

**Statement of
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House Natural Resources Subcommittee on Energy & Mineral Resources

**Legislative Hearing on
H.R. 301, GEO Act
H.R. 398, Geothermal Cost-Recovery Authority Act
H.R. 1077, STEAM Act
H.R. 1687, CLEAN Act
H.R. 5576, Enhancing Geothermal Production on Federal Lands Act
H.R. 5587, HEATS Act
H.R. 5617, Geothermal Gold Book Development Act
H.R. 5631, Geothermal Ombudsman for National Deployment and Optimal Reviews Act
H.R. 5638, Geothermal Royalty Reform Act**

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Introduction

Chairman Stauber, Ranking Member Ansari, and Members of the Subcommittee, thank you for the opportunity to provide testimony on behalf of the Bureau of Land Management (BLM).

The public lands and minerals stewarded by the BLM include approximately 245 million acres of public lands and about 700 million acres of subsurface and mineral estate. The mineral resources contained in these lands are critical to achieving American Energy Dominance, and their development will power our economy, bolster national defense, and support emerging technologies. The BLM is working every day to responsibly develop our national assets to grow our economy, help balance the budget, and generate revenue for American taxpayers, while at the same time protecting our beautiful lands, abundant wildlife, and clean air and water.

Background

The Federal Land Policy and Management Act (FLPMA) sets forth the BLM's multiple-use mission, directing that public lands be managed for a variety of uses, such as energy development; livestock grazing; mining; hunting, fishing, and other forms of recreation. The BLM's mission contributes to economic growth, job creation, and domestic energy production, while generating revenues for federal and state treasuries and local economies and allowing for productive management of our public lands and waters.

By declaring a National Energy Emergency in January, President Trump highlighted the critical need to fast-track development of dependable, well-established energy sources on federal lands.

Geothermal energy is an important domestic energy resource which provides safe, secure, and reliable steady-state baseload energy. Created by heat sources deep within the Earth, geothermal energy is abundant in the western United States where it is used to generate electricity, support direct-use applications including aquaculture operations and recreation, and provide heating for buildings and industrial processes. Expanding geothermal production directly supports the President's directive by bolstering grid reliability, increasing domestic energy security, and reducing dependency on foreign energy supplies.

Under the Geothermal Steam Act of 1970 (30 U.S.C. 1001) (Steam Act), the BLM issues leases for the development and utilization of geothermal resources on lands managed by the Department of the Interior (Department) and the U.S. Forest Service. The BLM has the authority for leasing geothermal resources on 245 million acres of public lands and 700 million acres of subsurface mineral estate, which makes up nearly a third of the nation's mineral estate. Currently, the BLM manages 569 geothermal leases encompassing approximately 1.2 million acres. Fifty-one geothermal electrical generation facilities (e.g., power plants) operate on 85 leases across Nevada, California, Utah, and New Mexico, with a combined gross installed capacity of approximately 2,600 MW.

In Fiscal Year (FY) 2025, every BLM state office that received geothermal resource development interest – California, Idaho, Nevada, New Mexico, Oregon, and Utah – held a lease sale, resulting in a total of nearly 327,000 acres leased. These significant efforts underscore the Administration's commitment to achieve energy dominance.

H.R. 301, Geothermal Energy Opportunity (GEO) Act

H.R. 301 would require the BLM to complete the processing of a geothermal drilling permit, sundry notice, notice to proceed, right-of-way, or other authorization or approval within 60 days of complying with all applicable laws and regulations, including the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and the National Historic Preservation Act (NHPA), unless a federal court vacates the underlying lease as a result of litigation.

Analysis

While the Department is currently implementing emergency permitting procedures to expedite the review of geothermal projects in response to the National Energy Emergency, it is also working to ensure that the country doesn't face an energy emergency in the future. The Department is actively reviewing actions that potentially burden the development of domestic energy resources and working to expedite and simplify the permitting process. The BLM recognizes the need for permanent permitting solutions that ensure efficient and timely processing of authorizations associated with geothermal leasing, exploration, and development activities and supports H.R. 301.

H.R. 398, Geothermal Cost-Recovery Authority Act

H.R. 398 would authorize the Secretary to require an applicant for, or holder of, a geothermal lease to reimburse the United States for certain administrative costs. These costs may be associated with the BLM's processing of the lease application; processing other applications associated with a geothermal lease; inspections and monitoring for geophysical exploration activities; the drilling, plugging, and abandonment of geothermal wells; and the construction,

operation, termination, and reclamation of any well site or facility for the use of geothermal resources. The bill further states that the Secretary must consider whether there is a cooperative cost share agreement between the United States and the geothermal lessee when determining whether to require reimbursement of these costs.

