

Memorandum

From: Fervo Energy

Date: May 28, 2025

Re: Questions for the Record from May 12, 2025 HNR Field Hearing

Summary

Below are Fervo Energy's responses to Questions for the Record (QFRs) from the May 12, 2025, House Natural Resources Energy and Mineral Resources Subcommittee field hearing on "Letting Off Steam: Unleashing Geothermal Energy Development on Federal Land" in Cedar City, Utah.

Questions from Congressman Jared Huffman (D-CA-2)

- 1. Legislation is now under consideration that mandates annual geothermal lease sales in all states with known geothermal resources on federal land. The legislation also requires that all eligible acreage (pursuant to a land use plan) nominated by industry be offered for lease – without leaving any opportunity for public input into leasing, site-specific analysis, or scoping to address potential resource or land use conflicts prior to a lease auction. Land use plans are often woefully outdated – some are over 40 years old and no longer accurately reflect existing resource conflicts. Please explain how the industry will work with stakeholders to ensure nominations will avoid, minimize, mitigate, and compensate for any resource conflicts.**

Fervo Energy values strategic and thoughtful siting as well as working with stakeholders to ensure geothermal energy development avoids and minimizes resource conflicts. Across our extensive leaseholding portfolio, we undertook an extensive analysis of sensitive habitat and social impacts. We chose to pursue the Cape Station Project located in an area that did not have sensitive, historic, or cultural resources. For Cape Station, Fervo spent engaged the BLM permitting process early and deliberately to maximize prospects of success and expedite processing. Early on in our project development process, we conducted widespread engagement with the county, city, non-governmental organizations, and the state.

We think these proactive approaches are essential to geothermal development. Fervo has made technological advances in the past five years that vastly grow geothermal's potential scale and make it viable across U.S. geographies. A scaled geothermal industry will also create hundreds of thousands of jobs, largely in rural areas. Based on the National Renewable Energy Laboratory's job creation model, each new geothermal plant creates tens of thousands of construction and operational jobs, many of them requiring workers with drilling expertise and oil and gas backgrounds. Committees across the West stand to benefit substantially from strategic and thoughtful geothermal energy development at scale.

- 2. A common theme during the hearing was permitting delays, which were mostly attributed to duplicative NEPA reviews and other inefficient regulatory processes. Not discussed was the adequacy of agency funding and staffing to be able to process**

geothermal reviews and permits in a timely manner. Some people with industry experience believe federal regulators process paperwork for oil and gas much faster than for geothermal due to disparities in funding and staffing and less centralization and coordination associated with geothermal permitting than fossil fuel permitting. In your experience, do you believe the agencies – particularly the BLM’s Renewable Energy Coordination Offices and other relevant offices – are adequately funded and staffed with geothermal permitting experts to be responsive to your needs and act in a timely manner?

Enhanced geothermal systems (EGS) combine two different types of development: 1) the subsurface elements, which produce the heat; and 2) the above-ground infrastructure, which generates and transmits the electricity. Unlike solar and wind energy, where conditions are easily observable above ground, the conditions required for a successful geothermal system exist thousands of feet below the surface of the earth in highly heterogeneous layers of rock. This means that projects often must expend significant resources to drill deep enough to find a sample that is reasonably representative to extrapolate across the whole project reservoir. Once the resource is confirmed, a geothermal developer is required to file an additional permit application to construct the above-ground power generation facility.

In summary, under current laws and regulations, EGS faces a unique challenge that NEPA documents have to be completed in sequence, rather than simultaneously, for land use planning, pre-leasing, exploration, drilling, well-field development, power plant construction, and transmission. The requirement to complete each of these in sequence extends project timelines which is particularly costly for first-of-a-kind projects relying on expensive venture capital rather than debt finance.

BLM field offices are linchpins in the permitting process and have substantial discretion in how they approach geothermal energy project development. When they work well with developers and are effective, the field office can be a great asset and permitting is straightforward. However, inconsistency across field office permitting policy and staffing resources can increase development uncertainty and discourage responsible clean energy projects and investment. Bolstering support for BLM field offices would be helpful. With additional resources, BLM could hire a dedicated team of geothermal experts to develop training materials, best practices and standard operating procedures and provide technical support to field offices to ensure timely review of geothermal power projects on federal lands. The funding could also be utilized to hire, train and promote personnel at BLM field offices to process geothermal permits.