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**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 to private grant applicants should be for no  
20 more than one-half of the overall cost of the project and grant  
21 awards to public and tribal grant applicants should be for no more  
22 than two-thirds of the overall cost of the project;

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

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

32 (h) If any fluid is proposed to be injected as part of the  
33 exploratory drilling, the grant application must include an analysis  
34 of any potential for induced seismicity as a result of the injection,  
35 as well as a plan for the management of the risk of induced  
36 seismicity;

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

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

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

10 NEW SECTION. **Sec. 4.** (1) The department of ecology, in  
11 consultation with the department of commerce and the department of  
12 natural resources, shall engage in a collaborative process to  
13 identify opportunities and risks associated with the development of  
14 geothermal resources in three locations with the highest geothermal  
15 potential in Washington. The department of natural resources must  
16 identify these three locations.

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

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

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

38 (a) The potential impacts of geothermal resources development,  
39 including impacts to:

1 (i) Rights, interests, and resources, including tribal cultural  
2 resources, of potentially affected federally recognized Indian  
3 tribes;

4 (ii) State or federal endangered species act listed species in  
5 Washington; and

6 (iii) Overburdened communities;

7 (b) The development of factors to guide the identification of  
8 preferable sites for the development of geothermal resources  
9 including, but not limited to, geologic suitability and proximity to  
10 electrical transmission and distribution infrastructure; and

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

14 (4) The department of ecology must commence the geothermal  
15 resources collaborative process by November 30, 2024. The department  
16 of ecology must provide the appropriate committees of the legislature  
17 with interim reports on the status of the collaborative process by  
18 June 30, 2025, and November 30, 2025. The department of ecology must  
19 provide the appropriate committees of the legislature with a final  
20 report on the collaborative process by June 30, 2026.

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