Energy and Natural Resources Committee Reconciliation Title
Section-by-Section Summary
June 27, 2025

The Committee on Energy and Natural Resources title is estimated to produce reductions in the deficit 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 50101. Onshore Oil and Gas Leasing. **Requires the Bureau of Land Management (BLM) to hold quarterly lease sales of available land 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 Section 50262 of the Inflation Reduction Act (IRA) rescinded BLM's authority to issue noncompetitive leases, upending decades of established policy and practice, and discouraging the kind of early-stage exploration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.

- 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, removing the disincentive to production from the IRA-imposed rate of 16.67 percent.

Section 50102. Offshore Oil and Gas Leasing.

- 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, or all unleased and available acres if there are fewer than 80 million acres that are unleased and available.

- 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, or all unleased and available acres if

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

there are fewer than 1 million acres that are unleased and available.

- 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, removing the disincentive to production and revenue from production by reinstating the previous minimum offshore royalty rate for new Federal offshore oil and gas leases of 12.5 percent.

- Alaska Revenue Sharing. Directs 70 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 2034.

- 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 50103. Royalties on Extracted Methane. Repeals Section 50263 of the IRA that imposed royalties on all methane extracted from onshore and offshore leases.

Section 50104. 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 2033. Beginning in fiscal year 2034, 70 percent of the receipts shall be paid to the State of Alaska.

Section 50105. National Petroleum Reserve—Alaska (NPR-A). Requires six lease sales over the next ten years. Does not apply parts of the Biden Administration's NPRA anti-development regulation. Directs 70 percent of the receipts from the NPR-A to be paid to the state of Alaska beginning in fiscal year 2034, and 30 percent to be paid into the Treasury.

Subtitle B—Mining
This Subtitle restores coal leasing activities that prevailed prior to the Biden Administration.

Section 50201. Coal Leasing. Requires BLM promptly to take a series of standard actions within set timeframes to enable the issuance of coal leases to qualified applicants.

Section 50202. Coal Royalty. In order to incentivize leasing and spur revenue, 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 50203. Leases for Known Recoverable Coal Resources. 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 9 categories of "protected" Federal Land such as a National Monument or a National Park.

Section 50204. 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 subject to a mining plan previously approved by the Secretary of the Interior as of the date of enactment.

Subtitle C—Lands
Requires the prudent sale of certain Bureau of Land Management land for housing; increased timber sales; and revenue sharing with states and localities of revenue derived from wind and solar projects on federal land.

Section 50301. Mandatory Disposal of Bureau of Land Management (BLM) Land for Housing. Establishes a robust public process to nominate and then for the BLM to identify and dispose of less than one half of one percent of certain BLM land to address the housing availability and affordability crisis. Limits the sales to qualified bidders on eligible lands located within 5 miles of a population center and requires consultation with the applicable Governor, unit of local government, and Indian Tribe. Prohibits the disposal of land that is federally-protected or has valid existing rights or permits, and restricts qualified bidders from acquiring more than 2 tracts in any 1 sale. Five percent of proceeds from sales shall be distributed to local units of government for housing infrastructure or to support local housing needs; Ten percent of proceeds from sales shall be distributed to the Secretary for hunting, fishing and recreational amenities or deferred maintenance on BLM land in the State where the tract is sold; all other proceeds will go to the Treasury, other than those directed to States under existing law. Appropriates $15 million to the Secretary of the Interior carry out this section.

Section 50302. 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 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 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 50303. Renewable Energy Fees on Federal Land. Adjusts rents and fees for wind and solar projects developed and operating on Federal land.

Section 50304. 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 50305. 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 50306. Celebrating America’s 250th Anniversary. Provides funding for the Secretary of the Interior for events, celebrations, and activities surrounding the 250th anniversary of America’s founding, occurring on land under the jurisdiction of the Secretary.

Subtitle D—Energy

Takes back unobligated IRA dollars appropriated to DOE, repairs and partially refills the Strategic Petroleum Reserve (SPR), reforms loan guarantee authority at DOE to fund energy infrastructure projects, and establishes a new artificial intelligence (AI) modeling program at DOE.

Section 50401. Strategic Petroleum Reserve. Appropriates $218 million for maintenance of the SPR and $171 million for acquisition of petroleum products for storage in the SPR.

Section 50402. Repeals; Rescissions. Rescinds **unobligated balances** for the following IRA-established programs:

1. SEC. 50123. State-Based Home Energy Efficiency Contractor Training Grants.

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

Rescinds unobligated balances and repeals the authority established in the IRA for the Advanced Technology Vehicle Manufacturing loan program.

Section 50403. Energy Dominance Financing. This section would reform a DOE loan program to fund enhancements at existing energy projects, repurpose decommissioned energy projects, and to develop new reliable electric generation. This section appropriates $1 billion to the program.

Section 50404. Transformational Artificial Intelligence Models. This section establishes a new program at DOE for national laboratories to partner with U.S. industry to curate DOE's existing scientific data to make it AI-ready. Additionally, this program will initiate seed efforts for self-improving AI models for science and engineering, powered by this data. The new AI-models will be provided to the DOE scientific enterprise to accelerate innovations in science and energy. This section appropriates $150 million to carry out the section.

Subtitle E—Water

Section 0501. Water Conveyance and Surface Water Storage Enhancement. This section allocates $1 billion to the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation, "for construction and associated activities that restore or increase the capacity or use of existing conveyance facilities constructed by the Bureau of Reclamation" and for "construction and associated activities that increase the capacity of existing Bureau of Reclamation surface water storage facilities[]."