

ESSB 6039 - H COMM AMD

By Committee on Environment & Energy

ADOPTED AS AMENDED 02/29/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.92
4 RCW to read as follows:

5 (1) The geological survey shall compile and maintain a
6 comprehensive database of publicly available subsurface geologic
7 information relating to Washington state. The geological survey must
8 make the database available to the public in a searchable format via
9 the geological survey's website.

10 (2) The subsurface geologic information contained on the website
11 should include, but is not limited to, the following:

- 12 (a) Temperature gradient logs;
- 13 (b) Geothermal well records;
- 14 (c) High resolution magnetotelluric surveys;
- 15 (d) High resolution gravity surveys;
- 16 (e) Geothermal play fairway studies;
- 17 (f) Three-dimensional reflection seismic surveys; and
- 18 (g) Rock properties databases.

19 (3) The geological survey must:

20 (a) Coordinate with federal, state, and local agencies, and
21 tribal governments, to compile existing subsurface geologic
22 information;

23 (b) Acquire, process, and analyze new subsurface geologic data
24 and update deficient data using the best practicable technology;

25 (c) Using available data, characterize the hazard of induced
26 seismicity for high-potential geothermal play areas. Results of
27 induced seismicity hazard studies must be made publicly available and
28 updated as new information is available; and

29 (d) Provide technical assistance on the proper interpretation and
30 application of subsurface geologic data and hazard assessments.

1 **Sec. 2.** RCW 79.13.530 and 2003 c 334 s 465 are each amended to
2 read as follows:

3 (1) In an effort to increase potential revenue to the geothermal
4 account, the department shall, by December 1, 1991, adopt rules
5 providing guidelines and procedures for leasing state-owned land for
6 the development of geothermal resources.

7 (2)(a) By September 30, 2024, the department must commence rule
8 making to update its geothermal resources lease rates. The updated
9 geothermal resources lease rates must comply with the terms
10 established in this section.

11 (b) Geothermal resources lease rates must be competitive with
12 geothermal resources lease rates adopted by the federal government
13 and by other states in the western portion of the United States.

14 (c) The goal of the updated geothermal resources lease rates must
15 be to optimize the state's competitiveness at attracting geothermal
16 exploration and development projects while balancing the state's
17 obligation to trust beneficiaries and not adversely impacting the
18 rights of federally recognized Indian tribes.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.31
20 RCW to read as follows:

21 (1) Subject to the availability of amounts appropriated for this
22 specific purpose, a competitive geothermal exploration cost-share
23 grant program is established in order to incentivize deep exploratory
24 drilling to identify locations suitable for the development of
25 geothermal energy.

26 (2) Grants may be awarded to offset the direct costs associated
27 with the expense of conducting deep exploratory drilling for the
28 purpose of identifying locations in Washington suitable for the
29 development of geothermal energy.

30 (3) The department of commerce must consult with the Washington
31 geological survey to develop a method and criteria for the allocation
32 of grants, subject to the following:

33 (a) Proposed exploratory drilling projects should be located in
34 areas of high geothermal potential not impacting the rights of
35 federally recognized Indian tribes;

36 (b) Grant applicants should possess, or should demonstrate a
37 partnership or other form of relationship with entities who possess,
38 demonstrated expertise in successful geothermal exploration;

1 (c) Grant applicants should meet high labor standards, including
2 family sustaining wages, providing benefits including health care and
3 employer-contributed retirement plans, career development
4 opportunities, and must maximize access to economic benefits from
5 exploratory projects for local workers;

6 (d) Selection and implementation of exploratory drilling projects
7 should align with equity and environmental justice principles as
8 established in chapter 70A.02 RCW;

9 (e) Grant awards must be available to private, public, and
10 federally recognized tribal applicants. Grant awards to private grant
11 applicants should be for no more than one-half of the overall cost of
12 the project and grant awards to public grant applicants should be for
13 no more than two-thirds of the overall cost of the project;

14 (f) Grant applicants must demonstrate that they have, or that
15 they will have by the time of the execution of a grant agreement,
16 site control of the site that is the subject of the exploration
17 effort, either through an ownership interest or through a lease
18 agreement that provides access to the site and the right to drill to
19 the proposed depth;

20 (g) The grant application must demonstrate the applicant's
21 engagement efforts with the local community to provide information
22 about the potential project;

23 (h) If any fluid is proposed to be injected as part of the
24 exploratory drilling, the grant applicant must:

25 (i) Include an analysis of any potential for induced seismicity
26 as a result of the injection, as well as a plan for the management of
27 the risk of induced seismicity; and

28 (ii) Consult with the department of ecology and, if applicable,
29 comply with underground injection control standards and groundwater
30 antidegradation standards as directed in chapter 90.48 RCW;

31 (i) The award of grants will seek to broaden the state's
32 knowledge of geothermal resources, with a preference given to high
33 impact projects in favorable geologic settings that have been
34 comparatively underexplored; and

35 (j) All results of any exploratory drilling performed with grant
36 funds must be made publicly available and must be submitted to the
37 Washington geological survey for inclusion in the database created
38 pursuant to section 1 of this act.

