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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/12

SPONSOR Smith & Martinez, R. LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Geothermal Resources for Power Generation SB 190

ANALYST van Moorsel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	None		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB201/HENRCS

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Environment (NMED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 190 amends the Geothermal Resources Conservation Act to provide that nonconsumptive use of a geothermal reservoir with a temperature exceeding 250 degrees Fahrenheit to generate electricity on a utility scale is governed solely by the Geothermal Resources Conservation Act.

### FISCAL IMPLICATIONS

SB190 makes no appropriation.

### SIGNIFICANT ISSUES

SB190 would place nonconsumptive use of geothermal reservoirs to generate electricity on a utility scale under the jurisdiction of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department, as current statute grants the OCD "jurisdiction, authority and control of and over all persons, matters or things necessary or proper to enforce effectively the provisions of the Geothermal Resources Conservation Act."

The Department of Environment notes that if use of the water from the geothermal reservoir is consumptive, it would also require obtaining a water right from the Office of the State Engineer. SB190 appears to differentiate nonconsumptive use of the geothermal reservoir to avoid the acquisition of a water right from the Office of the State Engineer.

The Department of Environment adds that if the application of potable water to a beneficial use involves the incidental loss or extraction of heat and the water is two hundred fifty degrees Fahrenheit or less and the heat is not a geothermal resource, the New Mexico Environment Department would have regulatory authority under the New Mexico Water Quality Control Commission regulations. In this case, the Department of Environment would require the user to file a notice of intent to determine if a discharge permit is required for the proposed project.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Similar to HB201/HENRCS

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

A user of a geothermal reservoir to generate electricity on a utility scale would be required to obtain water right from the OSE if the temperature of the geothermal reservoir exceeds 250 degrees Fahrenheit; and water use from the geothermal reservoir is nonconsumptive.

PvM/svb