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**ENGROSSED SUBSTITUTE SENATE BILL 6039**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senate Environment, Energy & Technology (originally sponsored by Senators Lovelett, Shewmake, Dhingra, Frame, Hasegawa, Keiser, Lias, Nguyen, Nobles, and Saldaña)

READ FIRST TIME 01/22/24.

1           AN ACT Relating to promoting the development of geothermal energy  
2 resources; amending RCW 79.13.530; adding a new section to chapter  
3 43.92 RCW; adding a new section to chapter 43.31 RCW; and creating a  
4 new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6           NEW SECTION.   **Sec. 1.** A new section is added to chapter 43.92  
7 RCW to read as follows:

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

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

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

1 (3) The geological survey must:

2 (a) Coordinate with federal, state, and local agencies to compile  
3 existing subsurface geologic information;

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

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

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

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

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

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

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

25 (c) The goal of the updated geothermal resources lease rates must  
26 be to optimize the state's competitiveness at attracting geothermal  
27 exploration and development projects while balancing the state's  
28 obligation to trust beneficiaries.

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

31 (1) Subject to the availability of amounts appropriated for this  
32 specific purpose, a competitive geothermal exploration cost-share  
33 grant program is established in order to incentivize deep exploratory  
34 drilling to identify locations suitable for the development of  
35 geothermal energy.

36 (2) Grants may be awarded to offset the direct costs associated  
37 with the expense of conducting deep exploratory drilling for the

1 purpose of identifying locations in Washington suitable for the  
2 development of geothermal energy.

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

6 (a) Proposed exploratory drilling projects should be located in  
7 areas of high geothermal potential;

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

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

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

19 (e) Grant awards must be available to private, public, and  
20 federally recognized tribal applicants. Grant awards to private grant  
21 applicants should be for no more than one-half of the overall cost of  
22 the project and grant awards to public grant applicants should be for  
23 no more than two-thirds of the overall cost of the project;

24 (f) Grant applicants must demonstrate that they have, or that  
25 they will have by the time of the execution of a grant agreement,  
26 site control of the site that is the subject of the exploration  
27 effort, either through an ownership interest or through a lease  
28 agreement that provides access to the site and the right to drill to  
29 the proposed depth;

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

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

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

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

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

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

9 (4) In the course of administering the geothermal exploration  
10 cost-share grant program, the department of commerce shall make a  
11 reasonable effort to utilize the United States department of energy  
12 recommendations and guidelines concerning enhanced geothermal  
13 demonstration projects in the western states.

14 NEW SECTION. **Sec. 4.** (1) The department of ecology, in  
15 consultation with the department of commerce, the department of  
16 natural resources, the department of fish and wildlife, and the  
17 department of archaeology and historic preservation, shall engage in  
18 a collaborative process to identify opportunities and risks  
19 associated with the development of geothermal resources in three  
20 locations with the highest geothermal potential in Washington. The  
21 department of natural resources must identify these three locations.

22 (2) (a) As part of the geothermal resources collaborative process,  
23 the department of ecology must engage in meaningful government-to-  
24 government consultation with potentially affected federally  
25 recognized Indian tribes by learning from each participating tribe  
26 about their communication protocols for consultation and must seek  
27 participation from the department of archaeology and historic  
28 preservation, other state agencies as appropriate, local governments,  
29 state research institutions, participants in Washington's electrical  
30 generation, transmission, and distribution sector, and environmental  
31 organizations. At the request of potentially affected federally  
32 recognized Indian tribes, the department of ecology may include  
33 additional participation with independent subject matter expertise.

34 (b) Subject to the availability of amounts appropriated for this  
35 specific purpose, the department of ecology shall provide grants to  
36 potentially affected federally recognized Indian tribes to support  
37 their evaluation of the cultural, natural resource, and other impacts  
38 of geothermal electricity development and to support their

1 participation in the collaborative process established in this  
2 section.

3 (3) The geothermal resources collaborative process must address,  
4 at a minimum, the following topics:

5 (a) The potential impacts of geothermal resources development,  
6 including impacts to:

7 (i) Rights, interests, and resources, including tribal cultural  
8 resources, of potentially affected federally recognized Indian  
9 tribes;

10 (ii) State or federal endangered species act listed species in  
11 Washington; and

12 (iii) Overburdened communities;

13 (b) The development of factors to guide the identification of  
14 preferable sites for the development of geothermal resources  
15 including, but not limited to, geologic suitability, proximity to  
16 electrical transmission and distribution infrastructure, and  
17 continuity between groundwater and surface water resources; and

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

21 (4) The department of ecology must commence the geothermal  
22 resources collaborative process by November 30, 2024. The department  
23 of ecology must provide the appropriate committees of the legislature  
24 an update on the status of the collaborative process by June 30,  
25 2026. The department of ecology must provide the appropriate  
26 committees of the legislature with a final report on the  
27 collaborative process by June 30, 2027.

28 (5) The interagency clean energy siting coordinating council must  
29 support the department of ecology during the collaborative process.  
30 The interagency clean energy siting coordinating council must  
31 consider the findings of the interim update and final report and make  
32 recommendations to the legislature and governor on potential actions  
33 regarding the development of geothermal energy, as appropriate. Based  
34 on the findings of the collaborative process, the interagency clean  
35 energy siting coordinating council must identify key factors for  
36 consideration in planning and siting of geothermal facilities. These  
37 key factors include, but are not limited to, geologic suitability,

1 water resource impacts, and proximity to electrical transmission and  
2 distribution infrastructure.

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