



HOUSE COMMITTEE ON
NATURAL RESOURCES
CHAIRMAN BRUCE WESTERMAN

To: House Committee on Natural Resources Republican Members
From: Energy and Mineral Resources Subcommittee Staff, Ashley Nichols – Ashley.Nichols@mail.house.gov; & Rob MacGregor – Robert.MacGregor@mail.house.gov x59297
Date: Wednesday, October 25, 2023
Subject: Legislative Hearing on H.R. 1449 (Rep. Fulcher), H.R. 2855 (Rep. Soto), a Discussion Draft of H.R. ____ (Rep. Valadao), the “*Right of Way Application Transparency and Accountability Act*”, and a Discussion Draft of H.R. ____ (Rep. Boebert), the “*Restoring American Energy Dominance Act*”.

The Subcommittee on Energy and Mineral Resources will hold a legislative hearing on H.R. 1449 (Rep. Fulcher), the “*Committing Leases for Energy Access Now Act*”, H.R. 2855 (Rep. Soto), the “*Sinkhole Mapping Act of 2023*”, H.R. ____ (Rep. Valadao), the “*Right of Way Application Transparency and Accountability Act*”, and H.R. ____ (Rep. Boebert), the “*Restoring American Energy Dominance Act*”, on **Wednesday, October 25, 2023, 2:00 p.m.** in room 1324 Longworth House Office Building.

Member offices are requested to notify Lonnie Smith (Lonnie.Smith@mail.house.gov) by 5:00 p.m. on Monday, October 23, 2023, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- An all-of-the-above approach to domestic energy – including oil, natural gas, coal, nuclear, and renewables – is the best way to support the energy needs of American families and meet our technological and national security needs.
- The actions of the Biden administration have blunted the ability of American producers to produce the energy that our country, and the world, desperately need.
- These bills will spur the responsible development of domestic energy resources by creating certainty, streamlining permitting processes, and blocking harmful regulations.

II. WITNESSES

Panel I

- *The Honorable Darren Soto, Representative, Florida’s 9th Congressional District*
- *The Honorable Lauren Boebert, Representative, Colorado’s 3rd Congressional District*
- *The Honorable Russ Fulcher, Representative, Idaho’s 1st Congressional District*

Panel II

- **Mr. Tom Kropatsch**, Oil and Gas Supervisor, Wyoming Oil and Gas Conservation Commission, Casper, WY
- **Ms. Sarah Jewett**, Vice President of Strategy, Fervo Energy, Houston, TX
- **Mr. Gene Grace**, General Counsel, American Clean Power Association, Washington, D.C.
- **Ms. Melissa Hornbein**, Senior Attorney, Western Environmental Law Center, Helena, MT [*Minority Witness*]

III. BACKGROUND

[H.R. 1449](#) (Rep. Fulcher), *Committing Leases for Energy Access Now Act or the CLEAN Act*

Geothermal power is considered a renewable energy resource and is derived by capturing heat from an underground water reservoir or naturally generated steam under high-pressure.¹ Enhanced geothermal systems (EGS) are man-made reservoirs, where fluid is injected into the subsurface in areas with hot rock creating pre-existing fractures which create permeability.² Increased permeability allows fluid to circulate throughout the now-fractured rock and to transport heat to the surface.³ The Department of Energy (DOE) projects that EGS could provide 60 gigawatts (GW) of electricity by 2050 (8.5% of U.S. generation capacity).⁴ However, the multiple environmental reviews and the time and costs for them, as well as the overall leasing and permitting processes, result in development timelines longer than many other power production projects.⁵ The Geothermal Steam Act of 1970⁶ currently requires the Secretary of the Interior to hold “a competitive lease sale at least once every 2 years for land in a State that has nominations pending.”⁷ However, some states, like California, have not held a competitive geothermal lease sale since 2016.⁸

H.R. 1449 would address geothermal leasing and permitting issues by amending the Geothermal Steam Act of 1970⁹ to require the Secretary of the Interior to hold lease sales annually for geothermal energy. If a lease sale is missed for any reason, the bill would require that the Secretary hold replacement sales during the same year. The bill would also require the Secretary to respond to geothermal drilling permit applications within 30 days of receipt to let the applicant know whether their application is complete or not. If the Secretary determines an application is

¹ Congressional Research Service, *Enhanced Geothermal Systems: Introduction and Issues for Congress*, September 29, 2022, <https://crsreports.congress.gov/product/pdf/R/R47256>.

² U.S. Department of Energy Geothermal Technologies Office, *What is an Enhanced Geothermal System (EGS)*, https://www1.eere.energy.gov/geothermal/pdfs/egs_basics.pdf.

³ *Id.*

⁴ U.S. Department of Energy, Geothermal Technologies Office, *GeoVision: Harnessing the Heat Beneath Our Feet*, May 2019, <https://www.energy.gov/sites/default/files/2019/06/f63/GeoVision-full-report-opt.pdf>.

