TITLE 30 - MINERAL LANDS AND MINING

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§ 1101. Congressional findings

The Congress hereby finds that—

(1) the Nation is currently suffering a critical shortage of environmentally acceptable forms of energy;

(2) the inadequate organizational structures and levels of funding for energy research have limited the Nation’s current and future options for meeting energy needs;

(3) electric energy is a clean and convenient form of energy at the location of its use and is the only practicable form of energy in some modern applications, but the demand for electric energy in every region of the United States is taxing all of the alternative energy sources presently available and is projected to increase; some of the sources available for electric power generation are already in short supply, and the development and use of other sources presently involve undesirable environmental impacts;

(4) the Nation’s critical energy problems can be solved only if a national commitment is made to dedicate the necessary financial resources, and enlist the cooperation of the private and public sectors, in developing geothermal resources and other nonconventional sources of energy;

(5) the conventional geothermal resources which are presently being used have limited total potential; but geothermal resources which are different from those presently being used, and which have extremely large energy content, are known to exist;

(6) some geothermal resources contain energy in forms other than heat; examples are methane and extremely high pressures available upon release as kinetic energy;

(7) some geothermal resources contain valuable byproducts such as potable water and mineral compounds which should be processed and recovered as national resources;
(8) technologies are not presently available for the development of most of these geothermal resources, but technologies for the generation of electric energy from geothermal resources are potentially economical and environmentally desirable, and the development of geothermal resources offers possibilities of process energy and other nonelectric applications;

(9) much of the known geothermal resources exist on the public lands;

(10) Federal financial assistance is necessary to encourage the extensive exploration, research, and development in geothermal resources which will bring these technologies to the point of commercial application;

(11) the advancement of technology with the cooperation of private industry for the production of useful forms of energy from geothermal resources is important with respect to the Federal responsibility for the general welfare, to facilitate commerce, to encourage productive harmony between man and his environment, and to protect the public interest; and

(12) the Federal Government should encourage and assist private industry through Federal assistance for the development and demonstration of practicable means to produce useful energy from geothermal resources with environmentally acceptable processes.


Short Title

Section 1 of Pub. L. 93–410 provided that: “This Act [enacting this chapter] may be cited as the ‘Geothermal Energy Research, Development, and Demonstration Act of 1974’.”

§ 1102. Definitions

For the purposes of this chapter—

(1) the term “geothermal resources” means

(A) all products of geothermal processes, embracing indigenous steam, hot water, and brines,

(B) steam and other gases, hot water and hot brines, resulting from water, gas, or other fluids artificially introduced into geothermal formations, and

(C) any byproduct derived from them;

(2) the term “byproduct” means any mineral or minerals which are found in solution or in association with geothermal resources and which have a value of less than 75 percent of the value of the geothermal steam and associated geothermal resources or are not, because of quantity, quality, or technical difficulties in extraction and production, of sufficient value to warrant extraction and production by themselves;

(3) “pilot plant” means an experimental unit of small size used for early evaluation and development of new or improved processes and to obtain technical, engineering, and cost data;

(4) “demonstration plant” means a complete facility which produces electricity, heat energy, or useful byproducts for commercial disposal from geothermal resources and which will make a significant contribution to the knowledge of full-size technology, plant operation, and process economics;

(5) the term “Project” means the Geothermal Energy Coordination and Management Project established by section 1121 (a) of this title;

(6) the term “fund” means the Geothermal Resources Development Fund established by section 1144 (a) of this title; and

(7) the term “Chairman” means the Chairman of the Project.

SUBCHAPTER I—GEOTHERMAL ENERGY COORDINATION AND MANAGEMENT PROJECT

§ 1121. Formation of Project

(a) Establishment

There is hereby established the Geothermal Energy Coordination and Management Project.

(b) Composition; members and chairman

(1) The Project shall be composed of six members as follows:

(A) one appointed by the President;
(B) an Assistant Director of the National Science Foundation;
(C) an Assistant Secretary of the Department of the Interior;
(D) an Associate Administrator of the National Aeronautics and Space Administration;
(E) the Assistant Administrator of the Energy Research and Development Administration for Solar, Geothermal, and Advanced Energy Systems;
(F) an Assistant Administrator of the Federal Energy Administration;
(G) an Assistant Administrator of the Environmental Protection Agency;
(H) an Assistant Secretary of Treasury; and
(I) an Assistant Secretary of Agriculture.

(2) The President shall designate the Assistant Administrator of the Energy Research and Development Administration for Solar, Geothermal, and Advanced Energy Systems to serve as Chairman of the Project.

(3) If the individual appointed under paragraph (1)(A) of this subsection is an officer or employee of the Federal Government, he shall receive no additional pay on account of his service as a member of the Project. If such individual is not an officer or employee of the Federal Government, he shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315) for each day (including traveltime) during which he is engaged in the actual performance of duties vested in the Project.

(c) Responsibility for geothermal energy research, development, and demonstration program

The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national geothermal energy research, development, and demonstration program. Such program shall include—

(1) the determination and evaluation of the resource base;
(2) research and development with respect to exploration, extraction, and utilization technologies;
(3) the demonstration of appropriate technologies; and
(4) the loan guaranty program under subchapter II of this chapter.

