



## Negotiated Rulemaking Meeting Notes – March 28, 2024

**IDAPA 20.03.15**, Rules Governing Geothermal Leasing on Idaho State Lands

**Facilitated by:** Mike Murphy, Minerals Leasing Program Manager, Idaho Department of Lands (IDL)

**Attendees:**

**Scott Nichols**, representing Ormat Technologies, Inc.

**Alli Olson**, Office of Attorney General, representing IDL

**IDL staff:** Mike Murphy, Anna Maria Mancini, Amy Johnson, Jason Laney, Roger Hall

The following notes provide a brief overview of the meeting discussion to capture key points; they are not to be considered comprehensive meeting minutes.

### **Subsection 010.10 Definition of Geothermal Resources**

Scott Nichols: Recommend removing the sentence added in the draft rules that would limit the definition of Geothermal Resources to having a temperature of 212° F or more. With so much low heat geothermal potential, why put such a limit in the rules?

Alli Olson: IDL added that sentence to match Idaho Code § 42-4002 and the lease template.

Mike Murphy: We could not add that sentence to the rule in case there is a statute change in the future, then the rule would not be too limiting.

Alli Olson: It doesn't need to be in rule; we just added it for consistency.

### **Subsection 036.01 Royalty Payments**

Mike Murphy: This is the one change in the draft rule that is more than just clarifying language. It's removing the maximum royalty rate from the rule.

Scott Nichols: There's no need to cap it. It will be negotiated, and the minimums are reasonable.

### **Subsection 036.03 Royalties, Due Date**

Scott Nichols: The current rule language has a timeline that is too tight. It states that royalties will be due "on or before the last day of the calendar month in which the Geothermal Resources and/or their Associated By-Products are produced and utilized or sold." Recommend extending it to 60 days.

Mike Murphy: That makes sense; we can do that.

### **Subsection 036.07 Royalties, Commingling**

Scott Nichols: Instead of the word “commingling,” recommend using the word “pooled” for consistency with Idaho Department of Water Resources and industry. Industry standard is “pool” or “unitized.”

### **Subsection 054.03 Exploration Under the Lease, Plan Required**

Scott Nichols: For consistency with industry standards, you could use “operations plan” or simply “plan” instead of “Research and Analysis Plan.”

### **Subsection 055.04, Development and Production Under the Lease, Waste and Damage**

Scott Nichols: The current rule language in **Paragraph b** about any “significant effect on the environment” could be open to various interpretations. How is that defined? Could that be clarified? Maybe look at DOE language about any release or violation of any environmental standards.

Mike Murphy: If you have specific recommended wording, will you please let us know in a written comment?

### **General**

Scott Nichols: These rules are not too onerous compared to other states.