⁵ Congressional Research Service, *Enhanced Geothermal Systems: Introduction and Issues for Congress*, September 29, 2022, <https://crsreports.congress.gov/product/pdf/R/R47256>.

⁶ PUBLIC LAW 91-581.

⁷ *Id.*

⁸ U.S. Bureau of Land Management, *California Geothermal Energy*, <https://www.blm.gov/programs/energy-and-minerals/renewable-energy/geothermal-energy/regional-information/california>.

⁹ PUBLIC LAW 91-581.

complete, the Secretary would have an additional 30 days to issue a final decision on the application.

H.R. 2855 (Rep. Soto), “Sinkhole Mapping Act of 2023”

H.R. 2855 is a bipartisan bill to examine short- and long-term causes of sinkholes and identify higher risk areas. Sinkholes are a dangerous natural hazard, created when a ground depression lacks external surface drainage and collects rainwater in the subsurface.¹⁰ The rock in the subsurface gradually dissolves while the surface stays intact for a time, until the dissolved rock reaches a tipping point and causes a collapse. Over the past 15 years, damage from sinkholes have cost an average of \$300 million annually.¹¹ However, there is currently no national database of sinkhole damage costs, so the true expense may be higher than the \$300 million annual estimate.¹²

H.R. 2855 directs the U.S. Geological Survey (USGS) to establish a program to study the causes of sinkholes, including storms and droughts. The bill also requires USGS to develop maps of higher-risk areas and revise them as needed every five years. These provisions could reduce the risk to the public and help land planners make development decisions. This bill does incur a cost, authorizing \$40 million annually from fiscal year 2024 through fiscal year 2028. H.R. 2855 currently has 10 cosponsors, including three Republicans: Reps. Gus Bilirakis (R-FL), Anna Paulina Luna (R-FL), and Brian Fitzpatrick (R-PA). Previous versions of this bill, which did not include an authorization of appropriations, passed the Committee on Natural Resources by Unanimous Consent in the 116th and 117th Congresses.

H.R. _____ (Rep. Boebert), *Restoring American Energy Dominance Act*

At the end of July 2023, the Bureau of Land Management (BLM) issued a proposed rule to update its oil and gas leasing regulations.¹³ The proposed rule would formally implement provisions from the Inflation Reduction Act (IRA), which increased the royalty rate for production on federal lands, while also increasing and creating new fees on producers. While the rule codified pieces of the IRA, it also made major, non-statutory, changes to the BLM’s onshore leasing program. Specifically, the rule proposes ending nationwide bonding and increasing the minimum bond amounts for individual lease bonds and statewide lease bonds from \$10,000 to \$150,000 and from \$25,000 to \$500,000 respectively. This significant increase will tie up capital that would otherwise be put back into production and is unjustifiable as there are only 37 orphaned oil and gas wells on BLM-managed lands.¹⁴ Additionally, the BLM has only utilized bonds to plug wells on federal lands 40 times over the last decade.¹⁵

¹⁰ U.S. Geological Survey, Geology, What is a Sinkhole, <https://www.usgs.gov/faqs/what-sinkhole>.

¹¹ U.S. Geological Survey, Geology, Frequently Asked Questions, <https://www.usgs.gov/faqs/how-much-does-sinkhole-damage-cost-each-year-united-states>.

¹² U.S. Geological Survey, Geology, Frequently Asked Questions, <https://www.usgs.gov/faqs/how-much-does-sinkhole-damage-cost-each-year-united-states>.

¹³ Bureau of Land Management, Fluid Mineral Leases and Leasing Process, 88 FR 47562, 7/24/23, <https://www.federalregister.gov/documents/2023/07/24/2023-14287/fluid-mineral-leases-and-leasing-process>.

¹⁴ United States Department of the Interior, Questions for the Record Response for the Senate Energy and Natural Resources Committee Full Committee Hearing “To Examine the Department of the Interior’s Implementation of the Infrastructure Investment and Jobs Act” held on December 13, 2022, June 22, 2023.

¹⁵ *Id.*

The proposed rule also introduces the idea of using “preference criteria”¹⁶ to inform the BLM’s selection of lands for lease sales. The BLM’s stated rationale for this change is preserving agency resources and avoiding conflict in areas “with sensitive cultural, wildlife, and recreation resources.”¹⁷ This nebulous methodology could be especially problematic if BLM field offices avoid leasing in all areas with endangered or threatened species, critical habitat, or a nearby recreation area, a move which would greatly limit leasing on federal lands. Lastly, the regulation proposes to create new fees and increases existing fees while limiting the use of lease suspensions and drilling permit extensions.¹⁸ The later action is especially egregious given the administration’s poor track record with respect to issuing lease sales and timeliness on drilling permit approvals.

Last month, Republican Members of the Committee on Natural Resources sent a letter¹⁹ to the BLM requesting an extension in the comment period given the significant policy shifts included in the regulation. On September 27th, the BLM responded²⁰ to that letter stating that they do not plan on extending the comment period and instead plan to rush the regulation towards completion.

This bill would force the BLM to withdraw the rule and would prevent the BLM from finalizing a substantially similar rule.