(d) Allocation of functions to certain agencies; loaning of personnel

(1) The Project shall carry out its responsibilities under this section acting through the following Federal agencies:

(A) the Department of the Interior, the responsibilities of which shall include evaluation and assessment of the resource base, including development of exploration technologies;
(B) the National Aeronautics and Space Administration, the responsibilities of which shall include the provision of contract management capability, evaluation and assessment of the resource base, and the development of technologies pursuant to section 1122 (b) of this title;
(C) the Atomic Energy Commission, the responsibilities of which shall include the development of technologies; and
(D) the National Science Foundation, the responsibilities of which shall include basic and applied research.

(2) Upon request of the Project, the head of any such agency is authorized to detail or assign, on a reimbursable basis or otherwise, any of the personnel of such agency to the Project to assist it in carrying out its responsibilities under this chapter.

(e) Exclusive authority of the Project

The Project shall have exclusive authority with respect to the establishment or approval of programs or projects initiated under this chapter, except that the agency involved in any particular program or project shall be responsible for the operation and administration of such program or project.


Amendments


Subsec. (b)(2). Pub. L. 95–238, § 502(4), substituted “the Assistant Administrator of the Energy Research and Development Administration for Solar, Geothermal, and Advanced Energy Systems” for “one member of the Project”.

Transfer of Functions

Energy Research and Development Administration terminated and functions vested by law in Administrator thereof transferred to Secretary of Energy (unless otherwise specifically provided) by sections 7151 (a) and 7293 of Title 42, The Public Health and Welfare.

Atomic Energy Commission abolished and functions transferred by sections 5814 and 5841 of Title 42. See, also, Transfer of Functions notes set out under those sections.

Federal Energy Administration terminated and all functions transferred to Secretary of Energy (unless otherwise specifically provided) by sections 7151 (a) and 7293 of Title 42.

§ 1122. Program definition

(a) (1) The Chairman, acting through the Administrator of the National Aeronautics and Space Administration, is authorized and directed to prepare a comprehensive program definition of an integrated effort and commitment for effectively developing geothermal energy resources. Such Administrator, in preparing such comprehensive program definition, is authorized to consult with other Federal agencies and non-Federal entities.

(2) The Chairman shall transmit such comprehensive program definition to the President and to each House of the Congress. Interim reports shall be transmitted not later than November 30, 1974, and not later than January 31, 1975. Such comprehensive program definition shall be transmitted as soon as possible thereafter, but in any case not later than August 31, 1975.

(3) As part of the comprehensive program definition required by paragraph (1) of this subsection, the Chairman, acting through the United States Geological Survey, shall transmit to the President and to each House of the Congress a schedule and objectives for the inventorying of geothermal resources.

(b) The National Aeronautics and Space Administration is authorized to undertake and carry out those programs assigned to it by the Project.

§ 1123. Resource inventory and assessment program

(a) The Chairman shall initiate a resource inventory and assessment program with the objective of making regional and national appraisals of all types of geothermal resources, including identification of promising target areas for industrial exploration and development. The specific goals shall include—

(1) the improvement of geophysical, geochemical, geological, and hydrological techniques necessary for locating and evaluating geothermal resources;

(2) the development of better methods for predicting the power potential and longevity of geothermal reservoirs;

(3) the determination and assessment of the nature and power potential of the deeper unexplored parts of high temperature geothermal convection systems; and

(4) the survey and assessment of regional and national geothermal resources of all types.

(b) The Chairman, acting through the United States Geological Survey and other appropriate agencies, shall—

(1) develop and carry out a general plan for the orderly inventorying of all forms of geothermal resources of the Federal lands and, where consistent with property rights and determined by the Chairman to be in the national interest, of non-Federal lands;

(2) conduct regional surveys, based upon such a general plan, using innovative geological, geophysical, geochemical, and stratigraphic drilling techniques, which will lead to a national inventory of geothermal resources in the United States;

(3) publish and make available maps, reports, and other documents developed from such surveys to encourage and facilitate the commercial development of geothermal resources for beneficial use and consistent with the national interest;

(4) make such recommendations for legislation or administrative regulations as may from time to time appear to be necessary to make Federal leasing, environmental and taxing policy for geothermal resources consistent with known inventories of various resource types, with the current state of technologies for geothermal energy development, and with current evaluations of the environmental impacts of such development; and

(5) participate with appropriate Federal agencies and non-Federal entities in research to develop, improve, and test technologies for the discovery and evaluation of all forms of geothermal resources, and conduct research into the principles controlling the location, occurrence, size, temperature, energy content, producibility, and economic lifetimes of geothermal reservoirs.


Amendments

1978—Subsec. (b)(4). Pub. L. 95–238 inserted “or administrative regulations” after “legislation” and “, environmental and taxing” after “leasing”.

