



To: House Committee on Natural Resources Republican Members
From: Subcommittee on Energy and Mineral Resources Republican Staff; Ashley Nichols (Ashley.Nichols@mail.house.gov) and Rebecca Konolige (Rebecca.Konolige@mail.house.gov)
Date: May 21, 2021
Subject: Legislative Hearing on H.R. 3326, Public Lands Renewable Energy Development Act

The Subcommittee on Energy and Mineral Resources will hold a legislative hearing, titled “Expanding Clean Energy on Public Lands,” on H.R. 3326 (Rep. Mike Levin) on **Monday, May 24, 2021, at 1:00 p.m. (EDT)** online via Cisco WebEx.

Submissions for the hearing record must be submitted through the Committee’s electronic depository at HNRCDocs@mail.house.gov. Please contact David DeMarco (David.DeMarco@mail.house.gov) or Everett Winnick (EverettWinnick@mail.house.gov) should any technical difficulties arise.

I. KEY MESSAGES

- H.R. 3326, the Public Land Renewable Energy Development Act (PLREDA), incentivizes increased development of wind, solar, and geothermal energy on public lands. The bill establishes a revenue sharing mechanism with renewable energy-producing states and counties, as well as benefitting sportsmen and conservation efforts.
- Several provisions of PLREDA were made law as part of the Consolidated Appropriations Act of 2021.
- PLREDA supports Committee Republicans’ commitment to an all-of-the-above energy strategy. However, it is worth noting that any increase in renewable energy development will bring with it an increase in demand for critical minerals. Such an increase should be addressed though through common-sense, domestic mining policy.
- Historically, PLREDA has enjoyed strong bipartisan support. This bill has been led by Rep. Gosar for the past 8 years, including in the 116th Congress when several provisions of the bill were signed into law. Rep. Levin was the lead Democrat on the bill last Congress and was included as an original cosponsor upon introduction. This



Congress, Mr. Gosar agreed to let Rep. Levin sponsor the bill and requested to be the Republican lead on the bill as an original cosponsor. However, Rep. Levin refused Mr. Gosar's request to be an original cosponsor, despite several Member and staff level efforts to address the situation. In response, Rep. Gosar introduced identical language on May 19, 2021.

II. WITNESSES

Panel I

- **Ms. Nada Culver**, Deputy Director of Policy and Programs, Exercising the Authority of the Director, Bureau of Land Management, U.S. Department of the Interior, Grand Junction, CO

Panel II

- **The Honorable Dawn Rowe**, Third District Supervisor, San Bernardino County Board of Supervisors, On behalf of National Association of Counties, San Bernardino, CA [*Republican witness*]
- **Mr. Virinder Singh**, Vice President, Regulatory & Legislative Affairs, EDF Renewables, Portland, OR
- **Ms. Kate Miller**, Government Affairs Director, Trout Unlimited, Arlington, VA
- **Mr. Paul Thomsen**, Vice President of Business Development at Ormat Technologies, Inc., and Chairman of the Geothermal Rising Policy Committee, Reno, NV

III. BACKGROUND

The benefits of energy production on federal lands are felt nationwide. Hundreds of millions of dollars in federal and state revenues, reliable and affordable power for the American public, and tens of thousands of jobs all hinge on robust domestic energy production. In recent years, increased emphasis has been placed on bolstering renewable energy development on federal lands. Renewable energy sources, such as wind, solar, and geothermal, will likely see growth in the coming decades as technology continues to improve and become more price competitive. However, existing federal policies continue to hinder renewable development on federal lands. PLREDA attempts to reduce some of these federal obstacles and provide a fair return to the states, counties, and taxpayers.

Overregulation of Energy Development on Federal Lands

Overregulation has caused energy development on federal lands to lag behind production on state and private lands. This is true for both conventional and renewable energy

development.¹ In the renewable sector, industry has reported that the rates and fees established by the Obama Administration’s solar and wind energy rule are simply too high to do business on federal lands.² Currently, only about 1% of wind farms are located on federally-owned lands, with the overwhelming majority on private lands.³ Moreover, consultation and review requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq., NEPA), the Endangered Species Act (16 U.S.C. 1531 et seq., ESA), and other federal laws and regulations can drag out the review and permitting process for years, while projects can be approved and constructed much faster on state and private lands.⁴

PLREDA includes several provisions to streamline the permitting process for wind, solar, and geothermal production on federal lands. For example, the bill requires the Bureau of Land Management (BLM) to review available public lands every 10 years to identify new “priority areas,” federal land sites deemed most conducive to renewable energy development.

