

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 308

To create a commission to grant exclusive franchises for the exploration for and the commercial development of geothermal energy and for the right to market any such energy in its natural state, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. QUILLEN introduced the following bill; which was referred jointly to the Committees on Energy and Conservation and Natural Resources

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## A BILL

To create a commission to grant exclusive franchises for the exploration for and the commercial development of geothermal energy and for the right to market any such energy in its natural state, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Geothermal Energy  
5 Control Act of 1993”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that the exploration for and the  
8 commercial development of geothermal energy in the Unit-

1 ed States, and the marketing of any energy developed  
2 from such geothermal energy, is a part of the interstate  
3 commerce of the United States. The Congress further  
4 finds that geothermal energy is a national resource of the  
5 United States and that it is in the national interest for  
6 the Congress to control and conserve the development of  
7 this national resource.

8 **SEC. 3. NATIONAL GEOTHERMAL ENERGY COMMISSION.**

9 (a) ESTABLISHMENT.—There is established a com-  
10 mission to be known as the National Geothermal Energy  
11 Commission (hereinafter in this Act referred to as the  
12 “Commission”) which shall be composed of 9 Commis-  
13 sioners who shall be appointed by the President, by and  
14 with the advice and consent of the Senate, one of whom  
15 shall be designated by the President as Chairman and  
16 shall be the principal executive officer of the Commission.  
17 Each Chairman, when so designated, shall act as such  
18 until the expiration of his term of office.

19 (b) TERMS.—The Commissioners first appointed  
20 under this section shall continue in office for terms of 1,  
21 2, 3, 4, and 5 years, respectively, from the date of their  
22 appointment by the President. The term of each such  
23 Commissioner first appointed shall be designated by the  
24 President at the time of his appointment. The successor  
25 of each such Commissioner first appointed and of each

1 such Commissioner appointed thereafter shall be ap-  
2 pointed for a term of 5 years from the date of the expira-  
3 tion of the term for which his predecessor was appointed,  
4 except that any person appointed to fill a vacancy occur-  
5 ring prior to the expiration of the term for which his pred-  
6 ecessor was appointed shall be appointed only for the expi-  
7 ration of such term. Not more than 5 of the Commis-  
8 sioners serving at any one time shall have been appointed  
9 from the same political party. No individual in the employ  
10 of or holding any official relation to any person licensed  
11 under this Act, or owning stocks or bonds of such person,  
12 or in any manner pecuniarily interested in such persons,  
13 shall hold the office of Commissioner. No Commissioner  
14 shall engage in any other business, vocation, or employ-  
15 ment, except for his duties under this Act. No vacancy  
16 in the Commission shall impair the right of the remaining  
17 Commissioners to exercise all the powers of the Commis-  
18 sion. Five members of the Commission shall constitute a  
19 quorum for the transaction of business, and the Commis-  
20 sion shall have an official seal of which judicial notice shall  
21 be taken. The Commission shall annually elect a Vice  
22 Chairman to act in case of the absence or disability of  
23 the Chairman or in case of a vacancy in the office  
24 of Chairman.

1 (c) EXPENSES.—Each Commissioner shall receive  
2 necessary traveling and subsistence expenses, or per diem  
3 allowance in lieu thereof, within the limitation prescribed  
4 by law, while away from the principal office of the Com-  
5 mission upon official business.

6 (d) MEETINGS.—The principal office of the Commis-  
7 sion shall be in the District of Columbia, where its general  
8 sessions shall be held; but whenever the convenience of the  
9 public or of the parties may be promoted or delay or ex-  
10 pense prevented thereby, the Commission may hold special  
11 session in any part of the United States.

12 **SEC. 4. DIRECTOR AND STAFF.**

13 (a) DIRECTOR.—The Commission shall have a Direc-  
14 tor who shall be appointed by the Chairman of the Com-  
15 mission, and who shall be paid at the rate of basic pay  
16 in effect for grade GS-18 of the General Schedule.

17 (b) PERSONNEL.—Subject to such rules as may be  
18 adopted by the Commission, the Director may appoint and  
19 fix the pay of such personnel as he deems desirable.

20 (c) PAY.—The Director and staff of the Commission  
21 may be appointed without regard to the provisions of title  
22 5 of the United States Code, governing appointments in  
23 the competitive service, and such staff may be paid with-  
24 out regard to the provisions of chapter 51, subchapter III

1 of chapter 53 and chapter 54 of such title relating to clas-  
2 sification and pay rates.

