

Keen, Shelley

From: Tuthill, Dave
Sent: Sunday, April 22, 2007 4:12 PM
To: Peppersack, Jeff; Spencer, Nick
Cc: Neely, Ken; Harvey, Becky; Spackman, Gary; Shaff, Don; Keen, Shelley
Subject: RE: Capitol Mall geothermal right

Nick,

I concur with Jeff's assessment.

Dave

From: Peppersack, Jeff
Sent: Fri 4/20/2007 6:00 PM
To: Spencer, Nick
Cc: Neely, Ken; Harvey, Becky; Tuthill, Dave; Spackman, Gary; Shaff, Don; Keen, Shelley
Subject: RE: Capitol Mall geothermal right

Nick,

For irrigation use, the number of acres and a maximum volume per acre set an upper limit. For geothermal use, I could see providing some flexibility if the development period was warmer than average, therefore reducing volume requirements during that period. However, just like an acre limit for irrigation, the geothermal use should be limited to the area that was actually developed for heating use during the development period. If additional square footage was added to the heating system after the development period, I don't think we would use that as a basis to justify more volume. Once the volume is set in a license, I don't think we would regulate on the basis of square footage in the heating system - just volume.

Another comparison might be our current practice for dairies. The permit limits the cow numbers and the volume authorized in a license is based on the amount necessary to supply water for the cow limitation. Once the license is issued, the cow numbers are dropped and the right is regulated by volume. A licensed dairy operator could increase cow numbers through more efficient use of the water as long as the volume is not exceeded.

Jeff

-----Original Message-----

From: Spencer, Nick
Sent: Friday, April 20, 2007 4:31 PM
To: Tuthill, Dave; Spackman, Gary; Shaff, Don; Peppersack, Jeff; Keen, Shelley; Neely, Ken
Cc: Harvey, Becky
Subject: Capitol Mall geothermal right

Gentlemen: David Stanish, the central office deputy attorney general handling the State's objection to IDWR's recommendation of the Capitol Mall geothermal right, called me just now with some intriguing policy questions. He noted that unlike irrigation rights, licensure of geothermal rights is something IDWR doesn't yet have a lot of experience in. He noted, however, that in licensing irrigation rights IDWR does not rely strictly on the data documenting the development of the use leading up to the licensure exam, e.g. we look at a quantity sufficient for growing the most water consumptive crop rather than merely the quantity being applied to the crop growing at the time of the exam, etc. He wonders if we have analogous policies for geothermal rights, and if we don't whether we ought to develop some. He points out that geothermal use has a dimension of complexity beyond a regular water right because one is looking at the interplay

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between water quantity and heat content. He wonders what happens, for instance, if the water temperature starts dropping, and the state has to pump more water to get the same amount of heat. Would the State need to apply for a new right, or can allowance be made for recognition of a heat dimension as well as a water quantity dimension as part of the licensing process? Since I have no familiarity with IDWR's geothermal policies I told him I would relay his questions to others with superior knowledge of the subject to get their feedback. Please share your thoughts with me. Thank you. NBS