Recent Action on Onshore Renewables

Despite these onerous process and legal challenges, several major renewable energy projects were approved under the Trump Administration, aided by regulatory expediting through the FAST 41 Permitting Dashboard.⁵ Notably, this includes the Gemini Solar Project,⁶ the Desert Quartzite Solar Project,⁷ and the Borderlands Wind Project.⁸ Geothermal energy development has seen significant approvals as well, including the McGinness Hills project Phase III and McGinness Hills Phase III-A.⁹

The Biden Administration has set ambitious goals for renewable energy deployment on federal lands, including commitments to reach net-zero emissions by 2050¹⁰ and a

¹ Bureau of Land Management. About Oil and Gas. <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/about>

² <https://www.federalregister.gov/documents/2016/12/19/2016-27551/competitive-processes-terms-and-conditions-for-leasing-public-lands-for-solar-and-wind-energy>; <https://grist.org/climate-energy/obama-just-missed-a-big-chance-to-boost-wind-power/>

³ American Wind Energy Association. Land-based Wind Energy Briefing for House Resources Committee Staff. September 2017.

⁴ American Wind Energy Association. Briefing to House Natural Resources Committee Staff. Land-based wind energy briefing for House Resources Committee Staff. September 2017.

⁵ Federal Infrastructure Projects Permitting Dashboard. <https://www.permits.performance.gov/>

⁶ <https://www.greentechmedia.com/articles/read/largest-u.s-solar-project-gets-final-nod-of-approval>

⁷ Bureau of Land Management. “BLM APPROVES DESERT QUARTZITE SOLAR PROJECT IN RIVERSIDE COUNTY.” Press Release. January 15, 2020. <https://www.blm.gov/press-release/blm-approves-desert-quartzite-solar-project-riverside-county>

⁸ Bureau of Land Management, National NEPA Register. Socorro Resource Management Plan Amendment: Borderlands Wind Project. Updated August 5, 2020. <https://eplanning.blm.gov/eplanning-ui/project/116245/510>

⁹ Department of the Interior, Bureau of Land Management. Staff briefing. September 18, 2020.

¹⁰ FACT SHEET: President Biden Sets 2030 Greenhouse Gas Pollution Reduction Target Aimed at Creating Good-Paying Union Jobs and Securing U.S. Leadership on Clean Energy Technologies. April 22, 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/>

“carbon pollution-free power sector” by 2035.¹¹ The Administration has taken several steps towards achieving these goals. On March 18, 2021, BLM issued a Notice of Intent to begin an Environmental Assessment for the Oberon Solar Project, which would cover about 4,700 acres of federal land within the Desert Renewable Energy Conservation Plan (DRECP) area in Southern California.¹² Additionally, on May 3, 2021, BLM approved a Record of Decision for the Crimson Solar Project to construct a 350-megawatt (MW) solar photovoltaic facility on approximately 2,000 acres of federal lands near Blythe, California.¹³ The Biden Administration has not yet approved any onshore wind projects.

Establishment of Revenue Sharing

Most onshore energy-producing states receive 50% (minus a 2% administration fee deposited in the Treasury) of the oil, gas, and coal revenues produced on federal lands within their borders.¹⁴ Federal mineral revenues are a crucial source of income to these states, offsetting losses in property tax revenue due to the tax-exempt status of federal lands.¹⁵ Currently, there is no statutory authority to collect revenues from wind and solar production on federal lands. However, 50 percent of geothermal development revenues are disbursed to the states and 25 percent of these revenues are disbursed to the counties where production occurs.¹⁶ PLREDA establishes revenue sharing for onshore wind and solar production on federal lands according to the following formula: 25% to the State hosting the production, 25% to the county hosting the production, 25% to the Renewable Energy Resource Conservation Fund (established by this bill to facilitate conservation, habitat restoration, and outdoor access), and 25% to aid agencies in the processing of federal permits.

