Energy and Natural Resources Committee Reconciliation Title
Section-by-Section Summary

The Committee on Energy and Natural Resources title is estimated to produce reductions in the deficit of between $24 billion and $29 billion, exceeding the Committee's instruction in Section 2002(d) of S. Con. Res. 7.

Subtitle A—Oil and Gas Leasing

The ENR title will promote oil and gas development by requiring the Department of the Interior (DOI) to hold regular lease sales across its managed lands and waters.

Section __0101. Onshore Oil and Gas Sales. **Requires the Bureau of Land Management (BLM) to hold quarterly lease sales in nine Western states for ten years.**[1] It increases the term of a drilling permit from 3 to 4 years and amends the Mineral Leasing Act so that all leasable lands are eligible and available for leasing. It also eliminates the Expression of Interest Fee that currently requires parties to pay a fee of $5 per acre to nominate a parcel of land for oil and gas leasing. This section also:

- Reinstates Noncompetitive Leasing. Section 50262 of the Inflation Reduction Act (IRA) rescinded BLM's authority to issue noncompetitive leases, upending decades of established policy and practice, and discouraging the kind of early-stage exploration necessary for long-term energy stability and production. Consistent with pre-IRA law, this section would reinstate the "first-come, first-served" system. In this section, the first qualified applicant to file for a parcel not sold in a competitive lease sale is entitled to that lease without further bidding, provided that the applicant pays the nonrefundable $75 application fee.

- Onshore Surface Commingling. Requires BLM to approve applications for commingling of production if the applicant agrees to one of three standard practices to ensure accurate royalty allocation. By allowing operators to consolidate production infrastructure, surface commingling reduces capital costs, minimizes duplicative equipment, and streamlines transportation and measurement operations. Surface commingling is the practice of combining oil or gas production from multiple federal leases or wells at a shared surface facility before measurement.

- Onshore Royalty Rate Reduction. Restores the pre-IRA royalty rate of 12.5 percent, a reduction from the IRA-imposed rate of 16.67 percent.

Section __0102. Offshore Oil and Gas Sales.

- Gulf of America. Requires the Bureau of Ocean Energy Management (BOEM) to hold no fewer than two lease sales every year for fifteen years in the Central and Western areas of the Gulf of America. BOEM must offer at least 80 million acres for each offshore lease sale.

[1] *Wyoming, New Mexico, Colorado, Utah, Montana, North Dakota, Oklahoma, Nevada, Alaska*

- Cook Inlet in Alaska. Requires BOEM to hold six lease sales over the next ten years. Each lease sale must offer at least 1 million acres for leasing.

- Offshore Commingling. Without diminishing the safety authorities and responsibilities of DOI's Bureau of Safety and Environmental Enforcement (BSEE), this section requires the Agency to approve operator requests to commingle offshore production unless the agency determines that (1) safety is threatened or (2) aggregate production will decline. Enacting this provision would increase the number of commingled wells, leading to increased production. CBO also expects that future leased tracts would become more valuable, increasing the amount of future bonus bids on offshore leases.

- Offshore Royalty Rate Reduction. Reverses royalty rate increases enacted by the IRA, reinstating the previous minimum offshore royalty rate for new Federal offshore oil and gas leases of 12.5 percent.

- Alaska Revenue Sharing. Directs 90 percent of the bonuses, rents, and royalties from oil and gas leases in the Cook Inlet to be distributed to the State of Alaska beginning in fiscal year 2035.

- Increase Offshore Revenue Sharing for the Gulf of America States. Amends the Gulf of Mexico Energy Security Act of 2006 to increase the amount of energy receipts that may be distributed to states and conservation programs. Under current law, not more than $500 million in receipts collected from leases entered into on or after December 2006 may be distributed in each year through 2055. The legislation would allow up to $650 million to be distributed in each year through 2034. The new funding resulting from increasing the cap would be subject to sequestration beginning in 2027, which would reduce spending over the 2027-2032 period. Accounting for sequestration, increasing the cap to $650 million would increase direct spending outlays over the 2025-2034 period.