Analysis

The BLM recognizes the importance of geothermal development and believes that any fees imposed on an applicant should be structured in a way that further encourages this development. The BLM supports the goals of the bill, which would help support a sustainable and responsive permitting process. Sec. 304(b) of FLPMA provides the BLM with the authority to establish fees with respect to transactions involving public lands to recover the reasonable processing cost of services that provide a special benefit not shared by the general public to an identifiable recipient. The BLM has used this authority to establish fees for certain activities associated with geothermal leasing, including site license applications; the BLM, however, currently has neither a geothermal drilling permit fee nor a mechanism to charge a fee for inspections.

H.R. 1077, Streamlining Thermal Energy through Advanced Mechanisms Act (STEAM) Act

H.R. 1077 proposes to amend Section 390 of the Energy Policy Act of 2005 (EPA 2005) to apply the existing Section 390 Categorical Exclusions (CEs), currently limited to oil or gas exploration or development, to geothermal energy.

Analysis

CEs are categories of actions that federal agencies have determined to not have a significant effect on the quality of the human environment (individually or cumulatively) and for which neither an environmental assessment nor an environmental impact statement is required to comply with NEPA. Currently, Section 390 CE's apply only to oil and gas exploration and development activities that are carried out under the Mineral Leasing Act.

The BLM oversees geothermal development on federal lands by leasing sites, conducting environmental reviews, and issuing permits for exploration and production. This bill aligns with the goals of Executive Order 14156, *Declaring a National Energy Emergency*, and Secretary's Order 3417, *Addressing the National Energy Emergency*. The Trump Administration has made it clear that energy security is national security and it is imperative to fast track the development of energy projects by removing unnecessary burdens and red tape. Extending Section 390 CE's to geothermal development would offer significant benefits in ensuring the expeditious review for energy projects that are critical for U.S. national security and Energy Dominance while maintaining environmental stewardship. As such, the Department supports H.R. 1077.

H.R. 1687, Committing Leases for Energy Access Now Act (CLEAN) Act

H.R. 1687 would amend the Steam Act to require the BLM to hold competitive geothermal lease sales annually in any state with pending nominations. If a scheduled lease sale is canceled or delayed, the BLM must conduct a replacement sale within the same year. The bill also requires the BLM to notify applicants within 30 days of receiving an application for a geothermal drilling permit whether their application is complete and to issue a final decision within 30 days of that notification.

Analysis

The BLM supports the bill's goal of promoting geothermal development on public lands and the BLM held a lease sale in every state office with geothermal resource development interest in FY 2025. The BLM notes it often requires additional time to prepare for lease sales when the agency is leasing geothermal resources underlying lands managed by other federal agencies. The BLM would like to work with the sponsor on technical modifications to account for federal surface managed by agencies other than the BLM, on the timing of sales and replacement sales, as well as to updates to some terms.

The BLM also supports the goal of promoting efficient and timely processing of geothermal development permits, including notifying applicants as to the completeness of their application and issuing decisions on complete applications. Additionally, operators may need permits from other federal, state or tribal agencies which may require additional time to issue a final decision beyond that provided in the bill. The BLM would like to work with the sponsor to ensure that any consultations or permits required by other agencies can be completed within the timeframe allotted in the bill.

H.R. 5576, Enhancing Geothermal Production on Federal Lands Act

H.R. 5576 would amend the Steam Act by creating a new category for "geothermal exploration projects" on existing federal geothermal leases. These projects are defined as the drilling of wells that have a diameter of less than 13 3/8 inches and surface disturbance of less than eight acres, are completed in less than 180 days, and will be restored within three years to approximately the condition that existed at the time the project began. Under the bill, lessees would be required to provide notice to the Secretary of the Interior (Secretary) at least 30 days before the start of drilling exploration projects.

H.R. 5576 also includes language stating that these geothermal exploration projects – as well as certain other activities related to the exploration, development, or production (including direct use) of geothermal resources – shall not be considered major federal actions under NEPA. This language would exempt these projects and activities from the environmental analysis and public review requirements of NEPA.

The bill would also require the Secretary, in consultation with the Secretary of Energy, to designate new geothermal leasing priority areas on public lands. Within three years of the bill's enactment, the Secretary would be required to designate these areas on public lands that are determined to be economically viable for geothermal production and have access to energy transmission infrastructure. The Secretary would then be required to complete a programmatic environmental impact statement to cover all leasing activity within these priority areas within a year after they are designated. Not less than once every five years, the Secretary would review these areas to make additional designations or remove designations.

Analysis

The BLM supports the goals of H.R. 5576 to enhance and expedite permitting for geothermal energy exploration and is currently working to streamline the environmental reviews needed for energy development projects. The BLM supports the use of CEs to accelerate the review of

geothermal projects and has recently adopted two geothermal CEs from other federal agencies and developed one new geothermal CE.

