

# SENATE BILL REPORT

## SB 6350

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As of January 30, 2018

**Title:** An act relating to promoting renewable energy by advancing the development of geothermal resources.

**Brief Description:** Promoting renewable energy by advancing the development of geothermal resources.

**Sponsors:** Senators Brown and Honeyford.

**Brief History:**

**Committee Activity:** Energy, Environment & Technology: 1/30/18.

**Brief Summary of Bill**

- Requires the Department of Natural Resources (DNR) to maintain an inventory and map of state-owned lands suspected of having potential for geothermal resource production.
- Removes geothermal energy facilities from Energy Facilities Site Evaluation Council (EFSEC) requirements.
- Requires the Joint Center for Deployment and Research in Earth-Abundant Materials (JCDREAM) to promote and provide collaboration on research methods and technologies regarding geothermal power plants.

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### SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

**Staff:** Angela Kleis (786-7469)

**Background:** Defining Well and Core Holes. A well means any excavation made to discover or produce geothermal resources. Core holes are drilled or excavated to acquire geological or geophysical data to find and delineate a favorable geothermal area prior to drilling a well.

DNR. DNR is authorized to regulate the drilling, operation, maintenance, abandonment, and restoration of geothermal areas to (1) prevent damage to and waste from underground geothermal deposits; and (2) prevent damage to underground and surface waters, land, or air

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that may result from improper drilling, operation, maintenance, or abandonment of geothermal resource wells.

An operator drilling, re-drilling, or deepening any well or core hole must file a performance bond with DNR for approval. Operator means the person supervising the operation of a geothermal resource well, regardless of whether the person is the owner of the well.

EFSEC. The Legislature created EFSEC to review siting and permitting applications for large energy projects. EFSEC is responsible for evaluating applications to ensure that all environmental and socioeconomic impacts are considered before a site is approved. After evaluating an application, EFSEC submits a recommendation to the Governor. A certification agreement approved by the Governor preempts any other state or local regulation concerning the location, construction, and operational conditions of an energy facility.

Under current law, energy facility includes wind; solar energy, geothermal energy, landfill gas, wave or tidal action, or biomass energy based on solid organic fuels.

JCDREAM. The Legislature created JCDREAM in 2015, which is a multi-institutional education and research center under the authority of the University of Washington and Washington State University. JCDREAM's purpose is to:

- establish a program in earth-abundant materials to accelerate the development of next generation clean energy and transportation technologies in Washington;
- establish a coordinated framework to drive research and deployment of earth-abundant materials and the recycling of advanced materials used in clean technologies; and
- promote environmentally responsible processes for the manufacturing and recycling of advanced materials.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** DNR. DNR must develop, periodically revise, and publish an inventory and map of state-owned lands suspected of having great potential for geothermal resource production. DNR is prohibited from constructing or operating commercial geothermal facilities.

Operators must file a performance bond with DNR for any well or core hole drilled, re-drilled, or deepened located on state-owned lands.

EFSEC. Geothermal energy facilities are removed from the types of energy facilities for which EFSEC must review siting and permitting applications.

JCDREAM. In addition to current purposes, JCDREAM must promote and provide collaboration on research methods and technologies that will allow for the economical extraction of metals, minerals, and rare earth elements from underground fluids brought to the surface by geothermal power plants.

The Legislature intends to fund research of methods and technologies that will allow for the economical extraction of metals, minerals, and rare earth elements from underground fluids brought to the surface by geothermal power plants

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Proposed Substitute:** PRO: A lab has developed a process to extract rare earth minerals when drilling geothermal wells. This would further reduce our dependence on third world countries for rare earth minerals. Washington has great geological formations that are perfectly poised for geothermal research and development. We want to further the development of geothermal resources in the state. It is good to have the state-wide bond provision. All states with geothermal energy resources have a bond provision that allows developers to bond all of the wells they are developing at once. We are interested in reclaiming resources from the fluids.

**Persons Testifying:** PRO: Senator Sharon Brown, Prime Sponsor; Susan Petty, President, AltaRock Energy, Inc..

**Persons Signed In To Testify But Not Testifying:** No one.