Section __0103. Royalties on Extracted Methane. Repeals Section 50263 of the IRA that imposed royalties on all methane extracted from onshore and offshore leases.

Section __0104. Alaska Oil and Gas Leasing.

- Coastal Plain of the Arctic National Wildlife Refuge (ANWR). Requires BLM to hold four lease sales over the next ten years. Language is substantially identical to the language included in Title II of the 2017 Tax Cuts and Jobs Act.

- Alaska Revenue Sharing. Directs 50 percent of the bonus, rental, and royalty receipts from the oil and gas program to be paid to the State of Alaska for the fiscal years 2025 through 2034. Beginning in fiscal year 2035, 90 percent of the receipts shall be paid to the State of Alaska.

Section __0105. National Petroleum Reserve, Alaska (NPR-A). Requires six lease sales over the next ten years. Eliminates the Biden Administration's NPRA regulation. Directs 90 percent of the receipts from the NPR-A to be paid to the state of Alaska beginning in fiscal year 2035.

Subtitle B—Mining
This Subtitle gives effect to the original intention of Congress to provide for a road to enable access to the Ambler Mining District in Alaska. It also restores coal leasing activities that prevailed prior to the Biden Administration.

Section 0201. Ambler Road. Approves a key right-of-way for road construction across 24 miles of Federal land and public lands. The Ambler Mining District is an area of Alaska with vast mineral resources. As Congress provided in the Alaska National Interest Lands Conservation Act, access by road from the Dalton Highway is necessary to recover these valuable mineral resources. The Trump Administration approved the right-of-way. The Biden Administration effectively cancelled the right-of-way, preventing the construction of the necessary 211-mile access road. This provision would approve the right-of-way.

Section 0202. Coal Leasing. Requires BLM promptly to take a series of standard actions within set timeframes to issue coal leases to qualified applicants.

Section 0203. Coal Royalty Rate. Reduces the royalty rate for coal mined on federal land for new and existing mines from 12.5 percent to 7 percent through 2034.

Section 0204. Leases for Known Recoverable Coal Reserves. Notwithstanding relevant provisions of the Mineral Leasing Act and the Federal Land Policy Management Act, requires the Secretary of the Interior to make available for lease not less than an additional 4 million acres of "known recoverable coal reserves" subject to the jurisdiction of the Secretary of the Interior in the 48 contiguous states and in Alaska within 90 days after enactment. Excludes coal reserves on 15 categories of "protected" Federal Land such as National Monument or a National Park.

Section 0205. Authorization to Mine Federal Coal. In order to provide access to coal reserves in adjacent State or private land that without an authorization could not be mined economically, authorizes the mining of Federal coal reserves located in Federal land subject to a mining plan previously approved by the Secretary of the Interior as of the date of enactment and adjacent to coal reserves in adjacent State or private land.

Subtitle C—Lands
Requires the prudent sale of certain Bureau of Land Management and National Forest System land for housing, increased timber sales, geothermal leasing, and compensation of states and localities for the cost of wind and solar projects on federal land.

Section 0301. Mandatory Prudent Sale of Bureau of Land Management (BLM) Land and National Forest System Land for Housing. Directs BLM to dispose of 0.5-0.75% of certain BLM land and the Forest Service to dispose of 0.5-0.75% of certain National Forest System Land to address the housing crisis. This section also appropriates $5 million to the Secretary of the Interior and $5 million to the Secretary of Agriculture, acting through the Chief of the Forest Service, to carry out this section.

Section __0302. Timber Sales and Long-Term Contracting for the Forest Service and Bureau of Land Management.

- Timber Sales on Public Domain Forest Reserves. Requires the Forest Service to sell an annual quantity of timber that is 250 million board feet greater than what was sold in the previous fiscal year through fiscal year 2034 on forest reserves created from the public domain.

