824a-3, 824i, and 824j of Title 16, Conservation] may be cited as the 'Geothermal Energy Act of 1980'."

SUBCHAPTER I—PROJECT LOANS

§ 1511. Loans for geothermal reservoir confirmation

(a) Authorization; purposes

The Secretary of Energy (hereafter in this chapter referred to as the "Secretary") is authorized to make a loan to any person, from funds appropriated (pursuant to this subchapter) to the Geothermal Resources Development Fund established under section 1144¹ of this title, to assist such person in undertaking and carrying out a project which (1) is designed to explore for or determine the economic viability of a geothermal reservoir and (2) consists of surface exploration and the drilling of one or more exploratory wells.

(b) Repayment rates

Subject to subsection (c) and to section 1513(b) of this title, any loan under subsection (a) shall be repayable out of revenue from production of the geothermal energy reservoir with respect to which the loan was made, at a rate, in any year, not to exceed 20 per centum of the gross revenue from the reservoir in that year; except that if any disposition of the geothermal rights to the reservoir is made to one or more other persons by the borrower, the full amount of the loan balance outstanding, or so much of the loan balance outstanding as is equal to the full amount of the compensation realized by the borrower upon such disposition, whichever is less, shall be repaid immediately. In any case where the reservoir is confirmed (as determined by the Secretary), the Secretary may impute a reasonable revenue for purposes of determining repayment if—

(1) reasonable efforts are not made to put such reservoir in commercial operation,

(2) the borrower (or any such other person) utilizes the resources of the reservoir without a sale of the energy or geothermal energy resources therefrom, or

(3) a sale of energy or geothermal energy resources from the reservoir is made for an unreasonably low price;

except that no such imputation of revenue shall be made during the three-year period immediately following such reservoir confirmation. In

the event of failure to begin production of revenue (or, where no sale of energy or geothermal energy resources is made, to begin production of energy for commercial use) within five years after the date of such reservoir confirmation, the Secretary may take action to recover the value, not to exceed the amount of the unpaid balance of the loan plus any accrued interest thereon, of any assets of the project in question, including resource rights.

(c) Cancellation of unpaid balance and accrued interest

The Secretary may at any time cancel the unpaid balance and any accrued interest on any loan made under this section if he determines, on the basis of evidence presented by the loan recipient or otherwise, that the geothermal energy reservoir with respect to which the loan was made has characteristics which make that reservoir economically or technically unacceptable for commercial development.

(d) "Person" defined

As used in this subchapter, the term "person" includes municipalities, electric cooperatives, industrial development agencies, nonprofit organizations, and Indian tribes, as well as the entities included within such term under section 1 of title 1.

(Pub. L. 96-294, title VI, § 611, June 30, 1980, 94 Stat. 763.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original "this title", meaning title VI of Pub. L. 96-294, June 30, 1980, 94 Stat. 763, known as the Geothermal Energy Act of 1980. For complete classification of title VI to the Code, see Short Title note set out under section 1501 of this title and Tables.

Section 1144 of this title, referred to in subsec. (a), was repealed by Pub. L. 116-260, div. Z, title III, § 3002(i)(3), Dec. 27, 2020, 134 Stat. 2495.

§ 1512. Loan size limitation

The amount of any loan made under section 1511(a) of this title with respect to a project described in that section shall not exceed 50 per cent of the cost of such project; except that if the loan is made to a person proposing to make application of the resources of the reservoir involved primarily for space heating or cooling or process heat for one or more structures or facilities then existing or under construction, the loan may be in any amount up to 90 per centum of such cost. In any event no loan shall be made in an amount in excess of \$3,000,000.

(Pub. L. 96-294, title VI, § 612, June 30, 1980, 94 Stat. 764.)

§ 1513. Loan interest rates; repayment periods

(a) Each loan made under section 1511 of this title shall bear interest at a discount or interest rate equal to the rate in effect (at the time the loan is made) for water resources planning projects under section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962(d)-17(a)).¹

¹ See References in Text note below.

¹ So in original. Should be "(42 U.S.C. 1962d-17(a))."