

# Getting to the Core Rules and Regulations for Geothermal Development

Jason M. Ryan

Energy Regulatory Group Global Projects Department

Baker Botts L.L.P.

910 Louisiana Street Houston, Texas 77002

713.229.1820 713.229.2820 fax 713.857.6646 cell

[jason.ryan@bakerbotts.com](mailto:jason.ryan@bakerbotts.com)

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Oil & Gas Development Conference

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**¡Disclaimer!**

**HANDLE WITH EXTREME CARE:**

**This Product Contains Minute Electrically Charged  
Particles Moving at Velocities in Excess of Five  
Hundred Million Miles Per Hour.**

**THIS IS A 100% MATTER PRODUCT:**

**In the Unlikely Event That This Merchandise Should  
Contact Antimatter in Any Form, a Catastrophic  
Explosion Will Result.**

# Texas Geothermal Policy

§ "It is declared to be the policy of the State of Texas that: (1) the rapid and orderly development of geothermal energy and associated resources located within the State of Texas is in the interest of the people of the State of Texas;"

§ Geothermal Resources Act of 1975

# History of Geothermal Energy Interest

- § 1960s/1970s energy crisis
  - § Geothermal Steam Act of 1970
  - § state laws encouraging geothermal exploitation
- § increased environmental interest/Mid East tension
  - § Department of Energy initiatives starting in 2000
- § increased cost of oil and gas

# **Geothermal Rights**

# Geothermal Rights – Federal

- § Geothermal Steam Act of 1970

  - § Department of the Interior

- § Outer Continental Shelf Lands Act

- § Department of Defense Lands

# **Geothermal Rights – State**





# Leasing – Other Issues

§ Term

# Leasing – Other Issues

§ Migration

§ Oil & Gas versus Geothermal Rights

§ Environmental Liability

# **Environmental Laws**

# Environmental Laws – Federal

- § Coastal Zone Management Act

- § Endangered Species Act

- § National Environmental Policy Act (NEPA)

  - § requires an environmental impact statement

# Environmental Laws – State

§ State environmental laws

# Environmental Laws – Local

- § Water conservation districts
- § Other county and municipal laws

# Environmental Challenges to Renewables

## § Parties

- § American Bird Conservancy
- § Armstrong Ranch
- § Audubon Outdoor Club of Corpus Christi
- § Coastal Bend Audubon Society
- § Frontera Audubon Society
- § Galveston Bay Conservation and Preservation Association
- § Houston Audubon Society
- § King Ranch, Inc.
- § Lower Laguna Madre Foundation
- § Matagorda Bay Foundation
- § Travis Audubon Society



# Environmental Challenges to Renewables

## § Agencies

- § Texas Coastal Coordination Council
- § Public Utility Commission of Texas
- § US Fish & Wildlife

## § Courts

- § Travis County, Texas state court
- § United States federal court

# Development

# Development – Federal

§ Geothermal Steam Act of 1970

§

# Development – State

- § Surface owners

- § Classification

  - § Mineral

    - § Texas, California, Alaska, Arizona, Hawaii

  - § Water

    - § Wyoming, Utah

  - § Neither

    - § Idaho, Washington, Montana

# Development – State

- § Drilling permits/regulations
  - § On or off school fund land
- § Reporting requirements
- § Safety requirements
  - § Blowout prevention standards

# Development – State

- § Power line easements

- § State (and possibly federal) approvals for transmission lines

# Ryan's Ideas

# **Legislative Initiatives**



# Things to think about...

§ Governor's business initiative

§ Legislative session

# **Wind-Related Initiatives**

# The Next Texas Tea Is Clear

## § 1999

§ Installed Wind Generation Capacity: 880 MW

§ Texas Legislature Mandate: +2,000 MW by 2009

## § 2005

§ Installed Wind Generation Capacity: ~2,000 MW

§ Texas Legislature: +3,000 MW by 2015 / 10,000 MW by 2025

## **28. GEQ We Get There?**

# Competitive Renewable Energy Zones

**CREZ:** Zone in which **renewable energy** resources and **suitable land areas** are sufficient to develop generating capacity from renewable energy technologies.

# Financial Commitment

**PUCT considers developers' financial commitment in deciding whether to designate an area a CREZ **and** whether to issue a certificate of convenience and necessity.**



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# So What?

§ Dispatch priority proceeding

§ Nesting??