

COMMITTING LEASES FOR ENERGY ACCESS NOW ACT

NOVEMBER 12, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WESTERMAN, from the Committee on Natural Resources,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1449]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1449) to amend the Geothermal Steam Act of 1970 to increase the frequency of lease sales, to require replacement sales, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 1449 is to amend the Geothermal Steam Act of 1970 to increase the frequency of lease sales, to require replacement sales, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

The multiple environmental reviews required for geothermal energy projects result in development timelines longer than many other power production projects.¹ The Geothermal Steam Act of 1970² currently requires the Secretary of the Interior to hold “a competitive lease sale at least once every 2 years for land in a State that has nominations pending.”³ However, some states, like California, have not held a competitive geothermal lease sale since

¹ Congressional Research Service, *Enhanced Geothermal Systems: Introduction and Issues for Congress*, September 29, 2022, <https://crsreports.congress.gov/product/pdf/R/R47256>.

² Pub. L. No. 91-581.

³ *Id.*

2016.⁴ H.R. 1449 would address geothermal leasing and permitting issues by amending the Geothermal Steam Act of 1970⁵ to require the Secretary of the Interior to hold lease sales annually for geothermal energy. If a lease sale is missed for any reason, the bill would require that the Secretary hold replacement sales during the same year. The bill would also require the Secretary to respond to geothermal drilling permit applications (GPDs) within 30 days of receipt to let the applicant know whether their application is complete or not. If the Secretary determines an application is complete, the Secretary would have an additional 30 days to issue a final decision on the application.

COMMITTEE ACTION

H.R. 1449 was introduced on March 8, 2023, by Rep. Russ Fulcher (R-ID). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources. On October 25, 2023, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On December 6, 2023, the Committee on Natural Resources met to consider the bill. The Subcommittee on Energy and Mineral Resources was discharged from further consideration of H.R. 1449 by unanimous consent. Ranking Member Raul Grijalva (D-AZ) offered an amendment designated Grijalva #1. The amendment was not adopted by voice vote. The bill was ordered favorably reported to the House of Representatives by voice vote.

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Subcommittee on Energy and Mineral Resources held on October 25, 2023.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Designates the bill as the “Committing Leases for Energy Access Now Act” or the “CLEAN Act”.

Section 2. Geothermal leasing

Subsection (a) would amend Section 4(b) of the Geothermal Steam Act of 1970 by requiring geothermal lease sales every year in states that have nominations pending. The law currently requires that sales be held every other year. Subsection (a) would also require the Secretary of the Interior to hold replacement sales in the same year if a sale is missed. Additionally, the Secretary would be required to offer in each sale all nominated parcels eligible for geothermal development under the respective resource management plan in effect. Subsection (b) would create deadlines for the Secretary in responding to GPDs. First, the Secretary would be required to let applicants know if their application is complete or deficient, with an explanation of what is missing, within 30 days.

⁴ U.S. Bureau of Land Management, California Geothermal Energy, <https://www.blm.gov/programs/energy-andminerals/renewable-energy/geothermal-energy/regional-information/california>.

⁵ Pub. L. No. 91-581.

Subsequently, if the application is complete, the Secretary would have 30 days to issue a final decision on the application.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

PERFORMANCE GOALS AND OBJECTIVES

As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to prohibit the use of Federal funds to provide housing to specified aliens on any land under the administrative jurisdiction of the Federal land management agencies.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(d)(1) of House rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to the Congressional Budget Act of 1974.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

The Committee adopts as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

EXISTING PROGRAMS

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139 or identified in the most recent Catalog of Federal Domestic Assistance published pur-

suant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

GEOTHERMAL STEAM ACT OF 1970

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SEC. 4. LEASING PROCEDURES.

(a) **NOMINATIONS.**—The Secretary shall accept nominations of land to be leased at any time from qualified companies and individuals under this Act.

