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**ROBERT GHIGLIERI**
*Administrator*

NEVADA DIVISION OF MINERALS SMALL BUSINESS IMPACT STATEMENT

August 6, 2025

RE: Proposed Permanent Changes to Nevada Administrative Code Chapter 534A

I, Robert Ghiglieri, Administrator, Nevada Division of Minerals, do hereby certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in the statement is accurate:

Pursuant to NRS 233B.0608, the proposed administrative regulation changes are not likely to (a) impose a direct or significant economic burden upon a small business, or (b) directly restrict the formation, operation, or expansion of a small business.

**Background and Purpose:**

The Division of Minerals (Division) regulates all geothermal resource drilling activities in accordance with NRS Chapter 534. The Division proposes changes to multiple sections of NAC 534A to properly regulate new technologies in geothermal drilling and production, update permit fees to maintain the regulatory program, and remove or streamline regulations in accordance with Executive Order EO 2023-003.

As part of the Division's due diligence, the Division met with representatives from companies within the geothermal industry; explored regulations that could be streamlined or removed; researched the costs of drilling geothermal wells; studied other states' laws and administrative regulations; and investigated new, proposed, and emerging geothermal technologies.

**Evaluation of Impact:**

**Streamlining or removing regulations pursuant to Executive Order EO 2023-003**

Changes to three administrative codes were made pursuant to Executive Order EO 2023-003 which sought to streamline or remove regulations which may be burdensome. Changes to NAC 534A.205 removed the requirement to have a geothermal well surveyed by a professional surveyor; NAC 534A.540(4)(f) removed a fee-based requirement to apply for permission to plug and abandon a well; and NAC 534A.550(3) removed the requirement to file paper copies of well logs in favor of digital copies. All three proposed regulation changes were made to either streamline or remove barriers to entry and were deemed to not have a negative impact on small businesses.

## Updating permitting fees

The Division proposes to increase permitting fees in NAC 534A.210, .212, .214, .216 and .540. The Division's geothermal program is fee funded and the current fee structure does not cover the cost to operate the program. Major updates to regulatory fees were last made in 1992 with a minor update in 2015. Most fees have not been updated since 1992. Between 1992 and today, the Bureau of Labor Statistics' Consumer Price Index (CPI) calculates inflation at 130%; between 2015 and today, the change is 35%. Proposed increases to fees range from 33% to 100%. All fee increases were made to cover the cost to operate the program. A late fee of 5% per month was also added to NAC 534A.216.

The Division collected and reviewed publicly available information on the cost of drilling a geothermal well within the United States to assess the impact of increased permitting fees on geothermal well operators. Data from the National Renewable Energy Laboratory in 2022 suggest that estimated industrial geothermal well drilling costs may range from $2 million to more than $10 million dollars for wells nearing 10,000 feet or deeper. The revised permitting costs for an industrial geothermal well, on average, range from one-twentieth to one-tenth of one percent of the cost to drill a well. The minimal cost of permitting and maintaining a geothermal well permit were deemed inconsequential when compared to the cost of drilling a single geothermal well and were deemed to not have a negative impact on small businesses.

## Addressing new and emerging technologies

Lastly, the Division made several additions to NAC 534A due to significant changes in technology in the geothermal well drilling and energy production industries. These changes are not explicitly referenced here because they have not been finalized and codified within NAC 534A. New production systems commonly referred to as "Enhanced Geothermal Systems" require the use of stimulation or hydraulic fracturing a well to create these subterranean, artificial geothermal systems. The drilling design and production techniques can differ considerably from traditional processes and new regulations are required to ensure safe practices and protection of waters of the State. Due to the rapidly evolving and relatively new nature of these processes in geothermal resource development, the Division is not yet able to determine whether these regulations will affect small businesses. However, there are currently only three companies that are actively operating a geothermal plant or currently drilling geothermal wells within the state that qualify as a small business. The Division will encourage these companies, as well as others, to participate in the rulemaking process, as a framework is further established, to better assess potential impacts.

## Conclusion

The result of this study concludes that the fee-based changes and changes resulting from EO 2023-003 will result in no impact on small businesses in Nevada. However, the Division will work closely with small businesses and industry during the rulemaking process and seek to identify potential impacts that may arise during the rulemaking process. The Division will further work with small businesses on possible means of mitigating negative impacts of proposed regulations, if any.

Respectfully,

Robert Ghiglieri
Administrator
Nevada Division of Minerals