

May 2, 2025

The Honorable Bruce Westerman  
Chair  
House Committee on Natural Resources  
1324 Longworth House Office Building  
Washington, DC 20515

Dear Chair Westerman and Members of the Committee:

**Re: Support for Geothermal and NEPA Provisions in the House Natural Resources Committee's Reconciliation Committee Print**

On behalf of XGS Energy, Inc., a next-generation geothermal development firm committed to delivering secure, baseload power, I write to express our strong support for key provisions in the House Natural Resources Committee's Reconciliation Committee Print:

- Part II – Geothermal: Sections 80111 and 80112
- Part VI – NEPA: Section 80251

As a company deploying advanced, closed-loop geothermal systems that are water and geology independent and can be deployed in a wide variety of environments, we recognize the critical importance of predictable access to federal lands and timely permitting decisions. These provisions represent a thoughtful and pragmatic approach to addressing both.

**Section 80111 – Annual Geothermal Lease Sales**

We commend the Committee for mandating annual geothermal lease sales in all states which have active geothermal lease nominations. This provision sends a strong signal that the United States is serious about unlocking its domestic geothermal potential. By ensuring regular leasing opportunities on federal lands, this measure will:

- Reduce development bottlenecks and investor uncertainty;
- Enable geothermal developers to better align exploration and capital planning with federal land access; and
- Generate long-term federal revenue through lease payments and royalty income while enhancing grid reliability with 24/7 clean energy.

Consistent lease access is foundational to the scale-up of geothermal energy, particularly for companies using innovative technologies that can now operate in a wider variety of geologies and geographies.

## Section 80112 – Royalties

We strongly support the proposed amendments to Section 5(a)(1) of the Geothermal Steam Act of 1970, as outlined in SEC. 80112. By clarifying that royalty payments are to be assessed “with respect to each electric generating facility producing electricity” and calculated based on the output “by such facility,” this provision provides greater transparency and consistency in royalty calculations. For next-generation geothermal developers, particularly those employing closed-loop technologies with modular, site-specific installations, this clarification ensures that royalties are equitably assessed on a per-facility basis. It also helps prevent cross-subsidization between projects and aligns royalty obligations with actual production, fostering a more predictable financial environment for developers while protecting federal revenue.

## Section 80251 – Expedited NEPA Reviews

Finally, we strongly support the language in Section 80251 that encourages more efficient environmental reviews under the National Environmental Policy Act. Serious developers with viable projects stand to benefit immensely from timely decisions. Accelerated timelines will:

- Encourage greater private investment in geothermal by reducing regulatory uncertainty;
- Discourage speculative or unserious applications that slow agency capacity; and
- Ensure that taxpayer-funded agency resources are allocated where they will have the greatest real-world impact.

Importantly, these improvements maintain NEPA’s core integrity while recognizing that endless delay and redundancy in review processes serve neither the environment nor the economy.

In conclusion, we applaud the Committee’s forward-looking approach in recognizing geothermal as a vital component of American energy security. We urge the inclusion of these provisions in final legislative action and stand ready to support their implementation.

Respectfully,



Caity Smith  
Director of Stakeholder Engagement  
XGS Energy, Inc.