(b) **COMPETITIVE LEASE SALE REQUIRED.**—

(1) **IN GENERAL.**—Except as otherwise specifically provided by this Act, all land to be leased that is not subject to leasing under subsection (c) shall be leased as provided in this subsection to the highest responsible qualified bidder, as determined by the Secretary.

(2) **COMPETITIVE LEASE SALES.**—The Secretary shall hold a competitive lease sale at least once every **[2 years]** *year* for land in a State that has nominations pending under subsection (a) if the land is otherwise available for leasing.

(3) **REPLACEMENT SALES.**—*If a lease sale under paragraph (1) for a year is canceled or delayed, the Secretary of the Interior shall conduct a replacement sale during the same year.*

(4) **REQUIREMENT.**—*In conducting a lease sale under paragraph (2) in a State described in that paragraph, the Secretary of the Interior shall offer all nominated parcels eligible for geothermal development and utilization under the resource management plan in effect for the State.*

[(3)] (5) LANDS SUBJECT TO MINING CLAIMS.—Lands that are subject to a mining claim for which a plan of operations has been approved by the relevant Federal land management agency may be available for noncompetitive leasing under this section to the mining claim holder.

[(4)] (6) LAND SUBJECT TO OIL AND GAS LEASE.—Land under an oil and gas lease issued pursuant to the Mineral Leasing

Act (30 U.S.C. 181 et seq.) or the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.) that is subject to an approved application for permit to drill and from which oil and gas production is occurring may be available for noncompetitive leasing under subsection (c) by the holder of the oil and gas lease—

(A) on a determination that geothermal energy will be produced from a well producing or capable of producing oil and gas; and

(B) to provide for the coproduction of geothermal energy with oil and gas.

(c) **NONCOMPETITIVE LEASING.**—The Secretary shall make available for a period of 2 years for noncompetitive leasing any tract for which a competitive lease sale is held, but for which the Secretary does not receive any bids in a competitive lease sale.

(d) **PENDING LEASE APPLICATIONS.**—

(1) **IN GENERAL.**—It shall be a priority for the Secretary, and for the Secretary of Agriculture with respect to National Forest Systems land, to ensure timely completion of administrative actions, including amendments to applicable forest plans and resource management plans, necessary to process applications for geothermal leasing pending on the date of enactment of this subsection. All future forest plans and resource management plans for areas with high geothermal resource potential shall consider geothermal leasing and development.

(2) **ADMINISTRATION.**—An application described in paragraph (1) and any lease issued pursuant to the application—

(A) except as provided in subparagraph (B), shall be subject to this section as in effect on the day before the date of enactment of this paragraph; or

(B) at the election of the applicant, shall be subject to this section as in effect on the effective date of this paragraph.

(e) **LEASES SOLD AS A BLOCK.**—If information is available to the Secretary indicating a geothermal resource that could be produced as 1 unit can reasonably be expected to underlie more than 1 parcel to be offered in a competitive lease sale, the parcels for such a resource may be offered for bidding as a block in the competitive lease sale.

(f) **LEASING FOR DIRECT USE OF GEOTHERMAL RESOURCES.**—Notwithstanding subsection (b), the Secretary may identify areas in which the land to be leased under this Act exclusively for direct use of geothermal resources, without sale for purposes other than commercial generation of electricity, may be leased to any qualified applicant that first applies for such a lease under regulations issued by the Secretary, if the Secretary—

(1) publishes a notice of the land proposed for leasing not later than 90 days before the date of the issuance of the lease;

(2) does not receive during the 90-day period beginning on the date of the publication any nomination to include the land concerned in the next competitive lease sale; and

(3) determines there is no competitive interest in the geothermal resources in the land to be leased.

(g) **AREA SUBJECT TO LEASE FOR DIRECT USE.**—

(1) IN GENERAL.—Subject to paragraph (2), a geothermal lease for the direct use of geothermal resources shall cover not more than the quantity of acreage determined by the Secretary to be reasonably necessary for the proposed use.