Change of Name

§ 1124. Research and development

(a) The Chairman, acting through the appropriate Federal agencies and in cooperation with non-Federal entities, shall initiate a research and development program for the purpose of resolving all major technical problems inhibiting the fullest possible commercial utilization of geothermal resources in the United States. The specific goals of such programs shall include—

(1) the development of effective and efficient drilling methods to operate at high temperatures in formations of geothermal interest;
(2) the development of reliable predictive methods and control techniques for the production of geothermal resources from reservoirs;
(3) the exploitation of new concepts for fracturing rock to permit recovery of contained heat reserves;
(4) the improvement of equipment and technology for the extraction of geothermal resources from reservoirs;
(5) the development of improved methods for converting geothermal resources and byproducts to useful forms;
(6) the development of improved methods for controlling emissions and wastes from geothermal utilization facilities, including new monitoring methods to any extent necessary;
(7) the development and evaluation of waste disposal control technologies and the evaluation of surface and subsurface environmental effects of geothermal development;
(8) the improvement of the technical capability to predict environmental impacts resulting from the development of geothermal resources, the preparation of environmental impact statements, and the assuring of compliance with applicable standards and criteria;
(9) the identification of social, legal, and economic problems associated with geothermal development (both locally and regionally) for the purpose of developing policy and providing a framework of policy alternatives for the commercial utilization of geothermal resources;
(10) the provision for an adequate supply of scientists to perform required geothermal research and development activities; and
(11) the establishment of a program to encourage States to establish and maintain geothermal resources clearinghouses, which shall serve to

(A) provide geothermal resources developers with information with respect to applicable local, State, and Federal laws, rules, and regulations,
(B) coordinate the processing of permit applications, impact statements, and other information which geothermal resources developers are required to provide,
(C) encourage uniformity with respect to local and State laws, rules, and regulations with respect to geothermal resources development, and
(D) encourage establishment of land use plans, which would include zoning for geothermal resources development and which would assure that geothermal resources developers will be able to carry out development programs to the production stage.

(b) The Chairman, acting through the appropriate Federal agencies and in cooperation with non-Federal entities, shall implement a coordinated program of research and development in order to demonstrate the technical means for the extraction and utilization of the resource base, including any by-products of such base, and in order to accomplish the goals established by subsection (a) of this section. Research authorized by this chapter having potential applications in matters other than geothermal energy may be pursued to the extent that the findings of such research can be published in a form for utilization by others.

§ 1125. Geothermal demonstration plants and projects

(a) Design and construction

The Chairman, acting through the appropriate Federal agencies and in cooperation with non-Federal entities, shall initiate a program to design and construct geothermal demonstration plants. The specific goals of such program shall include—

1. the development of economical geothermal resources production systems and components which meet environmental standards;
2. the design of plants to produce electric power and, where appropriate, the large-scale production and utilization of any useful by-products;
3. the involvement of engineers, analysts, technicians, and managers from industry field and powerplant development, which shall lead to the early industrial exploitation of advanced geothermal resources;
4. the provision for an adequate supply of trained geothermal engineers and technicians;
5. the provision of experimental test beds for component testing an evaluation by laboratories operated by the Federal Government, industry, or institutions of higher education;
6. the construction and operation of pilot plants; and
7. the construction and operation of demonstration plants.

(b) Establishment of demonstration projects

In carrying out his responsibilities under this section, the Chairman, acting through the appropriate Federal agencies, and in cooperation with non-Federal entities, may provide for the establishment of one or more demonstration projects utilizing each geothermal resource base involved, which shall include, as appropriate, all of the exploration, siting, drilling, pilot plant construction and operation, demonstration plant construction and operation, and other facilities and activities which may be necessary for the generation of electric energy and the utilization of geothermal resource byproducts.

(c) Agreements for the cooperative development of facilities for demonstration

The Chairman, acting through the appropriate Federal agencies, is authorized to investigate and enter into agreements for the cooperative development of facilities to demonstrate the production of energy from geothermal resources. The responsible Federal agency may consider—

1. cooperative agreements with utilities and non-Federal governmental entities for construction of facilities to produce energy for commercial disposition; and
2. cooperative agreements with other Federal agencies for the construction and operation of facilities to produce energy for direct Federal consumption.

(d) Construction of demonstration projects without entering into agreements

The responsible Federal agency is authorized to investigate the feasibility of, construct, and operate, demonstration projects without entering into cooperative agreements with respect to such projects, if the Chairman finds that—

1. the nature of the resource, the geographical location, the scale and engineering design of the facilities, the techniques of production, or any other significant factor of the proposal offers opportunities to make important contributions to the general knowledge of geothermal resources, the techniques of its development, or public confidence in the technology; and
2. there is no opportunity for cooperative agreements with any utility or non-Federal governmental entity willing and able to cooperate in the demonstration project under subsection (c)(1) of this section, and there is no opportunity for cooperative agreements with other Federal agencies under subsection (c)(2) of this section.

(e) Factors considered for entry into agreements

...
Before favorably considering proposals under subsection (c) of this section, the responsible Federal agency must find that—

(1) the nature of the resource, the geographical location, the scale and engineering design of the facilities, the techniques of production, or any other significant factor of the proposal offers opportunities to make important contributions to the general knowledge of geothermal resources, the techniques of its development, or public confidence in the technology;

(2) the development of the practical benefits as set forth in paragraph (1) of this subsection are unlikely to be accomplished without such cooperative development; and

(3) where non-Federal participants are involved, the proposal is not eligible for adequate Federal assistance under the loan guaranty provisions of subchapter II of this chapter or such assistance would not be adequate to satisfy the goals and requirements of the demonstration program under this section.

