

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

January 26, 2022

1:34 p.m.

MEMBERS PRESENT

Representative Josiah Patkotak, Chair
Representative Grier Hopkins, Vice Chair
Representative Zack Fields
Representative Calvin Schrage
Representative Sara Hannan
Representative George Rauscher
Representative Mike Cronk
Representative Ronald Gillham
Representative Tom McKay

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 135

"An Act relating to geothermal resources; relating to the definition of 'geothermal resources'; and providing for an effective date."

- MOVED CSHB 135 (RES) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 135

SHORT TITLE: GEOTHERMAL RESOURCES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/10/21	(H)	READ THE FIRST TIME - REFERRALS
03/10/21	(H)	RES, FIN
04/22/21	(H)	RES WAIVED PUBLIC HEARING NOTICE, RULE 23(A) UC
04/23/21	(H)	RES AT 10:30 AM BARNES 124
04/23/21	(H)	Heard & Held
04/23/21	(H)	MINUTE (RES)
04/23/21	(H)	RES AT 1:00 PM BARNES 124
04/23/21	(H)	-- MEETING CANCELED --
04/26/21	(H)	RES AT 1:00 PM BARNES 124

04/26/21	(H)	Heard & Held
04/26/21	(H)	MINUTE (RES)
04/30/21	(H)	RES AT 1:00 PM BARNES 124
04/30/21	(H)	Heard & Held
04/30/21	(H)	MINUTE (RES)
01/21/22	(H)	RES AT 1:00 PM BARNES 124
01/21/22	(H)	Heard & Held
01/21/22	(H)	MINUTE (RES)
01/24/22	(H)	RES AT 1:00 PM BARNES 124
01/24/22	(H)	Heard & Held
01/24/22	(H)	MINUTE (RES)
01/26/22	(H)	RES AT 1:00 PM BARNES 124

WITNESS REGISTER

HALEY PAINE, Deputy Director
Central Office
Division of Oil and Gas (DO&G)
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 135, spoke to a proposed amendment on behalf of the administration.

ACTION NARRATIVE

[1:34:18 PM](#)

CHAIR JOSIAH PATKOTAK called the House Resources Standing Committee meeting to order at 1:34 p.m. Representatives Schrage, Gillham, Hannan, Hopkins, Cronk, Fields, McKay, and Patkotak were present at the call to order. Representative Rauscher arrived as the meeting was in progress.

HB 135-GEOTHERMAL RESOURCES

[1:34:50 PM](#)

CHAIR PATKOTAK announced that the only order of business would be House Bill 135, "An Act relating to geothermal resources; relating to the definition of 'geothermal resources'; and providing for an effective date."

[1:35:14 PM](#)

REPRESENTATIVE HOPKINS moved to adopt Amendment 1, labeled 32-GH1618\A.1, Bullard, 1/24/22, which read:

Page 3, following line 31:

Insert new bill sections to read:

**** Sec. 7.** AS 38.05.945(a) is amended to read:

(a) This section establishes the requirements for notice given by the department for the following actions:

(1) classification or reclassification of state land under AS 38.05.300 and the closing of land to mineral leasing or entry under AS 38.05.185;

(2) zoning of land under applicable law;

(3) issuance of a

(A) preliminary written finding under AS 38.05.035(e)(5)(A) regarding the sale, lease, or disposal of an interest in state land or resources for oil and gas, or for gas only, subject to AS 38.05.180(b);

(B) written finding for the sale, lease, or disposal of an interest in state land or resources under AS 38.05.035(e)(6), except a lease sale described in AS 38.05.035(e)(6)(F) for which the director must provide opportunity for public comment under the provisions of that subparagraph;

(C) prospecting license under AS 38.05.181, including the renewal of a prospecting license under AS 38.05.181(c);

(4) a competitive disposal of an interest in state land or resources after final decision under AS 38.05.035(e);

(5) a preliminary finding under AS 38.05.035(e) concerning sites for aquatic farms and related hatcheries;

(6) a decision under AS 38.05.132 - 38.05.134 regarding the sale, lease, or disposal of an interest in state land or resources;

(7) an exchange of state land under AS 38.50.

*** Sec. 8.** AS 38.05.945(e) is amended to read:

(e) **Except as provided under (a)(3)(C) of this section, notice** [NOTICE] is not required under this section for a permit or other authorization revocable by the department."

Renumber the following bill sections accordingly.

Page 5, lines 5 - 6:

Delete "secs. 1 - 12"

Insert "secs. 1 - 14"

Page 5, line 17:

Delete "Section 14"

Insert "Section 16"

Page 5, line 18:

Delete "sec. 15"

Insert "sec. 17"

CHAIR PATKOTAK objected for the purpose of considering an amendment to Amendment 1 suggested to the committee by the Department of Natural Resources (DNR).

REPRESENTATIVE HOPKINS moved to adopt Conceptual Amendment 1 to Amendment 1 [which would on page 1, line 17, delete "prospecting license" and insert "prospecting permit, license, or lease"]. There being no objection, Conceptual Amendment 1 to Amendment 1 was adopted.

[1:36:07 PM](#)

REPRESENTATIVE HOPKINS explained that Amendment 1, as amended, would allow for greater input by impacted stakeholders and property owners in and around an area being explored for geothermal potential. As currently written, the bill would only require notice to stakeholders and impacted properties when the project is moved forward from exploration to a commercial operation. The amendment would provide that notice be given to impacted stakeholders and property [owners] when an exploration license is given as well, not just when it moves forward; thus, it would be a two-step notification process. Representative Hopkins noted that the language from DNR is in the committee packet and that DNR requested the term "prospecting license" be replaced with "prospecting permit, license, or lease" because "prospecting license" is not found anywhere in DNR's regulations. He further related that in its email, DNR states that the codification in Amendment 1 of those notice requirements in Alaska statute would further sanction and assure the public's access to the same.

CHAIR PATKOTAK invited the department to comment on Amendment 1.

[1:38:06 PM](#)

HALEY PAINE, Deputy Director, Central Office, Division of Oil and Gas (DO&G), Department of Natural Resources (DNR), on behalf

of the administration, stated that DNR does not have any objection to the amendment as proposed. She clarified that under current regulation for geothermal DNR does require at the disposal phase a preliminary best interest finding (BIF). This means that already at the preliminary BIF and the final BIF the department is required by statute to go through the disposal public notice process, so this would just be reinforced. Under the amendment, DNR would also list it at issuance, so DNR would then have three different public notice periods prior to a project. Additionally, there would be a fourth public notice period should operations be approved.

[1:39:28 PM](#)

CHAIR PATKOTAK removed his objection to Amendment 1. There being no further objection, Amendment 1, as amended, was adopted.

[1:39:37 PM](#)

REPRESENTATIVE HOPKINS moved to report HB 135, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Without objection, CSHB 135(RES) was moved out of the House Resources Standing Committee.

The committee took an at-ease from 1:40 p.m. to 1:43 p.m.

[1:44:49 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:45 p.m.