The BLM appreciates the sponsor's efforts aimed at expediting geothermal leasing by creating "geothermal leasing priority areas." The BLM is continuing to analyze geothermal resources as land use plans are amended. The BLM notes flexibility may be needed in the designation of geothermal leasing priority areas to ensure these areas align with industry interest. Companies consider a broad range of factors when determining whether areas are economically feasible to develop, and those factors may shift due to considerations such as technological advancements. The BLM wants to ensure the use of geothermal leasing priority areas can respond to shifts in development opportunities.

H.R. 5587, Harnessing Energy At Thermal Sources (HEATS) Act

H.R. 5587 eliminates the requirement that a geothermal operator submit a federal geothermal drilling permit to the BLM in instances where there is non-federal surface estate and where the subsurface geothermal estate is less than 50 percent federal. Under the bill, an operator would be required to provide the Secretary a copy of a state-approved drilling permit and may commence activities 30 days after submission. H.R. 5587 also states that nothing in the bill alters the amount of royalties due to the United States from production of federal geothermal resources and allows the Secretary to conduct onsite reviews and inspections to ensure payment of royalties. The bill would not apply to lands held in Trust by the United States for the benefit of various Tribes.

Analysis

The BLM appreciates the efforts to streamline geothermal permitting by reducing redundancies with state regulatory agencies and supports H.R. 5587. This bill will help expedite permitting of this important domestic energy resource.

H.R. 5617, Geothermal Gold Book Development Act

H.R. 5617 would require the BLM to draft and publish a "Gold Book" for geothermal development on federal lands, similar the BLM's [Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development](#) (Oil & Gas Gold Book). Within one year of enactment of the bill, the Department would be required to consult with other federal agencies to identify standard procedures and guidelines for efficient and environmentally responsible geothermal leasing and permitting. The Department would then be required to publish the new "Geothermal Gold Book" 180 days after identifying those standards. The bill would require review and revision of the Geothermal Gold Book, as necessary, every five years.

Analysis

The Oil & Gas Gold Book was developed to assist operators by providing information on the requirements for obtaining permit approval and conducting environmentally responsible oil and gas operations on federal lands and on private surface over federal minerals. It remains an important tool for guiding operators, particularly as to technical aspects of BLM's surface management of oil and gas exploration operations and resource utilization.

The Department supports the goal of the bill to improve efficiency in geothermal permitting and development. We would welcome the opportunity to discuss the bill with the sponsor and the

Subcommittee, including potentially incorporating geothermal development into the existing Oil & Gas Gold Book as aspects of geothermal development are technically similar to oil and gas development.

H.R. 5631, Geothermal Ombudsman for National Deployment & Optimal Reviews Act

H.R. 5631 proposes to establish a Geothermal Permitting Task Force that is headed by a Geothermal Ombudsman. The Geothermal Ombudsman would have the ability to assign BLM personnel with relevant expertise to assist with completion of geothermal authorizations in a field office other than their own. Additionally, the bill allows the Geothermal Ombudsman to utilize retention incentives for the Task Force.

Analysis

The BLM supports streamlining geothermal leasing and permitting on public lands and supports the creation of a Geothermal Permitting Task Force proposed in H.R. 5631 as it could encourage more development by streamlining geothermal leasing and permitting on public lands. The BLM recommends including other surface-managing agencies, such as the Forest Service, on the Task Force since a consent determination is required from those agencies before geothermal leases can be issued on lands they manage. The BLM would like to work with the sponsor to incorporate the roles and responsibilities of the proposed Geothermal Ombudsman into BLM's existing operations.

H.R. 5638, Geothermal Royalty Reform Act

H.R. 5638 amends the Steam Act to require royalties on production from leased geothermal resources from each electric generating facility (power plant), instead of by lease. The Steam Act requires companies that generate electricity from geothermal resources on federal lands to pay royalties, which help support tribes, states, and local communities. Under the Steam Act, a lower royalty rate is paid on energy generated in the first ten years of production than on energy produced after the initial ten-year period. By specifying that royalties be calculated per energy generation facility or power plant (not per lease) based on the actual electricity a facility produces, the bill would affect the initial ten-year period of reduced royalty by making it applicable to each power plant utilizing resources under a lease.

Analysis

Under current law, the initial ten-year reduced royalty applies to the lease, not to each power plant. Therefore, the first power plant utilizing the resource under the lease is the only power plant that gets the full benefit of the ten-year reduced royalty. Subsequent power plants constructed and utilizing resources under the lease, depending on their date of initial production, may get some or none of the initial ten-year period of reduced royalty. H.R. 5638 would ensure that each power plant would receive the full benefit of the lower royalty during the initial ten-year period.

The Department appreciates the sponsor's goal of tying royalty payments to the production output of the facility rather than the lease as a means of encouraging efficiency and productivity. The BLM supports H.R. 5638 and would like to work with the sponsor, through coordination with the Office of Natural Resources Revenue, on technical modifications to ensure the bill can be effectively implemented.