

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6039

68th Legislature
2024 Regular Session

Passed by the Senate March 5, 2024
Yeas 49 Nays 0

President of the Senate

Passed by the House February 29, 2024
Yeas 96 Nays 0

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6039** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6039

AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

State of Washington 68th Legislature 2024 Regular Session

By Senate Environment, Energy & Technology (originally sponsored by Senators Lovelett, Shewmake, Dhingra, Frame, Hasegawa, Keiser, Lias, Nguyen, Nobles, and Saldaña)

READ FIRST TIME 01/22/24.

1 AN ACT Relating to promoting the development of geothermal energy
2 resources; amending RCW 79.13.530; adding a new section to chapter
3 43.92 RCW; adding a new section to chapter 43.31 RCW; and creating a
4 new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.92
7 RCW to read as follows:

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

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

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

1 (3) The geological survey must:

2 (a) Coordinate with federal, state, and local agencies, and
3 tribal governments, to compile existing subsurface geologic
4 information;

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

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

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

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

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

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

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

26 (c) The goal of the updated geothermal resources lease rates must
27 be to optimize the state's competitiveness at attracting geothermal
28 exploration and development projects while balancing the state's
29 obligation to trust beneficiaries and not adversely impacting
30 federally reserved tribal rights and resources including, but not
31 limited to, those protected by treaty, executive order, or federal
32 law.

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

35 (1) Subject to the availability of amounts appropriated for this
36 specific purpose, a competitive geothermal exploration cost-share
37 grant program is established in order to incentivize deep exploratory

1 drilling to identify locations suitable for the development of
2 geothermal energy.

3 (2) Grants may be awarded to offset the direct costs associated
4 with the expense of conducting deep exploratory drilling for the
5 purpose of identifying locations in Washington suitable for the
6 development of geothermal energy.

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

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

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

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

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

25 (e) Grant awards must be available to private, public, and
26 federally recognized tribal applicants. Grant awards to private grant
27 applicants should be for no more than one-half of the overall cost of
28 the project and grant awards to public grant applicants should be for
29 no more than two-thirds of the overall cost of the project;

30 (f) Grant applicants must demonstrate that they have, or that
31 they will have by the time of the execution of a grant agreement,
32 site control of the site that is the subject of the exploration
33 effort, either through an ownership interest or through a lease
34 agreement that provides access to the site and the right to drill to
35 the proposed depth;

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

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

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

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

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

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

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

20 NEW SECTION. **Sec. 4.** (1) The department of ecology, in
21 consultation with the department of commerce, the department of
22 natural resources, the department of fish and wildlife, and the
23 department of archaeology and historic preservation, shall engage in
24 a collaborative process to identify opportunities and risks
25 associated with the development of geothermal resources in three
26 locations with the highest geothermal potential in Washington. The
27 department of natural resources must identify these three locations.

28 (2) (a) As part of the geothermal resources collaborative process,
29 the department of ecology must engage in meaningful government-to-
30 government consultation with potentially affected federally
31 recognized Indian tribes by learning from each participating tribe
32 about their communication protocols for consultation and must seek
33 participation from the department of archaeology and historic
34 preservation, other state agencies as appropriate, local governments,
35 state research institutions, participants in Washington's electrical
36 generation, transmission, and distribution sector, and environmental
37 organizations. At the request of potentially affected federally
38 recognized Indian tribes, the department of ecology may include
39 additional participation with independent subject matter expertise.

1 (b) Subject to the availability of amounts appropriated for this
2 specific purpose, the department of ecology shall provide grants to
3 potentially affected federally recognized Indian tribes to provide
4 capacity and to support their evaluation of the cultural, natural
5 resource, and other impacts of geothermal electricity development and
6 to support their participation in the collaborative process
7 established in this section.

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

10 (a) The potential impacts of geothermal resources development,
11 including impacts to:

12 (i) Rights, interests, and resources, including tribal cultural
13 resources, of potentially affected federally recognized Indian
14 tribes;

15 (ii) State or federal endangered species act listed species in
16 Washington; and

17 (iii) Overburdened communities;

18 (b) The development of factors to guide the identification of
19 preferable sites for the development of geothermal resources
20 including, but not limited to, geologic suitability, proximity to
21 electrical transmission and distribution infrastructure, and
22 continuity between groundwater and surface water resources; and

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

26 (4) The department of ecology must commence the geothermal
27 resources collaborative process by November 30, 2024. The department
28 of ecology must provide the appropriate committees of the legislature
29 an update on the status of the collaborative process by June 30,
30 2026. The department of ecology must provide the appropriate
31 committees of the legislature with a final report on the
32 collaborative process by June 30, 2027.

33 (5) The interagency clean energy siting coordinating council must
34 support the department of ecology during the collaborative process.
35 The interagency clean energy siting coordinating council must
36 consider the findings of the interim update and final report and make
37 recommendations to the legislature and governor on potential actions
38 regarding the development of geothermal energy, as appropriate. Based
39 on the findings of the collaborative process, the interagency clean
40 energy siting coordinating council must identify key factors for

1 consideration in planning and siting of geothermal facilities. These
2 key factors include, but are not limited to, geologic suitability,
3 water resource impacts, impacts to the rights of federally recognized
4 Indian tribes, and proximity to electrical transmission and
5 distribution infrastructure.

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