H.R. _____ (Rep. Valadao), “*Right of Way Application Transparency and Accountability Act*”

Title 5 of the Federal Land Policy Management Act²¹ authorizes the Secretary of the Interior and the Secretary of Agriculture to grant rights-of-way (ROW) on federal lands for several activities that cause land disturbance. These include, but are not limited to: reservoirs, canals, certain pipelines, electric generation, electric transmission and distribution, communication systems, roads, highways, and railroads.²² Additionally, the Mineral Leasing Act of 1920²³ allows the respective Secretaries to issue rights-of-way for oil, natural gas, and refined product pipelines over federal lands. Both statutes include application requirements, but neither include timelines on the agencies to respond to applicants to let them know whether their application is complete or deficient. This has created a bottleneck in the permitting process for different kinds of energy projects that need a ROW to move forward.

¹⁶ Bureau of Land Management, Fluid Mineral Leases and Leasing Process, 88 FR 47562, 7/24/23, <https://www.federalregister.gov/documents/2023/07/24/2023-14287/fluid-mineral-leases-and-leasing-process>.

¹⁷ *Id.*

¹⁸ *Id.*

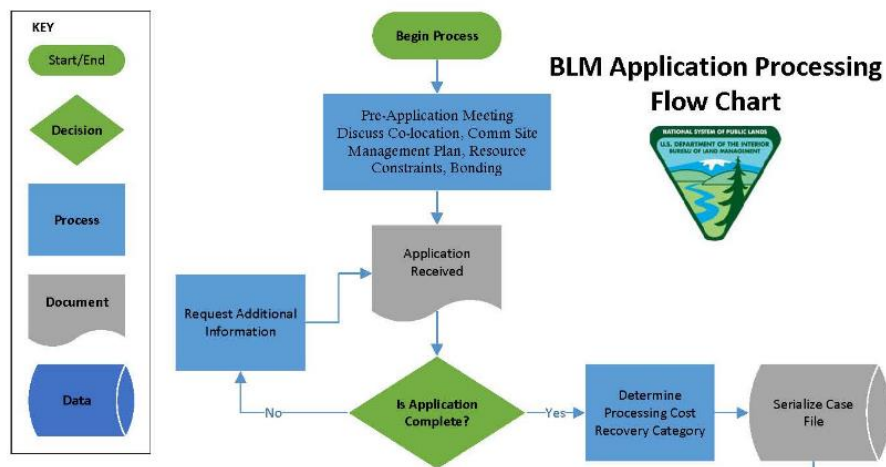
¹⁹ Hageman, Harriett. “*Letter from Representative Hageman et al. to Director Tracy Stone-Manning*”, September 21, 2023. https://naturalresources.house.gov/uploadedfiles/hageman_blm_letter_88_fr_47562.pdf.

²⁰ Stone-Manning, Tracy. “*Letter from Director Stone-Manning to Chairman Bruce Westerman*”, September 27, 2023. https://naturalresources.house.gov/uploadedfiles/blm_response_-_leasing_rule_extension_request_westerman.pdf

²¹ 43 U.S.C. 1761

²² *Id.*

²³ 30 U.S.C. 185



Source: Bureau of Land Management ²⁴

The “*Right of Way Application Transparency and Accountability Act*” would require agencies to notify applicants if their right-of-way application is complete within 60 days. This will allow complete applications to move forward while providing those with incomplete applications certainty so that they are able to fix and resubmit their applications.

IV. MAJOR PROVISIONS & ANALYSIS

H.R. 1449 (Rep. Fulcher), “*CLEAN Act*”

- Amends the Geothermal Steam Act of 1970 to require the Secretary of the Interior to hold lease sales annually for geothermal energy rather than once every other year.
- Puts timelines on the Secretary of the Interior to respond to geothermal drilling permit applications to let applicants know whether their applications are complete or not. Also requires the Secretary to issue a final decision on the application within 30 days after determining it is complete.

H.R. 2855 (Rep. Soto), “*Sinkhole Mapping Act of 2023*”

- Directs the UUSGS to study the short- and long-term effects of sinkholes and map the highest-risk areas.
- Authorizes \$40 million a year for each fiscal year from 2024-2028, without including an offset.

H.R. _____ v (Rep. Boebert), “*Restoring American Energy Dominance Act*”

- Would force the BLM to withdraw its onshore oil and gas leasing regulation, and would prevent the BLM from finalizing a substantially similar rule in the future.

H.R. _____ (Rep. Valadao), “*Right of Way Application Transparency and Accountability Act*”

- Would help expedite rights-of-way applications by requiring agencies to notify applicants if their right-of-way application is complete within 60 days.

²⁴ https://www.blm.gov/sites/default/files/images/2023-08/BLM_Broadband_ROW-Processing-Flowchart_fullsize.jpg.

V. COST

The Congressional Budget Office has not scored any of these bills.

VI. ADMINISTRATIVE POSITION

Unknown.

VII. EFFECT ON CURRENT LAW (RAMSEYER)

[H.R. 1449](#)