

111TH CONGRESS
2D SESSION

S. 3586

To promote the mapping and development of United States geothermal resources by establishing a direct loan program for high risk geothermal exploration wells.

IN THE SENATE OF THE UNITED STATES

JULY 14, 2010

Mr. REID (for himself, Mr. TESTER, Mr. MERKLEY, Mr. UDALL of Colorado, and Mr. BEGICH) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To promote the mapping and development of United States geothermal resources by establishing a direct loan program for high risk geothermal exploration wells.

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 Explo-
5 ration Act of 2010”.

6 **SEC. 2. GEOTHERMAL EXPLORATORY DRILLING LOAN PRO-**
7 **GRAM.**

8 (a) DEFINITIONS.—In this section:

1 (1) FUND.—The term “Fund” means the Geo-
2 thermal Investment Fund established under sub-
3 section (h).

4 (2) PROGRAM.—The term “program” means
5 the direct loan program for high risk geothermal ex-
6 ploration wells established under this section.

7 (3) SECRETARY.—The term “Secretary” means
8 the Secretary of Energy.

9 (b) ESTABLISHMENT.—The Secretary shall establish
10 a direct loan program for high risk geothermal exploration
11 wells.

12 (c) APPLICATIONS.—An applicant that seeks to re-
13 ceive a loan under the program may submit to the Sec-
14 retary an application for the loan at such time, in such
15 form, and containing such information as the Secretary
16 may prescribe.

17 (d) PROJECT CRITERIA.—

18 (1) IN GENERAL.—In selecting applicants for
19 loans under this section to carry out projects under
20 the program, the Secretary shall consider—

21 (A) the potential for unproven geothermal
22 resources that would be explored and developed
23 under a project;

24 (B) the expertise and experience of an ap-
25 plicant in developing geothermal resources; and

1 (C) the importance of the project in meet-
2 ing the goals of the Department of Energy.

3 (2) PREFERENCE.—In selecting applicants for
4 loans under this section to carry out projects under
5 the program, the Secretary shall provide a pref-
6 erence for previously unexplored, underexplored, or
7 unproven geothermal resources in a variety of geo-
8 logic and geographic settings.

9 (e) DATA SHARING.—Data from all exploratory wells
10 that are carried out under the program shall be provided
11 to the Secretary and the Secretary of the Interior for use
12 in mapping national geothermal resources and other uses,
13 including—

14 (1) subsurface geologic data;
15 (2) metadata;
16 (3) borehole temperature data; and
17 (4) inclusion in the National Geothermal Data
18 System of the Department of Energy.

19 (f) ADMINISTRATION.—

20 (1) COST SHARE.—

21 (A) IN GENERAL.—The Secretary shall de-
22 termine the cost share for a loan made under
23 this section.

24 (B) HIGHER RISKS.—The Secretary may
25 base the cost share percentage for loans made

1 under this section on a sliding scale, with high-
2 er Federal shares awarded to projects with
3 higher risks.

4 (2) NUMBER OF WELLS.—The Secretary shall
5 determine the number of wells for each selected geo-
6 thermal project for which a loan may be made under
7 this section.

8 (3) UNPRODUCTIVE PROJECTS.—The Secretary
9 may grant further delays or dispense with the repay-
10 ment obligation on a demonstration that a selected
11 geothermal project is unproductive.

12 (g) LOAN REPAYMENT.—

13 (1) COMMENCEMENT.—The recipient of a loan
14 made under this section for a geothermal facility
15 shall commence repayment of the loan beginning on
16 the earlier of—

17 (A) the date that is 4 years after the date
18 the loan is made; or

19 (B) the date on which the geothermal facil-
20 ity enters into commercial production.

21 (2) TERM.—

22 (A) IN GENERAL.—Except as provided in
23 subparagraph (B), the term of a loan made
24 under this section shall be 4 years beginning on

1 the applicable loan repayment commencement
2 date under paragraph (1).

3 (B) EXTENSION.—The Secretary may ex-
4 tend the term of a loan under this section for
5 not more than 4 years.

6 (3) USE OF LOAN REPAYMENTS.—Amounts re-
7 paid on loans made under this section shall be de-
8 posited in the Fund.

9 (h) GEOTHERMAL INVESTMENT FUND.—

10 (1) ESTABLISHMENT OF FUND.—There is es-
11 tablished in the Treasury of the United States a
12 fund to be known as the “Geothermal Investment
13 Fund”, to be administered by the Secretary, to be
14 available without fiscal year limitation and not sub-
15 ject to appropriation, to carry out this section.

16 (2) TRANSFERS TO FUND.—The Fund shall
17 consist of such amounts as are appropriated to the
18 Fund under subsection (j).

19 (3) PROHIBITION.—Amounts in the Fund may
20 not be made available for any purpose other than a
21 purpose described in paragraph (1).

22 (4) ANNUAL REPORTS.—

23 (A) IN GENERAL.—Not later than 60 days
24 after the end of each fiscal year beginning with
25 fiscal year 2011, the Secretary of Energy shall

1 submit to the the Committee on Energy and
2 Natural Resources of the Senate and the Com-
3 mittee on Energy and Commerce of the House
4 of Representatives a report on the operation of
5 the Fund during the fiscal year.

6 (B) CONTENTS.—Each report shall in-
7 clude, for the fiscal year covered by the report,
8 the following:

9 (i) A statement of the amounts depos-
10 ited into the Fund.

11 (ii) A description of the expenditures
12 made from the Fund for the fiscal year, in-
13 cluding the purpose of the expenditures.

14 (iii) Recommendations for additional
15 authorities to fulfill the purpose of the
16 Fund.

17 (iv) A statement of the balance re-
18 maining in the Fund at the end of the fis-
19 cal year.

20 (i) GUIDELINES.—Not later than 180 days after the
21 date of enactment of this Act, the Secretary shall develop
22 guidelines for the implementation of the program.

23 (j) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated to carry out this section

- 1 such sums as are necessary for each of fiscal years 2011
- 2 through 2020.

