



Geothermal Resources

SB 69

HB 74

Diversify Alaska's revenue portfolio

- More potential for providing affordable, renewable energy to rural communities
- More potential for providing power to remote natural resource extraction projects
- Promote clean energy industry job creation
- Increase attention to Alaska's geothermal exploration program

Streamline geothermal licensing, align with oil and gas exploration license program, increase feasibility for companies to develop resources

- More time for a company to identify and prove resource to convert to leases
- Conversion to leases based on completing a work commitment and submitting an exploration plan instead of proving a commercial resource
- Doubles maximum acreage for exploration

Work commitments combined with a longer term will increase chances of success in exploration

Explorers need time to secure surface and environmental permits before they can begin collecting data and drilling test wells. Five years with the option for extension or conversion to lease will make our developers more likely to succeed, creating more opportunities for developing renewable resources for the benefit of Alaskans.

Current prospecting permits or applications will be converted to exploration licenses

This bill provides for the three active prospecting permits to be converted to licenses with extended terms.

Private landowners and small-scale, non-commercial developers will benefit from this bill

The definition of geothermal resources is redefined in statute to focus on commercial use.

Private landowners and non-commercial developers do not need a permit, license, or lease from DNR under the current statute, but this legislation makes that explicit and orients the statutes toward commercial development.

Private landowners still need permits from Alaska Oil and Gas Conservation Commission (AOGCC) if wells “may encounter geothermal resources, fluid, or water of *sufficient heat or pressure to constitute a threat to human life or health*” and other agencies.

Private landowners are not harmed by the removal of the *preferential rights* provision

Disambiguates the rights of subsurface developers to develop the resources they have licensed or leased.

Private landowners retain their rights as surface owners. These situations are usually handled by a private surface use agreement between the landowner and developer. Where **AS 38.05.125** creates a split estate and landowners and developers are unable to agree on surface use terms, DNR can resolve disputes under **AS 38.05.130** and **11 AAC 86.145**.

Revenue and Costs

- Division of Oil & Gas will charge fees for applications and licenses, annual rentals for leases, and collect royalties on gross revenue under **AS 38.05.181(g)**.
- AOGCC assess annual regulatory cost charges for oversight of geothermal wells under **AS 41.06.055**.

DNR Division of Oil & Gas (DOG)

No additional costs. Brings geothermal exploration licensing up to date with current program for oil and gas exploration. Staff and administrative infrastructure are already trained and in place.

DNR Division of Geological & Geophysical Surveys (DGGS)

One new position. To expand knowledge and publication of information on Alaska's untapped geothermal resources, DGGS will need a new Geologist 4 position to support that effort.

DCCED Alaska Oil & Gas Conservation Commission (AOGCC)

No additional costs. No additional administrative burden. Definition changes align with DNR's.