

# ALASKA STATE LEGISLATURE

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### Explanation of the Changes to SB 243 in CS SB 243 (FIN)

The Finance Committee made substantial changes to SB 243 that modernize Alaska's regulatory system for geothermal resources.

The Finance CS for SB 243 transfers some jurisdictions over geothermal resource development from the Department of Natural Resources to the Alaska Oil and Gas Conservation Commission.

Members will find the specific delineation of duties in the new section 3 (page 2, lines 9-15) of the Finance CS.

In the Finance CS SB 243, the Department of Natural Resources will continue to oversee the leasing of land, unitization and collection of royalties from a geothermal resource.

The DNR's authorities are found in new sections 3, 7, 8, 9 and 18.

The Alaska Oil and Gas Conservation Commission is subsequently charged with regulating:

- the exploration and development of a geothermal resource (new sections 6, 11, 12, 13, 15)
- the waste of geothermal resources (new sections 4, 5, and 10)

Additional changes were made:

- allowing the AOGCC to recoup the cost of oversight through the normal regulatory cost charge process (new section 16)
- providing the necessary definitions (new section 17)

The Finance CS to SB 243 reflects the regulatory practices of other oil and gas states in regards to geothermal resources and will protect the public's safety and ensure the conservation of this renewable resource.