

SSB 6039 - S AMD 637  
By Senator Lovelett

ADOPTED 02/12/2024

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, the department of  
5        natural resources, the department of fish and wildlife, and the  
6        department of archaeology and historic preservation, shall engage in  
7        a collaborative process to identify opportunities and risks  
8        associated with the development of geothermal resources in three  
9        locations with the highest geothermal potential in Washington. The  
10       department of natural resources must identify these three locations.

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

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

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

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

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

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

39       (iii) Overburdened communities;

40       (b) The development of factors to guide the identification of  
41       preferable sites for the development of geothermal resources  
42       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.

13 (5) The interagency clean energy siting coordinating council must  
14 support the department of ecology during the collaborative process.  
15 The interagency clean energy siting coordinating council must  
16 consider the findings of the interim update and final report and make  
17 recommendations to the legislature and governor on potential actions  
18 regarding the development of geothermal energy, as appropriate. Based  
19 on the findings of the collaborative process, the interagency clean  
20 energy siting coordinating council must identify key factors for  
21 consideration in planning and siting of geothermal facilities. These  
22 key factors include, but are not limited to, geologic suitability,  
23 water resource impacts, and proximity to electrical transmission and  
24 distribution infrastructure."

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25 On page 1, line 2 of the title, after "resources;" strike the  
26 remainder of the title and insert "amending RCW 79.13.530; adding a  
27 new section to chapter 43.92 RCW; adding a new section to chapter  
28 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 consult with the departments of fish and wildlife and archaeology and historic preservation when engaging in a geothermal resources collaborative process (collaborative process).

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

(6) 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.

(7) Directs the interagency clean energy siting coordinating council to support ecology during the collaborative process, consider the findings of the interim update and final report, make recommendations on potential actions regarding the development of geothermal energy as appropriate, and identify key factors for consideration in planning and siting geothermal facilities.

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

(9) 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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