3 (d) CONSULTANTS.—Subject to such rules as may be  
4 adopted by the Commission, the Director may procure  
5 temporary and intermittent services to the same extent as  
6 is authorized by section 3109(b) of title 5 of the United  
7 States Code.

8 (e) DETAIL OF PERSONNEL.—Upon request of the  
9 Commission, the head of any Federal agency is authorized  
10 to detail, on a reimbursable basis, any of the personnel  
11 of such agency to the Commission to assist it in carrying  
12 out its duties under this Act.

13 **SEC. 5. ADMINISTRATIVE PROVISIONS.**

14 (a) HEARING AND TESTIMONY.—The Commission  
15 may for the purpose of carrying out this Act hold such  
16 hearings, sit and act at such times and places, take such  
17 testimony, and receive such evidence as the Commission  
18 may deem advisable. The Commission may administer  
19 oaths or affirmations to witnesses appearing before it.

20 (b) AGENTS.—When so authorized by the Commis-  
21 sion, any member or agent of the Commission may take  
22 any action which the Commission is authorized to take by  
23 this section.

24 (c) INFORMATION.—The Commission may secure di-  
25 rectly from any department or agency of the United States

1 information necessary to enable it to carry out this Act.  
2 Upon request of the Chairman of the Commission, the  
3 head of such department or agency shall furnish such in-  
4 formation to the Commission.

5 (d) MAIL.—The Commission may use the United  
6 States mails in the same manner and upon the same con-  
7 ditions as other departments and agencies of the United  
8 States.

9 **SEC. 6. PROSPECTS FOR GEOTHERMAL STEAM.**

10 (a) DETERMINATION.—Within a year after the date  
11 of enactment of this Act, the Commission shall determine  
12 (for all lands in the United States which are not included  
13 in the geothermal leasing authority of section 3 of the  
14 Geothermal Steam Act of 1970 (30 U.S.C. 1002) or any  
15 geothermal development program conducted under any au-  
16 thority granted to any Secretary of a military department)  
17 all areas in which the geology, nearby discoveries, competi-  
18 tive interests, or other indicia would, in the opinion of the  
19 Commission, engender a belief in people who are experi-  
20 enced in the subject matter that the prospects for the ex-  
21 traction of geothermal steam and associated geothermal  
22 resources are good enough to warrant expenditures of  
23 money for that purpose. The Commission shall divide all  
24 such areas into parcels of satisfactory size for the pur-

1 poses of licensing for exploration and development under  
2 subsection (b).

3 (b) LIST OF PARCELS.—Immediately after the Com-  
4 mission divides areas into parcels under subsection (a), it  
5 shall publish the list of such parcels in the Federal Reg-  
6 ister. At any time after such publication, any person who  
7 wants to explore for geothermal steam and associated geo-  
8 thermal resources in any such parcel shall apply to the  
9 Commission for a license for such exploration. The Com-  
10 mission shall grant a license for any such parcel to the  
11 first person who applies for a license for such parcel who  
12 the Commission determines is capable of carrying out a  
13 complete exploration in such parcel for geothermal steam  
14 and associated geothermal resources. The Commission  
15 may refuse to grant a license to such person if—

16 (1) such person has already been granted what  
17 the Commission determines to be an excessive num-  
18 ber of licenses under this subsection in the same  
19 State as his present license application, and

20 (2) there is another eligible applicant for such  
21 license who has not been granted such an excessive  
22 number of licenses in such State. A person may only  
23 commercially develop geothermal steam and associ-  
24 ated geothermal resources on any such parcel if he  
25 has been granted a license for such parcel under this

1 subsection, and then only during the period of the  
2 license's validity as determined under subsection (c).

3 (c) TERM OF LICENSE.—Any license granted under  
4 subsection (b) shall be valid for a period of 99 years. If  
5 geothermal steam and associated geothermal resources are  
6 found on the parcel for which such license is granted, and  
7 if such steam and resources are developed in commercial  
8 quantities within such 99-year period, such license may  
9 be extended at the option of the licensee for as long as  
10 such steam and resources are so developed. However, all  
11 extensions under the preceding sentence shall not exceed  
12 ninety-nine years. If such steam and resources are being  
13 commercially developed at the end of such ninety-nine-year  
14 extension, the licensee shall have a preferential right to  
15 renew the lease for another ninety-nine-year period under  
16 such terms and conditions as the Commission may pre-  
17 scribe.