(f) Limits on project costs

If the estimate of the Federal investment with respect to construction and operation costs of any demonstration project proposed to be established under this section exceeds $10,000,000, no amount may be appropriated for such project except as specifically authorized by legislation hereafter enacted by the Congress.

(g) Disposal of Federal property interests and resource byproducts

(1) At the conclusion of the program under this section or as soon thereafter as may be practicable, the responsible Federal agencies shall, by sale, lease, or otherwise, dispose of all Federal property interests which they have acquired pursuant to this section (including mineral rights) in accordance with existing law and the terms of the cooperative agreements involved.

(2) The agency involved shall, under appropriate agreements or other arrangements, provide for the disposition of geothermal resource byproducts of the project administered by such agency.


Amendments

1978—Subsec. (e)(3). Pub. L. 95–238 inserted provisions relating to goals and requirements of the demonstration program.

§ 1126. Scientific and technical education

(a) Congressional declaration of policy

It is the policy of the Congress to encourage the development and maintenance of programs through which there may be provided the necessary trained personnel to perform required geothermal research, development, and demonstration activities under sections 1123, 1124, and 1125 of this title.

(b) Support of educational programs in science and engineering

The National Science Foundation is authorized to support programs of education in the sciences and engineering to carry out the policy of subsection (a) of this section. Such support may include fellowships, traineeships, technical training programs, technologist training programs, and summer institute programs.

(c) Selection of programs of education; coordination with National Science Foundation

The National Science Foundation is authorized and directed to coordinate its actions, to the maximum extent practicable, with the Project or any permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, in determining the optimal selection of programs of education to carry out the policy of subsection (a) of this section.
(d) International participation and cooperation

The National Science Foundation is authorized to encourage, to the maximum extent practicable international participation and cooperation in the development and maintenance of programs of education to carrying out the policy of subsection (a) of this section.


Transfer of Functions

Functions of National Science Foundation relating to geothermal power development transferred to Administrator of Energy Research and Development Administration (unless otherwise specifically provided) by section 5814 of Title 42, The Public Health and Welfare. Energy Research and Development Administration terminated and functions vested by law in Administrator thereof transferred to Secretary of Energy (unless otherwise specifically provided) by sections 7151 (a) and 7293 of Title 42.
SUBCHAPTER II—LOAN GUARANTIES

§ 1141. Establishment of loan guaranty program

(a) Congressional declaration of policy

It is the policy of the Congress to encourage and assist in the commercial development of practicable means to produce useful energy from geothermal resources with environmentally acceptable processes. Accordingly, it is the policy of the Congress to facilitate such commercial development by authorizing the Chairman of the Project to designate an appropriate Federal agency to guarantee loans for such purposes.

(b) Authorization of heads of designated agencies to guarantee loans

In order to encourage the commercial production of energy from geothermal resources, the head of the designated agency is authorized to, in consultation with the Secretary of the Treasury, guarantee, and to enter into commitments to guarantee, lenders against loss of principal or interest on loans made by such lenders to qualified borrowers for the purposes of—

(1) the determination and evaluation of the resource base;
(2) research and development with respect to extraction and utilization technologies;
(3) acquiring rights in geothermal resources;
(4) development, construction, and operation of facilities for the demonstration or commercial production of energy using geothermal resources; or
(5) construction and operation of a new commercial, agricultural, or industrial structure or facility or modification and operation of an existing commercial, agricultural, or industrial structure or facility, when geothermal hot water or steam is to be used within or by such structure or facility, or modification thereto, for the purposes of space heating or cooling, industrial or agricultural processes, onsite generation of electricity for use other than for sale or resale in commerce, other commercial applications, or combinations of applications separately eligible under this subchapter for loan guarantee assistance.

(c) Extent of guarantee

Any guaranty under this subchapter shall apply only to so much of the principal amount of any loan as does not exceed 75 percent of the aggregate cost of the project with respect to which the loan is made, except that any guarantee made for a loan to an electric, housing, or other cooperative, or to a municipality (as defined in section 796 (7) of title 16), may apply to so much of the principal amount of the loan as does not exceed 90 percent of the aggregate cost of the project. In determining the aggregate cost of a project for purposes of the preceding sentence, there shall be excluded the cost of constructing electrical transmission lines to the extent that the cost of constructing such lines exceeds 25 percent of the aggregate cost of the project (as determined without regard to this sentence); except that the Secretary may waive or limit the application of this sentence with respect to any project located in the State of Hawaii upon a finding that such project is remote from the area of primary consumption, that a transmission line is required before the geothermal reservoir can be developed, and that the particular transmission line involved will be used for more than the plant which is the subject of the loan guarantee. In the case of a guaranty for the purposes specified in subsection (b)(5) of this section, the aggregate cost of the project shall be deemed to be that portion of the total cost of construction and operation which is directly related to the utilization of geothermal energy within the structure or facility in question, except that the aggregate cost of the project with respect to which the loan is made may be the total cost including construction and operation in cases where the facility or structure has been located near a geothermal energy resource predominantly for the purpose of utilizing geothermal energy, or as determined by the Secretary of Energy the economic viability of the project is substantially dependent upon the performance of the geothermal reservoir.

