

# HOUSE BILL REPORT

## HB 1277

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*As Reported By House Committee on:  
Energy & Utilities*

*As Reported by House Committee on:  
Capital Facilities & Financing*

**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.

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**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).

**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 2001 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 or there is placed into operation geothermal electric power generation amounting to at least thirty megawatts capacity, whichever occurs first. At the same time, the geothermal account will be closed.

**Fiscal Note:** Requested January 15, 1991.

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

**Testimony For:** 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.

**Testimony Against:** None.

**Witnesses:** Amy Bell, State Energy Office.

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**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).

**Summary of Recommendation of Committee on Capital Facilities & Financing Compared to Recommendation of Committee on Energy & Utilities:** The outside date for termination of geothermal account is changed to 1997.

**Fiscal Note:** Available.

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

**Testimony For:** 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:** None.

**Witnesses:** In favor: Gordon Bloomquist, Washington State Energy Office.