- Long-Term Contracts for the Forest Service. Requires the Forest Service to enter into at least 40 long-term contracts for timber sales with private or public persons or entities for timber sales in the National Forest System between fiscal years 2025 and 2034. Revenue from these specific contracts would go to the general fund of the Treasury.

- Timber Sales on Public Lands. Directs the Secretary of the Interior, acting through the Director of BLM, to sell an annual quantity of timber that is 20 million board feet greater than what was sold in the previous fiscal year through fiscal year 2034.

- Long-Term Contracts for the Bureau of Land Management. Requires BLM to enter into at least 5 long-term contracts with private or public persons or entities for the disposal of vegetative materials on public lands. Revenue from these specific contracts would go to the general fund of the Treasury.

Section __0303. Renewable Energy Fees on Federal Land. Adjusts rents and fees for wind and solar projects developed and operating on Federal Land and removes the Secretary's discretion to reduce such fees.

Section __0304. Renewable Energy Revenue Sharing. Requires that of the revenue collected from renewable energy projects on public land, 25 percent shall be paid from the Treasury to the State where the revenue was derived, and 25 percent shall be allocated to the counties where the revenue was derived based on the percentage of county land on which the project is located.

Section __0305. Geothermal Lease Sales. Requires BLM to hold annual lease sales, which is not required at present.

Section __0306. Geothermal Royalties. Clarifies that geothermal royalties are tied to the facility generating the electricity.

Section __0307. Rescission of National Park Service and Bureau of Land Management Funds. Rescinds the remaining funds for the following programs created by the Inflation Reduction Act (IRA) and made available to the National Park Service (NPS) and Bureau of Land Management (BLM):

1. SEC. 50221. National Parks and Public Lands Conservation and Resilience.
2. SEC. 50222. National Parks and Public Lands Conservation and Ecosystem Restoration.
3. SEC. 50223. National Parks Service Employees.

Section 0308. Celebrating America's 250th Anniversary. Provides funding for the Secretary of the Interior to establish and maintain a statuary park named the National Garden of American Heroes and for events, celebrations, and activities related to the 250th anniversary of America's founding.

Subtitle D—Energy

Takes back unobligated IRA dollars appropriated to DOE, repairs and refills the Strategic Petroleum Reserve (SPR), facilitates LNG exports to non-Free Trade Agreement countries, and reforms loan guarantee authority at DOE to fund energy infrastructure projects.

Section 0401. Natural Gas Exports and Imports. Charges exporters seeking a permit to export natural gas to countries with which the United States does not have a Free Trade Agreement $1 million to receive the same treatment as exports to countries with which the United States has a Free Trade Agreement.

Section 0402. Strategic Petroleum Reserves. Appropriates $218 million for maintenance of the SPR and $660 million for acquisition of petroleum products for storage in the SPR.

Section 0403. Repeals; Rescissions. Rescinds **unobligated balances** and repeals the following IRA-established programs that have unobligated balances:

1. SEC. 50123. State-Based Home Energy Efficiency Contractor Training Grants.
2. SEC. 50142. Advanced Technology Vehicle Manufacturing.
3. SEC. 50145. Tribal Energy Loan Guarantee Program.
4. SEC. 50151. Transmission Facility Financing.
5. SEC. 50152. Grants to Facilitate the Siting of Interstate Electricity Transmission Lines.
6. SEC. 50153. Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis.
7. SEC. 50161. Advanced Industrial Facilities Deployment Program.
8. SEC. 50141. Funding for Department of Energy Loan Programs Office under Section 1703.
9. SEC. 50144. Energy Infrastructure Reinvestment Financing issued by the Loan Program Office under Section 1706.

Section 0404. Energy Dominance Financing. This section would establish a new loan authority at DOE to fund enhancements at existing energy projects, repurpose decommissioned energy projects, and for other purposes.

Subtitle E—Water

Section 0501. Water Conveyance Enhancement. These funds are "for construction and associated activities that restore or increase the capacity or use of existing conveyance facilities constructed by the Bureau of Reclamation."