

**ESSB 6039** - H COMM AMD

By Committee on Environment & Energy

**ADOPTED AND ENGROSSED 02/29/2024**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.92  
4 RCW to read as follows:

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

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

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

19 (3) The geological survey must:

20 (a) Coordinate with federal, state, and local agencies, and  
21 tribal governments, to compile existing subsurface geologic  
22 information;

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

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

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

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

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

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

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

14       (c) The goal of the updated geothermal resources lease rates must  
15 be to optimize the state's competitiveness at attracting geothermal  
16 exploration and development projects while balancing the state's  
17 obligation to trust beneficiaries and not adversely impacting  
18 federally reserved tribal rights and resources including, but not  
19 limited to, those protected by treaty, executive order, or federal  
20 law.

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

23       (1) Subject to the availability of amounts appropriated for this  
24 specific purpose, a competitive geothermal exploration cost-share  
25 grant program is established in order to incentivize deep exploratory  
26 drilling to identify locations suitable for the development of  
27 geothermal energy.

28       (2) Grants may be awarded to offset the direct costs associated  
29 with the expense of conducting deep exploratory drilling for the  
30 purpose of identifying locations in Washington suitable for the  
31 development of geothermal energy.

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

35       (a) Proposed exploratory drilling projects should be located in  
36 areas of high geothermal potential not impacting federally reserved  
37 tribal rights and resources including, but not limited to, those  
38 protected by treaty, executive order, or federal law;

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

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

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

12 (e) Grant awards must be available to private, public, and  
13 federally recognized tribal applicants. Grant awards to private grant  
14 applicants should be for no more than one-half of the overall cost of  
15 the project and grant awards to public grant applicants should be for  
16 no more than two-thirds of the overall cost of the project;

17 (f) Grant applicants must demonstrate that they have, or that  
18 they will have by the time of the execution of a grant agreement,  
19 site control of the site that is the subject of the exploration  
20 effort, either through an ownership interest or through a lease  
21 agreement that provides access to the site and the right to drill to  
22 the proposed depth;

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

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

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

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

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

38 (j) All results of any exploratory drilling performed with grant  
39 funds must be made publicly available and must be submitted to the

1 Washington geological survey for inclusion in the database created  
2 pursuant to section 1 of this act.

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

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

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

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

35 (3) The geothermal resources collaborative process must identify  
36 and provide recommendations on, at a minimum, the following topics:

37 (a) The potential impacts of geothermal resources development,  
38 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, proximity to  
10 electrical transmission and distribution infrastructure, and  
11 continuity between groundwater and surface water resources; and

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

15 (4) The department of ecology must commence the geothermal  
16 resources collaborative process by November 30, 2024. The department  
17 of ecology must provide the appropriate committees of the legislature  
18 an update on the status of the collaborative process by June 30,  
19 2026. The department of ecology must provide the appropriate  
20 committees of the legislature with a final report on the  
21 collaborative process by June 30, 2027.

22 (5) The interagency clean energy siting coordinating council must  
23 support the department of ecology during the collaborative process.  
24 The interagency clean energy siting coordinating council must  
25 consider the findings of the interim update and final report and make  
26 recommendations to the legislature and governor on potential actions  
27 regarding the development of geothermal energy, as appropriate. Based  
28 on the findings of the collaborative process, the interagency clean  
29 energy siting coordinating council must identify key factors for  
30 consideration in planning and siting of geothermal facilities. These  
31 key factors include, but are not limited to, geologic suitability,  
32 water resource impacts, impacts to the rights of federally recognized  
33 Indian tribes, and proximity to electrical transmission and  
34 distribution infrastructure."

35 Correct the title.

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