18 (d) EXCLUSIVE RIGHTS.—Any license granted for a  
19 parcel under subsection (b) or extended or renewed under  
20 subsection (c) shall be the exclusive license for such parcel  
21 as long as such license is valid.

22 (e) TERMINATION.—Any license granted under sub-  
23 section (b), extended or renewed under subsection (c), or  
24 transferred under section 8 may, after a hearing on the  
25 record, be terminated by the Commission for a violation

1 of the terms of the license which the Commission may pre-  
2 scribe. However, such terms may not be inconsistent with  
3 any of the provisions of this Act. Before the termination  
4 of a license under this subsection, the Commission shall  
5 give the licensee an opportunity to correct such violation  
6 within a reasonable period of time. The Commission shall  
7 establish regulations for regranting licenses terminated  
8 under this subsection.

9 **SEC. 7. MARKETING.**

10 (a) IN GENERAL.—Any person who holds a license  
11 granted under section 6(b) for a parcel may apply to the  
12 Commission for a license to market the geothermal steam  
13 and associated geothermal resource found in such parcel,  
14 but such steam and resource must be marketed in the  
15 same energy form as such steam and resource was ex-  
16 tracted from such parcel, or be marketed as water. The  
17 Commission shall grant such a license for marketing for  
18 a geographic area which the Commission determines is the  
19 most reasonable area to market successfully such steam  
20 and resource. There shall only be one license for market-  
21 ing granted under this section for any geographic area.

22 (b) VALIDITY.—Any license for marketing granted  
23 under subsection (a) shall be valid for as long as the per-  
24 son holding such license also holds his license for the same  
25 parcel granted under section 6(b).

1 **SEC. 8. TRANSFER OF LICENSE.**

2 Any person granted a license under section 6 may  
3 transfer such license to another person for the commercial  
4 development of the geothermal steam and associated geo-  
5 thermal resource which the person granted such license  
6 discovered under such license. Any person granted a li-  
7 cense for the marketing of such steam and resource may  
8 transfer such license to another person for such market-  
9 ing. However, the person proposing a transfer of a license  
10 under this section shall inform the Commission concerning  
11 the transfer within seven working days before the transfer.  
12 The Commission shall approve the transfer if the trans-  
13 feree is eligible under section 9(a).

14 **SEC. 9. CITIZENSHIP; SALE OF ENERGY.**

15 (a) CITIZENSHIP.—Any person granted a license by  
16 the Commission under section 6, and any other person to  
17 whom such a license is transferred under section 8, shall  
18 be a United States citizen or shall be a person owned or  
19 controlled by a United States citizen.

20 (b) SALE OF ENERGY.—If any holder of a license  
21 under this Act converts any geothermal steam and associ-  
22 ated geothermal resource covered by such license to elec-  
23 trical or any other form of energy, he may only sell such  
24 electrical or other form of energy (for transmission to con-  
25 sumers) to an existing utility company or other person  
26 which is licensed, or in any other way has the authority,

1 to transmit the electricity or any other form of energy.  
2 Also, such licenseholder may sell such steam and resource  
3 to such an existing utility company or other person for  
4 conversion into electricity or any other form of energy.

5 **SEC. 10. OTHER PROVISIONS OF LAW.**

6 Nothing contained in this Act shall relieve any person  
7 from the operation of sections 1 to 13, 14 to 19, 20, 21,  
8 22 to 27, 41 to 46, and 47 to 58 of title 15 of the United  
9 States Code and sections 52 and 53 of title 29. In the  
10 event a licensee is found by a court of competent jurisdic-  
11 tion, either in an original action in that court or in a pro-  
12 ceeding to enforce or review the findings or orders of any  
13 Government agency having jurisdiction under the sections  
14 cited above, to have violated any of the provisions of such  
15 sections in the conduct of the licensed activity, the Com-  
16 mission may suspend, revoke, or take such other action  
17 as it may deem necessary with respect to any license is-  
18 sued by the Commission under the provisions of this Act.

19 **SEC. 11. DEFINITIONS.**

20 For the purposes of this Act, the term “geothermal  
21 steam and associated geothermal resources” shall have the  
22 same meaning as such term has in section 2(c) of the  
23 Geothermal Steam Act of 1970 (30 U.S.C. 1001(c)).

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