

Union Calendar No. 540

113TH CONGRESS
2D SESSION

S. 363

[Report No. 113-709]

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2014

Referred to the Committee on Natural Resources

DECEMBER 22, 2014

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Geothermal Production
 5 Expansion Act of 2013”.

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

9 Section 4(b) of the Geothermal Steam Act of 1970
 10 (30 U.S.C. 1003(b)) is amended by adding at the end the
 11 following:

12 “(4) ADJOINING LAND.—

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

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

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

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

8 “(III) shall be not less than the
9 greater of—

10 “(aa) 4 times the median
11 amount paid per acre for all land
12 leased under this Act during the
13 preceding year; or

14 “(bb) \$50.

15 “(ii) INDUSTRY STANDARDS.—The
16 term ‘industry standards’ means the stand-
17 ards by which a qualified geothermal pro-
18 fessional assesses whether downhole or
19 flowing temperature measurements with
20 indications of permeability are sufficient to
21 produce energy from geothermal resources,
22 as determined through flow or injection
23 testing or measurement of lost circulation
24 while drilling.

1 “(iii) QUALIFIED FEDERAL LAND.—

2 The term ‘qualified Federal land’ means
3 land that is otherwise available for leasing
4 under this Act.

5 “(iv) QUALIFIED GEOTHERMAL PRO-

6 FESSIONAL.—The term ‘qualified geo-
7 thermal professional’ means an individual
8 who is an engineer or geoscientist in good
9 professional standing with at least 5 years
10 of experience in geothermal exploration,
11 development, or project assessment.

12 “(v) QUALIFIED LESSEE.—The term

13 ‘qualified lessee’ means a person that may
14 hold a geothermal lease under this Act (in-
15 cluding applicable regulations).

16 “(vi) VALID DISCOVERY.—The term

17 ‘valid discovery’ means a discovery of a
18 geothermal resource by a new or existing
19 slim hole or production well, that exhibits
20 downhole or flowing temperature measure-
21 ments with indications of permeability that
22 are sufficient to meet industry standards.

23 “(B) AUTHORITY.—An area of qualified

24 Federal land that adjoins other land for which
25 a qualified lessee holds a legal right to develop

1 geothermal resources may be available for a
2 noncompetitive lease under this section to the
3 qualified lessee at the fair market value per
4 acre, if—

5 “(i) the area of qualified Federal
6 land—

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

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

13 “(ii) the qualified lessee has not pre-
14 viously received a noncompetitive lease
15 under this paragraph in connection with
16 the valid discovery for which data has been
17 submitted under clause (iii)(I); 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 applicable Fed-
22 eral land management agency that would
23 lead individuals who are experienced in the
24 subject matter to believe that—

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

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

8 “(C) 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 those determinations that are estab-
19 lished by regulations issued by the
20 Secretary;

21 “(III) provide to a qualified les-
22 see and publish, with an opportunity
23 for public comment for a period of 30
24 days, any proposed determination
25 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

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

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