(d) Terms and conditions of guaranties
Loan guaranties under this subchapter shall be on such terms and conditions as the head of the designated agency determines, except that a guaranty shall be made under this subchapter only if—

(1) the loan bears interest at a rate not to exceed such annual per centum on the principal obligation outstanding as the head of the designated agency determines to be reasonable, taking into account the range of interest rates prevailing in the private sector for similar loans and risks by the United States;

(2) the terms of such loan require full repayment over a period not to exceed thirty years, or the useful life of any physical asset to be financed by such loan, whichever is less (as determined by the head of the designated agency);

(3) in the judgment of the head of the designated agency, the amount of the loan (when combined with amounts available to the qualified borrower from other sources) will be sufficient to carry out the project; and

(4) in the judgment of the head of the designated agency, there is reasonable assurance of repayment of the loan by the qualified borrower of the guaranteed indebtedness.

(e) Limitations on amount of guaranty; exceptions; procedures applicable

The amount of the guaranty for any loan for a project shall not exceed $100,000,000: Provided, That in the case of a guaranty under subsection (b)(5) of this section, the amount of the guaranty for any loan for a project shall not exceed $50,000,000 and the amount of the guaranty for any combination of loans for any single qualified borrower shall not exceed $200,000,000, unless the Secretary of Energy determines in writing that a guaranty in excess of these amounts is in the national interest. Any such determination shall be submitted to the Speaker of the House and the Committee on Science, Space, and Technology of the House of Representatives, and to the President of the Senate and the Committee on Energy and Natural Resources of the Senate, accompanied by a full and complete report on the proposed project and guaranty. The proposed guaranty or commitment to guarantee shall not be finalized under authority granted by this chapter prior to the expiration of thirty calendar days (not including any date on which either House of Congress is not in session) from the date on which such report is received by the Speaker of the House and the President of the Senate.

(f) “Qualified borrower” defined

As used in this subchapter, the term “qualified borrower” means any public or private agency, institution, association, partnership, corporation, political subdivision, or other legal entity which (as determined by the head of the designated agency) has presented satisfactory evidence of an interest in geothermal resources and is capable of performing research or completing the development and production of energy in an acceptable manner.

(g) Payment of interest; criteria

With respect to any guaranty which is issued after February 25, 1978, by, or in behalf of, any State, political subdivision, or Indian tribe and which is either guaranteed under, or supported by taxes levied by said issuer which are guaranteed under this subchapter and for which the interest paid on such obligation and received by the purchaser thereof is included in gross income for the purposes of chapter 1 of title 26, the Secretary of Energy shall pay to such issuer out of the fund established by this subchapter such portion of the interest on such obligations, as determined by the Secretary of Energy, in consultation with the Secretary of the Treasury, to be appropriated after taking into account current market yields

(1) on obligations of such issuer, if any, or

(2) on other obligations with similar terms and conditions, the interest on which is not so included in gross income for purposes of chapter 1 of title 26, and in accordance with such terms and conditions as the Secretary of Energy shall require in consultation with the Secretary of the Treasury.

(h) Pledge of full faith and credit of United States to guaranties
The full faith and credit of the United States is pledged to the payment of all guaranties issued under this subchapter with respect to principal and interest.

(i) **Fees for guaranties; amount, collection, etc.**

The Secretary of Energy shall charge and collect fees for guaranties in amounts sufficient in his judgment to cover applicable administrative costs and probable losses on guaranteed obligations, but in any event not to exceed 1 per centum per annum of the outstanding indebtedness covered by each guaranty. Fees collected under this subsection shall be deposited in the fund established by this subchapter.

(j) **Minimization of capital market impact of guaranties**

The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of any guaranty exceeding $25,000,000 will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect commercial securities activities.


**Amendments**


1980—Subsec. (c). Pub. L. 96–294 inserted provisions relating to guarantees for loans to an electric, housing, or other cooperative, or to a municipality (as defined in section 796 (7) of title 16).


Subsec. (c). Pub. L. 95–238, § 507, inserted provisions relating to guarantees for the purposes specified in subsec. (b)(5) of this section.

Subsec. (e). Pub. L. 95–238, § 508, inserted proviso relating to guaranty under subsec. (b)(5) of this section, and provisions relating to exceptions to limitations on amounts guaranteed and procedures applicable to implementation of greater amounts, and substituted “$100,000,000” for “$25,000,000” and “$200,000,000” for “$50,000,000”.

Subsecs. (g) to (j). Pub. L. 95–238, § 509, added subsecs. (g) to (j).

**Transfer of Functions**

“Secretary of Energy” substituted for “Administrator” (meaning Administrator of Energy Research and Development Administration, see section 501(2) of Pub. L. 95–238, title V, Feb. 25, 1978, 92 Stat. 86) in subsecs. (c), (e), (g), and (i), pursuant to sections 301(a), 703, and 707 of Pub. L. 95–91, which are classified to sections 7151 (a), 7293, and 7297 of Title 42, The Public Health and Welfare, and which terminated Energy Research and Development Administration and transferred its functions and functions of Administrator thereof (with certain exceptions) to Secretary of Energy.