Need for Baseload Power

PLREDA furthers Committee Republicans’ commitment to an all-of-the-above energy strategy. That said, conventional energy resources will continue to play a major role in our energy mix for the foreseeable future. Given current limitations in storage capacity and transmission technology, the renewable energy industry requires baseload power sources, such as natural gas, to ensure a reliable supply of power.

¹¹ Scott Streater. “BLM rebukes Trump, advances large-scale Calif. solar project.” E&E News. March 17, 2021. <https://www.eenews.net/stories/1063727731>

¹² Department of the Interior. Bureau of Land Management. Press Release. “THE BUREAU OF LAND MANAGEMENT WELCOMES PUBLIC INPUT FOR A POTENTIAL SOLAR PROJECT ON PUBLIC LANDS IN RIVERSIDE COUNTY.” March 17, 2021. <https://www.blm.gov/press-release/bureau-land-management-welcomes-public-input-potential-solar-project-public-lands>

¹³ The Department of the Interior. Press Release. “Interior Department Approves Solar Energy Project in California Desert.” May 3, 2021. <https://www.doi.gov/pressreleases/interior-department-approves-solar-energy-project-california-desert>

¹⁴ 30 U.S.C. §181 et seq.

¹⁵ Marc Humphries, *Mineral Royalties on Federal Lands: Issues for Congress* (2015). <http://www.crs.gov/reports/pdf/R43891>

¹⁶ Iler, Stuart and Rosner, David. *Revenue Sharing 101*. Bipartisan Policy Center. August 16, 2013. <https://bipartisanpolicy.org/blog/revenue-sharing-101/>

Critical Minerals Required for Renewable Technology

Any significant expansion of renewable energy development will require a stable, domestic supply of critical minerals and rare earths. These extremely valuable materials are required for the manufacture of wind turbines and solar panels and are only accessible through hardrock mining. Demand for these resources is only expected to grow as production of renewables, electric vehicles, and “smart” technology increases. The solar industry, for example, not only faces an extreme shortage of the mineral tellurium – necessary for photovoltaic solar cells – but also an ethical and humanitarian challenge, as multiple reports have emerged of solar panel components being produced through slave labor in the Xinjiang region of China.¹⁷ Without building a healthy domestic minerals supply now through common-sense mining policy, this situation will only worsen over time.

IV. MAJOR PROVISIONS

- The Department of the Interior shall establish priority areas for geothermal, solar, and wind energy projects on public lands not excluded from renewable development. Priority areas shall be established within 5 years of enactment of this Act for geothermal projects, and within 3 years of enactment for wind and solar.
- The Secretary will review areas for adjustments or additions at least once every 10 years. This requirement shall not apply to lands within the Desert Renewable Energy Conservation Plan until January 1, 2030.
- In developing Programmatic Environmental Impact Statement updates, the Secretary shall coordinate on an ongoing basis with state, Tribal, and local governments, and other appropriate entities.
- Beginning January 1, 2022, revenues collected for the development of wind and solar energy on federal lands shall be made available as follows: 25% to the state where the revenues are generated, 25% to the county or counties where the revenues are generated, 25% to agencies to facilitate the processing of federal renewable energy permits, 25% to the Renewable Energy Resource Conservation Fund (established by this bill).
- The Renewable Energy Resource Conservation Fund will provide funding for conservation, habitat restoration, and outdoor access. The Secretary may enter into partnerships with state and Tribal agencies and nonprofit organizations to carry out the purposes of the Fund.
- The Secretary must submit an annual report to Congress detailing the amount of revenues collected by source, the amount and purpose of payments to each federal, state, local, and Tribal agency, and the amount remaining in the Fund at the end of the fiscal year.

V. COST

¹⁷ Michael Shellenberger. “China Made Solar Cheap Through Coal, Subsidies And Forced Labor—Not Efficiency.” *Forbes*. May 19, 2021. <https://www.forbes.com/sites/michaelshellenberger/2021/05/19/china-made-solar-cheap-through-coal-subsidies--forced-labor-not-efficiency/?sh=37a0864d71ec>

The Congressional Budget Office has not scored this legislation.

VI. ADMINISTRATION POSTION

Unknown at this time.