



March 17, 2023

“Transparency and Production of American Energy Act of 2023” & “Permitting for Mining Needs Act of 2023”

Chairman Stauber:

Ormat applauds the work of Congressman Bruce Westerman (R-AR), Congressman Pete Stauber (R-MN), and members of House Committee on Natural Resources for their leadership in regulatory reform to geothermal development barriers in the United States. Further, Ormat appreciates the opportunity to respond to four additional questions pertaining to the geothermal components stated in the “Transparency and Production of American Energy Act of 2023” and H.R. 209 “Permitting for Mining Needs Act of 2023”.

Without significant permitting reforms will we be able to meet the administration’s goal of having 25 gigawatts of geothermal on public lands by 2025?

No, 25 gigawatts of geothermal on public lands in less than two years is not achievable without significant permitting reform and a Department of Interior commitment to more efficient environmental review.

Are the tools provided in this package for geothermal exploration consistent with other exemptions that the federal land management agencies offer to other energy sources?

Specifically this action provides parity between geothermal and oil and gas exploration, which is afforded a broad categorical exclusion for exploration work including resource confirmation wells, under Section 390 of the Energy Policy Act of 2005. We believe the proposed language provides certainty and consistency for the geothermal industry while requiring compliance with all environmental regulations.

Could you discuss how annual lease sales would help provide certainty for the geothermal industry and how making this change would impact investment in geothermal development?

Requiring annual geothermal lease sales is the only way to ensure that federally managed geothermal resources can be evaluated and developed. Ninety percent (90%) of conventional geothermal resources in the United States are located on federally managed lands. Access to more federal land is the critical first step for ensuring additional geothermal production. Annual lease sales are the foundation for developing additional geothermal resources. Standardizing annual land quotas,

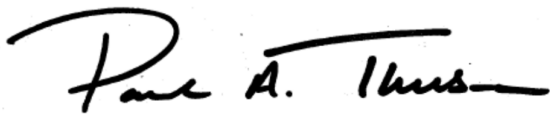
nominations, and decision timeframes will create more opportunities for geothermal exploration and utilization.¹

How would this bill expedite the permitting process on the front end of a project?

As is the case now, preliminary geothermal exploration is hampered by onerous “front end” permitting requirements. Eliminating burdens in the process results in fixing an unnecessarily slow development cycle which results in significantly higher project financing. This bill facilitates the ability to collect data and make determinations about commercial viability without spending hundreds of thousands of dollars permitting non-commercial resources. The bill also eliminates uncertainty for federal decision makers and allows both the federal land managers and proponents to instead prioritize their valuable resources on viable geothermal developments.

In summary, the geothermal component of the “Transparency and Production of American Energy Act of 2023” and “Permitting for Mining Needs Act of 2023” provides several specific changes needed to improve geothermal exploration. While we have discussed the benefits and crucial nature of those changes, it is important to reiterate that the proposed changes do not affect the geothermal industry’s responsibility and integrity in meeting the highest water quality, reclamation, and well abandonment standards for environmental stewardship.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Thomsen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul A. Thomsen
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¹ Geothermal Rising, Letter to Secretary Debra Haaland (18 March 2021).
<https://geothermal.org/resources/geothermal-rising-letter-addressing-geothermal-permitting-public-lands>