

HOUSE BILL REPORT

EHB 1277

As Passed Legislature

Title: An act relating to the geothermal account.

Brief Description: Continuing the geothermal account ten additional years.

Sponsor(s): Representatives Grant, May, H. Myers, Hochstatter, Paris and Jacobsen; by request of Washington State Energy Office.

Brief History:

Reported by House Committee on:

Energy & Utilities, January 29, 1991, DP;

Capital Facilities & Financing, February 15, 1991, DPA;

Passed House, March 11, 1991, 85-1;

Amended by Senate;

House concurred;

Passed Legislature, 96-0.

**HOUSE COMMITTEE ON
ENERGY & UTILITIES**

Majority Report: *Do pass.* Signed by 11 members: Representatives Grant, Chair; H. Myers, Vice Chair; May, Ranking Minority Member; Hochstatter, Assistant Ranking Minority Member; Bray; Casada; Cooper; R. Fisher; Jacobsen; Miller; and Rayburn.

Staff: Fred Adair (786-7113).

**HOUSE COMMITTEE ON
CAPITAL FACILITIES & FINANCING**

Majority Report: *Do pass as amended.* Signed by 10 members: Representatives H. Sommers, Chair; Rasmussen, Vice Chair; Schmidt, Ranking Minority Member; Neher, Assistant Ranking Minority Member; Beck; Casada; Fraser; Jacobsen; Ogden; and Wang.

Staff: Susan Kavanaugh (786-7130).

Background: For many years the state has received a portion of federal lease and royalty receipts for use of federal lands in the state. Many of these receipts were placed in

the common schools fund. Among these receipts were funds received pursuant to the federal Geothermal Steam Act of 1970.

In 1981, finding geothermal energy development to be in the public interest, the legislature diverted the Geothermal Steam Act receipts into a specially created geothermal account until June 30, 1991.

Geothermal energy is still largely undeveloped in the state but is a potentially large and possibly benign indigenous energy resource. Hence, this diversion might beneficially be continued until a future date or when a substantial geothermal energy facility is built, whichever occurs first.

Summary of Bill: Geothermal Steam Act receipts shall continue to be placed in the Geothermal Account in the treasury until June 30, 2001. At the same time, the geothermal account will be closed.

If 30 megawatts geothermal production is reached before June 30, 2001, the Geothermal Account input is reduced to 80 percent of receipts, and continues as such to June 30, 2001.

The Department of Natural Resources shall adopt state land geothermal leasing rules by December 1, 1991.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Energy & Utilities) The bill was coordinated with the Superintendent of Public Instruction and with the development qualifier, they favor the bill, as do we. The bill is intended to promote geothermal development.

(Capital Facilities & Finance) There appear to be significant geothermal reserves in the state. The work of the Energy Office and Department of Natural Resources helps increase the chances their being developed.

Testimony Against: (Energy & Utilities) None.

(Capital Facilities & Finance) None.

Witnesses: (Energy & Utilities) Amy Bell, State Energy Office.

(Capital Facilities & Finance) In favor: Gordon Bloomquist, Washington State Energy Office.