§ 1142. Payment of guaranteed obligation by Secretary of Energy

(a) **Default by borrower and demand by holder of obligation of unpaid amount; amount of payment by Secretary of Energy; defenses available; forebearance by holder of obligation**

If there is a default by the borrower, as defined in regulations promulgated by the Secretary of Energy and set forth in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Secretary of Energy. Within such period as may be specified in the guarantee or related agreements, the Secretary of Energy shall pay to the holder of the obligation
the unpaid interest on, and unpaid principal of the guaranteed obligation as to which the borrower has defaulted, unless the Secretary of Energy finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forebearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Secretary of Energy.

(b) Rights and authorities of Secretary of Energy upon payment

If the Secretary of Energy makes a payment under subsection (a) of this subsection, the Secretary of Energy shall be subrogated to the rights of the recipient of such payment as specified in the guarantee or related agreements including, where appropriate, the authority (notwithstanding any other provision of law) to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or to permit the borrower, pursuant to an agreement with the Secretary of Energy, to continue to pursue the purposes of the project if the Secretary of Energy determines this to be in the public interest. The rights of the Secretary of Energy with respect to any property acquired pursuant to such guarantee or related agreements, shall be superior to the rights of any other person with respect to such property.

(c) Rights and authorities of Attorney General upon default on any guarantee

In the event of a default on any guarantee under this subchapter, the Secretary of Energy shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under subsection (a) of this section, including any payment of principal and interest under subsection (d) of this section, from such assets of the defaulting borrower as are associated with the project, or from any other security included in the terms of the guarantee.

(d) Contracts to pay, and payment, from Geothermal Resources Development Fund of principal and interest of unpaid balance of obligation; preconditions

With respect to any obligation guaranteed under this subchapter, the Secretary of Energy is authorized to enter into a contract to pay, and to pay, holders of the obligation, for and on behalf of the borrower, from the Geothermal Resources Development Fund, the principal and interest payments which become due and payable on the unpaid balance of such obligation if the Secretary of Energy finds that—

(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such project; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

(2) the amount of such payment which the Secretary of Energy is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

(3) the borrower agrees to reimburse the Secretary of Energy for such payment on terms and conditions, including interest, which are satisfactory to the Secretary of Energy.

Footnotes

1 So in original. Probably should be “this section,”.


Amendments

1978—Subsec. (a). Pub. L. 95–238 substituted provisions relating to default by the borrower and payment by the Administrator of the guaranteed amount remaining unpaid upon demand by the holder of the obligation, for provisions relating to contracts to pay, and payment, by the head of the designated agency to the lender on behalf of the borrower of interest charges on the unpaid balance of any guaranteed loan where the borrower is unable to meet the interest charges and the amount payable is the same as the amount the borrower would be required to pay.
§ 1143. Period of guaranties and interest assistance

No loan guaranties shall be made, or interest assistance contract entered into, pursuant to this subchapter, after the expiration of fiscal year 1993.


Amendments


Effective Date of 1992 Amendment


§ 1144. Geothermal Resources Development Fund

(a) Establishment; purposes for which Fund moneys may be expended

There is established in the Treasury of the United States a Geothermal Resources Development Fund, which shall be available to the head of the designated agency for carrying out the loan guaranty and interest assistance program authorized by this subchapter, including the payment of administrative expenses incurred in connection therewith. Moneys in the fund not needed for current operations may, with the approval of the Secretary of the Treasury, be invested in bonds or other obligations of, or guaranteed by, the United States.

(b) Deposits into the Fund

There shall be paid into the fund the amounts appropriated pursuant to section 1164 (c) of this title and such amounts as may be returned to the United States pursuant to section 1142 (b) of this title, and the amounts in the fund shall remain available until expended, except that after the expiration of the ten-year period established by section 1143 of this title, such amounts in the fund which are not required to secure outstanding guaranty obligations shall be paid into the general fund of the Treasury.

(c) Borrowing authority of Secretary of Energy

If at any time the moneys available in the fund are insufficient to enable the Secretary of Energy to discharge his responsibilities under this subchapter, he shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. This borrowing authority shall be effective only to such extent or in such amounts as are specified in appropriation Acts. Such
authorizations may be without fiscal year limitations. Redemption of such notes or obligations shall be made by the Secretary of Energy from appropriations or other moneys available under this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall not be less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under that chapter are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(d) Omitted


Codification

In subsec. (c), “chapter 31 of title 31” and “that chapter” substituted for “the Second Liberty Bond Act, as amended” and “that Act”, respectively, on authority of Pub. L. 97–258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

Subsec. (d) of this section, which required the head of the designated agency to submit annual reports to Congress on the operations of the fund, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, page 90 of House Document No. 103–7.

Amendments

1978—Subsecs. (c), (d). Pub. L. 95–238 added subsec. (c) and redesignated former subsec. (c) as (d).

