

NASEO Summary of Recent Federal Geothermal Permitting Bills

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The National Association of State Energy Officials (NASEO) prepared this summary of three recent federal legislative measures addressing geothermal permitting. Each bill was passed the U.S. House of Representatives, but has not yet been addressed by the U.S. Senate:

- H.R. 5631, the [Geothermal Energy Advancement Act](#);
- H.R. 1687, the [Committing Leases for Energy Access Now](#) (CLEAN) Act; and
- H.R. 5587, the [Harnessing Energy at Thermal Sources](#) (HEATS) Act.

The first bill, H.R. 5631, consolidates other bills that would make it easier to permit geothermal projects, including those on federal lands. This summary provides information on key reforms these bills, if enacted into law, would make to the Geothermal Steam Act of 1970 ([40 USC 23](#)) and the Energy Policy Act of 2005 ([42 USC 15942](#)) pertinent to National Environmental Policy Act (NEPA) review.

[Geothermal Energy Advancement Act \(H.R. 5631\)](#) – On June 2, 2026, the U.S. House passed the Geothermal Energy Advancement Act, which would make the following changes to the Geothermal Steam Act of 1970:

- 1) **Reduction in Application Processing Timelines (formerly H.R. 301 Geothermal Energy Opportunity Act)** – the bill directs the U.S. Department of the Interior (DOI) to either approve or deny geothermal drilling permits within 60 days of those applications completing all environmental review requirements.
- 2) **Cost Recovery from Geothermal Leasing, Permitting, and Inspections (formerly H.R. 398 Geothermal Cost-Recovery Authority Act)** – the bill would enable DOI to charge fees to recover any administrative costs incurred for processing applications for geothermal leases, and inspecting and monitoring exploration activities and well drilling, plugging, and abandonment. The bill would also allow the Secretary to reduce the amount to be reimbursed if reimbursement causes economic hardship to the applicant.
- 3) **Reports** – DOI would be required to produce a report within five years of the act's passage that will assess how the amendments in this bill impact the Bureau of Land Management's (BLM's) geothermal program and provide additional recommendations for statutory updates and reauthorization.

4) **Gold Book (formerly H.R. 5617 Geothermal Gold Book Development Act)**¹ – DOI would be required to identify standard procedures and guidelines for efficient geothermal leasing and permitting that are not addressed in the previous edition of the Gold Book (which currently applies to oil and gas exploration and development) within one year of the bill’s passage. Following the identification of these procedures and guidelines, it will be required to publish an updated version of the Gold Book incorporating the changed guidelines within 270 days. DOI will also rename the Gold Book to reflect these changes (i.e., incorporation of geothermal guidelines). The updated versions will contain guidelines for:

- a. Exploration and geophysical operations;
- b. Permitting lease operations;
- c. Compliance with all applicable laws and regulations;
- d. Construction and maintenance; and
- e. Drilling, production, and utilization operations.

DOI would also be required to review the Gold Book every five years and publish an updated version if it deems it necessary.

5) **Geothermal Ombudsman and Geothermal Task Force** – the bill tasks DOI with appointing a Geothermal Ombudsman within BLM. The Ombudsman will act as a liaison between the different DOI offices pertinent to geothermal development; mediate and resolve disputes between developers and DOI offices for geothermal authorizations and develop best practices for geothermal permitting and leasing processes; and coordinate with the Federal Permitting Improvement Steering Council. The bill would also establish a Geothermal Permitting Task Force to support the duties of the Ombudsman. The Ombudsman will also submit an annual report to the Senate Committee on Energy and Natural Resources and the House Committee on Natural Resources that details the activities of the Task Force and evaluating the effectiveness of geothermal permit processing during the previous year.

6) **Geothermal Royalties (formerly H.R. 5638 Geothermal Royalty Reform Act)** – the bill clarifies that each facility on a geothermal lease will pay royalties based on its own operations based on its time in service and resets the initial 10-year royalty reduction period to begin when a new facility comes online rather than when the lease was originally signed.

¹ The Department of the Interior’s “Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development,” commonly known as the “Gold Book,” provides information on the requirements for obtaining drilling permits and conducting environmentally-friendly oil and gas operations on federal lands and on split-estates (the surface is owned privately but the Federal government owns the mineral rights). See <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/operations-and-production/the-gold-book>.

The following change would be made to the Energy Policy Act of 2005:

- 7) **NEPA Review (formerly H.R. 1077 Streamlining Thermal Energy through Advanced Mechanisms (STEAM) Act)** – the bill amends the Energy Policy Act of 2005 to extend to geothermal exploration and development categorical exclusions from NEPA requirements that are now available for oil and gas exploration and development.

CLEAN Act (H.R. 1687) – On June 2, 2026, the U.S. House passed the Committing Leases for Energy Access Now (CLEAN) Act.² The CLEAN Act amends the Geothermal Steam Act of 1970 to require DOI to hold yearly lease sales for geothermal energy and to hold replacement lease sales for any sales missed in a given calendar year. The bill also establishes a 30-day deadline for DOI to respond to geothermal drilling permits.

HEATS Act (H.R. 5587) – On April 23, 2026, the U.S. House passed the Harnessing Energy at Thermal Sources (HEATS) Act. The HEATS Act amends the Geothermal Steam Act of 1970 to clarify that geothermal operations on private lands are not subject to NEPA reviews if the federal government owns less than 50 percent of the subsurface geothermal resource and the driller receives a permit from its respective state. Furthermore, the bill states that geothermal exploration and production activity is not considered a major federal action under NEPA and does not trigger its environmental review requirements. The bill also exempts these activities from Endangered Species Act and National Historic Preservation Act reviews unless the state does not have a law that addresses historic property preservation. However, the section would not apply to Indian lands or resources managed in trust for the benefit of Indian Tribes.

Next Steps

The three bills were referred to the Senate Committee on Energy and Natural Resources on June 3. None of the three have an announced hearing yet. As of this memo, it is still unclear whether the Senate will take up these bills separately or try to pass them as part of a larger permitting reform package. NASEO will continue to provide information on the progress of these bills as they move through Congress. If you have any questions, please contact Sam Cramer, Senior Program Director, at scramer@naseo.org.

² <https://fulcher.house.gov/2026/06/02/house-passes-fulchers-bill-to-bolster-geothermal-energy-production/>