39 (4) In the course of administering the geothermal exploration
40 cost-share grant program, the department of commerce shall make a

1 reasonable effort to utilize the United States department of energy
2 recommendations and guidelines concerning enhanced geothermal
3 demonstration projects in the western states.

4 NEW SECTION. **Sec. 4.** (1) The department of ecology, in
5 consultation with the department of commerce, the department of
6 natural resources, the department of fish and wildlife, and the
7 department of archaeology and historic preservation, shall engage in
8 a collaborative process to identify opportunities and risks
9 associated with the development of geothermal resources in three
10 locations with the highest geothermal potential in Washington. The
11 department of natural resources must identify these three locations.

12 (2) (a) As part of the geothermal resources collaborative process,
13 the department of ecology must engage in meaningful government-to-
14 government consultation with potentially affected federally
15 recognized Indian tribes by learning from each participating tribe
16 about their communication protocols for consultation and must seek
17 participation from the department of archaeology and historic
18 preservation, other state agencies as appropriate, local governments,
19 state research institutions, participants in Washington's electrical
20 generation, transmission, and distribution sector, and environmental
21 organizations. At the request of potentially affected federally
22 recognized Indian tribes, the department of ecology may include
23 additional participation with independent subject matter expertise.

24 (b) Subject to the availability of amounts appropriated for this
25 specific purpose, the department of ecology shall provide grants to
26 potentially affected federally recognized Indian tribes to provide
27 capacity and to support their evaluation of the cultural, natural
28 resource, and other impacts of geothermal electricity development and
29 to support their participation in the collaborative process
30 established in this section.

31 (3) The geothermal resources collaborative process must identify
32 and provide recommendations on, at a minimum, the following topics:

33 (a) The potential impacts of geothermal resources development,
34 including impacts to:

35 (i) Rights, interests, and resources, including tribal cultural
36 resources, of potentially affected federally recognized Indian
37 tribes;

38 (ii) State or federal endangered species act listed species in
39 Washington; and

1 (iii) Overburdened communities;

2 (b) The development of factors to guide the identification of
3 preferable sites for the development of geothermal resources
4 including, but not limited to, geologic suitability, proximity to
5 electrical transmission and distribution infrastructure, and
6 continuity between groundwater and surface water resources; and

7 (c) The capacity for geothermal resources in Washington to help
8 the state meet its clean energy generation requirements and
9 greenhouse gas emissions limits.

10 (4) The department of ecology must commence the geothermal
11 resources collaborative process by November 30, 2024. The department
12 of ecology must provide the appropriate committees of the legislature
13 an update on the status of the collaborative process by June 30,
14 2026. The department of ecology must provide the appropriate
15 committees of the legislature with a final report on the
16 collaborative process by June 30, 2027.

17 (5) The interagency clean energy siting coordinating council must
18 support the department of ecology during the collaborative process.
19 The interagency clean energy siting coordinating council must
20 consider the findings of the interim update and final report and make
21 recommendations to the legislature and governor on potential actions
22 regarding the development of geothermal energy, as appropriate. Based
23 on the findings of the collaborative process, the interagency clean
24 energy siting coordinating council must identify key factors for
25 consideration in planning and siting of geothermal facilities. These
26 key factors include, but are not limited to, geologic suitability,
27 water resource impacts, impacts to the rights of federally recognized
28 Indian tribes, and proximity to electrical transmission and
29 distribution infrastructure."

30 Correct the title.

EFFECT: (1) Adds tribal governments to the list of entities with
which the Washington geological survey is directed to coordinate for
the purpose of compiling existing subsurface geologic information;

(2) Modifies the goals to be achieved through the adoption of
updated geothermal resources lease rates to include not adversely
impacting the rights of federally recognized Indian tribes;

(3) Modifies the criteria for the location of proposed geothermal
exploratory drilling projects to include not adversely impacting the
rights of federally recognized Indian tribes;

(4) Expands the scope of grants to be awarded to federally
recognized Indian tribes as part of the geothermal resources
collaborative process to include grants that provide capacity;

(5) Requires the geothermal resources collaborative process to identify and provide recommendations on, rather than address, certain topics regarding geothermal resources development; and

(6) Expands the key factors to be addressed by the interagency clean energy siting coordinating council for the planning and siting of geothermal facilities, to include impacts to the rights of federally recognized Indian tribes.

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