Transfer of Functions

“Secretary of Energy” substituted in subsec. (c) for “Administrator” (meaning Administrator of Energy Research and Development Administration, see section 501(2) of Pub. L. 95–238, title V, Feb. 25, 1978, 92 Stat. 86), pursuant to sections 301(a), 703, and 707 of Pub. L. 95–91, which are classified to sections 7151 (a), 7293, and 7297 of Title 42, The Public Health and Welfare, and which terminated Energy Research and Development Administration and transferred its functions and functions of Administrator thereof (with certain exceptions) to Secretary of Energy.

§ 1145. Community impact assistance functions of Secretary of Energy

(a) Determination of adequacy of community planning and development financing in covered project localities; review of State and local actions and sufficiency of available financing for projects on leased Federal lands

The Secretary of Energy, for any project which has a guarantee under this subchapter of not less than $50,000,000 and which will have an intended operating life of not less than five years to satisfy the purposes under this subchapter for which the guarantee has been made, shall endeavor to insure that, taking into consideration appropriate local community action and all reasonably available forms of assistance under this section and other Federal and State statutes, that the impacts resulting from the proposed project have been fully evaluated by the borrower, the Secretary of Energy, and the Governor of the affected State, and that effective steps have been taken or will be taken in a timely manner to finance community planning and development costs resulting from such project under this section, if applicable under other provisions of law, or by other means. When the project will be located on leased Federal lands, the Secretary of Energy shall specifically review State and local actions under
(a) section 9(a) of the Mineral Leasing Act Amendments of 1976 (Public Law 94–377) and insure that any funds made available to the State pursuant to such section 9(a) are used to finance such planning and development costs before any Federal assistance under subsection (c) of this section is considered or authorized.

(b) Discretionary activities for communities with projects not subject to coverage

The Secretary of Energy, for projects not included under subsection (a) of this section, may in his discretion consider the community impacts which may result from such projects, and may take such actions, under authority directly available to him under other statutes or in coordination with other Federal agencies or the State, as he considers necessary and appropriate to insure timely and effective planning and financing for such community impacts.

(c) Guarantees, commitments to guarantee, direct loans, and grants; scope, terms and conditions, amount, etc.

(1) In order to discharge his responsibilities under subsection (a) of this section, and in accordance with such rules and regulations as the Secretary of Energy in consultation with the Secretary of the Treasury shall prescribe, and subject to such terms and conditions as he deems appropriate, the Secretary of Energy is authorized, for the purposes of financing essential community development and planning which directly result from, or are necessitated by, a project under subsection (a) of this section, to—

(A) guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by eligible States, political subdivisions, or Indian tribes,

(B) guarantee and make commitments to guarantee the payment of taxes imposed on such project by eligible non-Federal taxing authorities which taxes are earmarked by such authorities to support the payment of interest and principal on obligations for such financing, and

(C) require that the qualified borrower receiving assistance for a project under this section advance sums to eligible States, political subdivisions, and Indian tribes to pay for the financing of such development and planning: Provided, That the State, political subdivision, or Indian tribe agrees to provide tax abatement credits over the life of the project for such payments by such applicant.

(2) No guarantee or commitment to guarantee under paragraph (1) of this subsection shall exceed $1,000,000.

(3) In the event of any default by the borrower in the payment of taxes guaranteed by the Secretary of Energy under this section, the Secretary of Energy shall pay out of the fund established by this subchapter such taxes at the time or times they may fall due, and shall have by reason of such payment a claim against the borrower for all sums paid plus interest.

(4) If after consultation with State, political subdivision, or Indian tribe, the Secretary of Energy finds that the financial assistance programs of paragraph (1) of this section will not result in sufficient funds to carry out the purposes of this subsection, then the Secretary of Energy may—

(A) make direct loans to the eligible States, political subdivisions, or Indian tribes for such purposes: Provided, That such loans shall be made on such reasonable terms and conditions as the Secretary of Energy shall prescribe: Provided further, That the Secretary of Energy may waive repayment of all or part of a loan made under this paragraph, including interest, if the State or political subdivision or Indian tribe involved demonstrates to the satisfaction of the Secretary of Energy that due to a change in circumstances there will be net adverse impacts resulting from such project that would probably cause such State, subdivision, or tribe to default on the loan; or
(B) require that any community development and planning costs which are associated with, or result from, such project, and which are determined by the Secretary of Energy to be appropriate for such inclusion, shall be included in the aggregate costs of the project.

(5) The Secretary of Energy is further authorized to make grants to States, political subdivisions, or Indian tribes for studying and planning for the potential economic, environmental, and social consequences of projects and for establishing related management expertise.

(6) At any time the Secretary of Energy may, in consultation with the Secretary of the Treasury, redeem, in whole or in part, out of the fund established by this section, the debt obligations guaranteed or the debt obligations for which tax payments are guaranteed under this subsection.

(7) When one or more States, political subdivisions, or Indian tribes would be eligible for assistance under this subsection, but for the fact that construction and operation of the project occurs outside its jurisdiction, the Secretary of Energy is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

(8) Such amounts as may be necessary for direct loans and grants pursuant to this subsection shall be available as provided in annual authorization Acts.

(9) The Secretary of Energy, if appropriate, shall provide assistance in the financing of up to 100 per centum of the costs of the required community development and planning pursuant to this section.