(2) LIMITATIONS.—The quantity of acreage covered by the lease shall not exceed the limitations established under section 7.

(h) DEADLINES FOR CONSIDERATION OF GEOTHERMAL DRILLING PERMITS.—

(1) NOTICE.—Not later than 30 days after the date on which the Secretary receives an application for any geothermal drilling permit, the Secretary shall—

(A) provide written notice to the applicant that the application is complete; or

(B) notify the applicant that information is missing and specify any information that is required to be submitted for the application to be complete.

(2) ISSUANCE OF DECISION.—If the Secretary determines that an application for a geothermal drilling permit is complete under paragraph (1)(A), the Secretary shall issue a final decision on the application not later than 30 days after the Secretary notifies the applicant that the application is complete.

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DISSENTING VIEWS

H.R. 1449 (the CLEAN Act) would increase the frequency of geothermal lease sales on federal land, require replacement sales, and add deadlines for considering geothermal drilling permits. The legislation would require the Secretary of the Interior to hold a competitive lease sale at least once per year, compared to once every two years under current law, and hold replacement lease sales for any canceled or delayed sales. The bill would require the Secretary to provide written notice to the applicant within thirty days if an application is complete and then provide a final decision on the application within thirty days of notification that the application is complete.

Geothermal energy has a long history on public lands, with the first federally permitted project approved in 1978, and vast potential for increased development. Recent technological breakthroughs make it possible to develop geothermal energy in a wider area than previously possible, using currently commercially available oil and gas technologies and techniques. This could enable rapid expansion of zero-emission, on-demand energy to complement and backstop intermittent solar and wind.

There are challenges to geothermal energy deployment on federal lands. Geothermal developers have expressed concerns that there are insufficient acres of federal land available for development because few Bureau of Land Management (BLM) field offices hold the biannual geothermal lease sales. While H.R. 1449 aims to address these concerns, the bill would put harmful requirements on permitting that would restrict public input and rush environmental review. Additionally, H.R. 1449 provides no additional resources for permitting and could exacerbate existing staff capacity issues.

Some BLM field offices have more experience with geothermal permitting than others, and as a result, offices with less experience may take considerable time to review and approve geothermal permits. Limited staff availability and high staff turnover at some BLM field offices have increased geothermal permit review and processing timeframes. Committee Democrats support the goal of increasing certainty for geothermal permitting, but rather than impose strict timelines on agencies without flexibility, Committee Democrats are working to find solutions that address the root cause of delays, including through a recently requested U.S. Government Accountability Office report on geothermal permitting and workforce challenges in the BLM.¹

In a statement for the record on H.R. 1449, the Department of the Interior flagged that the proposed 30-day requirement to notify

¹House Committee on Natural Resources Democrats. August 8, 2024. "Committee Democrats Make Various GAO Requests to Examine Energy Production on Public Lands." <https://democrats-naturalresources.house.gov/media/press-releases/grijalva-committee-democrats-make-various-gao-requests-to-examine-energy-production-on-public-lands>.

applicants that their application is complete may not be achievable in cases of complex applications or for applications submitted to offices with limited geothermal staff or vacant positions. BLM suggested updating the timeline to 90 days—a change that was not adopted. Additionally, BLM stated the 30-day timeline to issue a decision on an application would not allow adequate time to complete National Environmental Policy Act analysis or receive permits from other federal agencies. The bill does not contain any flexibility if BLM needs to conduct additional environmental analyses or review community input, nor does it provide additional staffing resources for BLM to meet this new deadline.

Committee Democrats offered an amendment to extend the timeline for permit consideration to 90 days, as requested by the Department of the Interior, and provide flexibility in the timeline for the department to make a final determination on a permit. However, the amendment was not adopted.

RÁUL M. GRIJALVA,
Ranking Member.

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