

SSB 6039 - S AMD 572

By Senator Lovelett

PULLED 02/09/2024

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 to compile
21 existing subsurface geologic information;

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

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

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

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

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

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

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

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

16 NEW SECTION. Sec. 3. A new section is added to chapter 43.31
17 RCW to read as follows:

18 (1) Subject to the availability of amounts appropriated for this
19 specific purpose, a competitive geothermal exploration cost-share
20 grant program is established in order to incentivize deep exploratory
21 drilling to identify locations suitable for the development of
22 geothermal energy.

23 (2) Grants may be awarded to offset the direct costs associated
24 with the expense of conducting deep exploratory drilling for the
25 purpose of identifying locations in Washington suitable for the
26 development of geothermal energy.

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

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

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

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

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

4 (e) Grant awards must be available to private, public, and
5 federally recognized tribal applicants. Grant awards to private grant
6 applicants should be for no more than one-half of the overall cost of
7 the project and grant awards to public grant applicants should be for
8 no more than two-thirds of the overall cost of the project;

9 (f) Grant applicants must demonstrate that they have, or that
10 they will have by the time of the execution of a grant agreement,
11 site control of the site that is the subject of the exploration
12 effort, either through an ownership interest or through a lease
13 agreement that provides access to the site and the right to drill to
14 the proposed depth;

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

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

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

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

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

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

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

1 NEW SECTION.

2 **Sec. 4.**

3 (1) The department of ecology, in
4 consultation with the department of commerce and the department of
5 natural resources, shall engage in a collaborative process to
6 identify opportunities and risks associated with the development of
7 geothermal resources in three locations with the highest geothermal
8 potential in Washington. The department of natural resources must
9 identify these three locations.

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

22 (b) Subject to the availability of amounts appropriated for this
23 specific purpose, the department of ecology shall provide grants to
24 potentially affected federally recognized Indian tribes to support
25 their evaluation of the cultural, natural resource, and other impacts
26 of geothermal electricity development and to support their
27 participation in the collaborative process established in this
28 section.

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

31 (a) The potential impacts of geothermal resources development,
32 including impacts to:

33 (i) Rights, interests, and resources, including tribal cultural
34 resources, of potentially affected federally recognized Indian
35 tribes;

36 (ii) State or federal endangered species act listed species in
37 Washington; and

38 (iii) Overburdened communities;

39 (b) The development of factors to guide the identification of
40 preferable sites for the development of geothermal resources
41 including, but not limited to, geologic suitability, proximity to

1 electrical transmission and distribution infrastructure, and
2 continuity between groundwater and surface water resources; and

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

6 (4) The department of ecology must commence the geothermal
7 resources collaborative process by November 30, 2024. The department
8 of ecology must provide the appropriate committees of the legislature
9 an update on the status of the collaborative process by June 30,
10 2026. The department of ecology must provide the appropriate
11 committees of the legislature with a final report on the
12 collaborative process by June 30, 2027."

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13 On page 1, line 2 of the title, after "resources;" strike the
14 remainder of the title and insert "amending RCW 79.13.530; adding a
15 new section to chapter 43.92 RCW; adding a new section to chapter
16 43.31 RCW; and creating a new section."

EFFECT: (1) Specifies that grant awards under the competitive geothermal exploration cost-share grant program must be available to private, public, and federally recognized tribal applicants.

(2) Removes the requirement for tribal grant applicants to pay up to one-third of the overall cost of the project.

(3) Directs a grant applicant to consult with the department of ecology (ecology) and, if applicable, comply with underground injection control standards and groundwater antidegradation standards if any fluid is proposed to be injected as part of the exploratory drilling.

(4) Directs ecology to seek participation from other state agencies as appropriate in the government-to-government consultation with federally recognized Indian tribes under the geothermal resources collaborative process (collaborative process).

(5) Requires the collaborative process to address the development of factors to guide the identification of preferable sites for geothermal resources to include the continuity between groundwater and surface water resources.

(6) Consolidates the two interim reports on the collaborative process into one update by June 30, 2026, instead of June 2025.

(7) Extends the deadline for the final report on the collaborative process by one year, to June 30, 2027, instead of 2026.

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