(10) In carrying out the provisions of this section, the Secretary of Energy shall provide that title to any facility receiving financial assistance under this section shall vest in the applicable State, political subdivision, or Indian tribe, as appropriate, and in the case of default by the borrower on a loan guarantee made or committed under subsection (b) of this section, such facility shall not be considered a project asset for the purposes of section 1142 of this title.

(11) The Secretary of Energy shall not use his authority under this subsection to provide Federal assistance unless any Federal funds transferred pursuant to section 9(a) of the Mineral Leasing Act Amendments of 1976 (Public Law 94–377) to the State from the lease of Federal land for or associated with the project have been or, with assurance, will be committed, to the maximum extent allowable under Federal statutes, to financing such essential community development or planning directly resulting from, or necessitated by, a project on leased Federal lands.

Footnotes

1 So in original. The second “that” appearing in this sentence probably should not appear.
2 So in original. Probably should be followed by “the”.


References in Text


Transfer of Functions

“Secretary of Energy” substituted in text for “Administrator” (meaning Administrator of Energy Research and Development Administration, see section 501(2) of Pub. L. 95–238, title V, Feb. 25, 1978, 92 Stat. 86), pursuant to sections 301(a), 703, and 707 of Pub. L. 95–91, which are classified to sections 7151 (a), 7293, and 7297 of Title 42, The Public Health and Welfare, and which terminated Energy Research and Development Administration and transferred its functions and functions of Administrator thereof (with certain exceptions) to Secretary of Energy.
§ 1146. Approval or disapproval of loan guarantee applications

The Secretary, within sixty days after June 30, 1980, shall establish and implement procedures providing for a final decision on any loan guarantee application within four months of the date of filing. To the maximum extent practical, an applicant should be advised (prior to the submission of the application) of all information which will be required of the applicant in processing the application; and the date of filing shall be considered to be the date when all of such information has been submitted by the applicant. Any application proposed and filed as of June 30, 1980, shall be subject to final decision within not more than four months after such date.


§ 1147. Application of national environmental policy provisions

The Secretary shall ensure, to the maximum extent possible, that any action undertaken pursuant to section 4332 (2)(C) of title 42 which is associated with the granting of a loan guarantee under this subchapter takes the maximum cognizance allowable under law of any other action theretofore undertaken pursuant to such section 4332 (2)(C) of title 42 with respect to the project which is the subject of such loan guarantee, and that no such action associated with the loan guarantee shall duplicate any action theretofore undertaken under such section 4332 (2)(C) of title 42 in connection with such project, so long as all of the requirements which are applicable to such project under such section 4332 (2)(C) of title 42 will have been satisfied.

SUBCHAPTER III—GENERAL PROVISIONS

§ 1161. Protection of environment

In the conduct of its activities, the Project and any participating public or private persons or agencies shall place particular emphasis upon the objective of assuring that the environment and the safety of persons or property are effectively protected; and the program under subchapter I of this chapter shall include such special research and development as may be necessary for the achievement of that objective.


§ 1162. Final report to President and Congress on terminated projects


(b) No later than one year after the termination of each demonstration project under section 1125 of this title, the Chairman of the Project shall submit to the President and the Congress a final report on the activities of the Project related to each project, including his recommendations with respect to any further legislative, administrative, and other actions which should be taken in support of the objectives of this chapter.


Amendments

1995—Subsec. (a). Pub. L. 104–66 struck out subsec. (a) which read as follows: “The Chairman of the Project shall submit to the President and the Congress full and complete annual reports of the activities of the Project, including such projections and estimates as may be necessary to evaluate the progress of the national geothermal energy research, development and demonstration program and to provide the basis for as accurate a judgment as is possible concerning the extent to which the objectives of this chapter will have been achieved by June 30, 1980.”

§ 1163. Transfer of functions

(a) Within sixty days after the effective date of the law creating a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States (or within sixty days after September 3, 1974, if the effective date of such law occurs prior to September 3, 1974), all of the research, development, and demonstration functions (including the loan guaranty program) vested in the Project under this chapter, along with related records, documents, personnel, obligations, and other items to the extent necessary or appropriate, shall, in accordance with regulations prescribed by the Office of Management and Budget, be transferred to and vested in such organization or agency.

(b) Upon the establishment of a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, and when all research and development (and other) functions of the Project are transferred, the members of the Project may provide advice and counsel to the head of such organization or agency, in accordance with arrangements made at that time.


§ 1164. Authorization of appropriations

(a) Fiscal years ending June 30, 1976, and September 30, 1977, through September 30, 1980
For the fiscal years ending June 30, 1976, and September 30, 1977, 1978, 1979, and 1980, only such sums may be appropriated as the Congress may hereafter authorize by law.

(b) **Fiscal year ending June 30, 1975**

There are authorized to be appropriated to the National Aeronautics and Space Administration not to exceed $2,500,000 for the fiscal year ending June 30, 1975, for the purpose of preparing the program definition under section 1122 (a) of this title.

(c) **Additional sums for Project**

In addition to sums authorized to be appropriated by subsection (b) of this section, there are authorized to be appropriated to the fund not to exceed $50,000,000 annually, such sums to carry out the provisions of the loan guaranty program by the Project under subchapter II of this chapter.