

OCS Renewable Energy

Global Marine Renewable Energy Conference

Permitting and Permissions Panel
April 16, 2009

Steven D. Textoris
Minerals Management Service

Energy Policy Act of 2005

- Section 388 amended Section 8 of OCSLA to provide DOI with parallel permitting authority with regard to the production, transportation, or transmission of energy from additional sources of energy on the OCS, including renewable sources.
- Authority to regulate a broad spectrum of activities:
 - **Renewable energy** (e.g., wind, ocean wave, ocean current, solar, hydrogen production)
 - Permitting and development authority over wind power projects that use offshore resources beyond state waters.
 - **Alternate use** of existing facilities (e.g., research and offshore support stations, recreation opportunities)

New Directions

February 10 Announcement:

- Adopt a comprehensive approach to offshore energy development
- Report on offshore energy resources within 45 days
- Hold 4 regional meetings: Apr 6 (NJ), Apr 8 (LA), Apr 14 (AK), Apr 16 (CA)

March 11 Secretarial Order 3285 establishing Energy & Climate Change Taskforce to develop:

- Strategies to increase development and transmission
- Best management practices to ensure environmentally responsible development and delivery

March 17 DOI & FERC agreement covering jurisdiction for offshore OCS wave and current resources

DOI/FERC MOU

On April 9, the DOI and FERC entered into an MOU to clarify jurisdictional understandings regarding renewable energy projects in offshore waters on the OCS in order to develop a cohesive, streamlined process that would help accelerate the development of wind, solar, and hydrokinetic (i.e., wave, tidal, and ocean current) energy projects...

The MOU sets the stage for a unified and coherent process for the authorization of hydrokinetic activities, ensuring resources will not be subject to 'claim staking' or to a 'land rush', and will be developed in the most efficient manner.

DOI/FERC MOU

recognizes:

- ✓ MMS has exclusive jurisdiction re: production, transportation, or transmission of energy from non-hydrokinetic alternative energy projects on the OCS, including renewable energy sources such as wind and solar
- ✓ MMS has exclusive jurisdiction to issue leases, easements, and rights-of-way regarding OCS lands for hydrokinetic projects, and
- ✓ FERC has exclusive jurisdiction to issue licenses and exemptions for hydrokinetic projects on the OCS, and will not issue preliminary permits.

DOI/FERC MOU...

- ✓ For hydrokinetic projects, entities must first obtain a lease from MMS; MMS will issue a public notice to determine whether competitive interest exists in the area and will proceed with competitive or noncompetitive lease issuance, depending on responses from public notice.
- ✓ MMS will conduct NEPA analysis necessary for lease issuance and site assessment activities that will occur on the lease.
- ✓ After lease is obtained, FERC may issue a license or exemption, and conduct any necessary NEPA analysis.

DOI/FERC MOU...

- ✓ MMS and FERC will work together to develop policies and regulations necessary to facilitate development of hydrokinetic projects, and coordinate to ensure the projects meet the public interest, including adequate protection, mitigation, and enhancement of fish, wildlife, and marine resources and other beneficial public uses.
- ✓ It ensures that the interests of both agencies are adequately represented and that the process of developing renewable energy on the OCS happens efficiently, in an environmentally friendly manner, and with appropriate benefit to the people of the U.S.

Status of the MMS Rulemaking

- ✓ Sent proposed rule to OMB (*Mar 2008*)
- ✓ Published proposed rule (*July 2008*)
- ✓ Held rule workshops (*Aug 2008*)
- ✓ Closed comment period (*September 2008*)
- ✓ Sent final rule to OMB (*Nov 2008*)
- **Rule reviewed by Secretary's team**
- **Ready to publish the final rule**

Related Initiatives: Interim Policy

- Interim Policy currently in effect for **limited leasing** before final regulations
- Covers resource **data collection** and **technology testing** activities
- Will authorize **5-year term**
- Will **not** give priority rights for subsequent commercial development



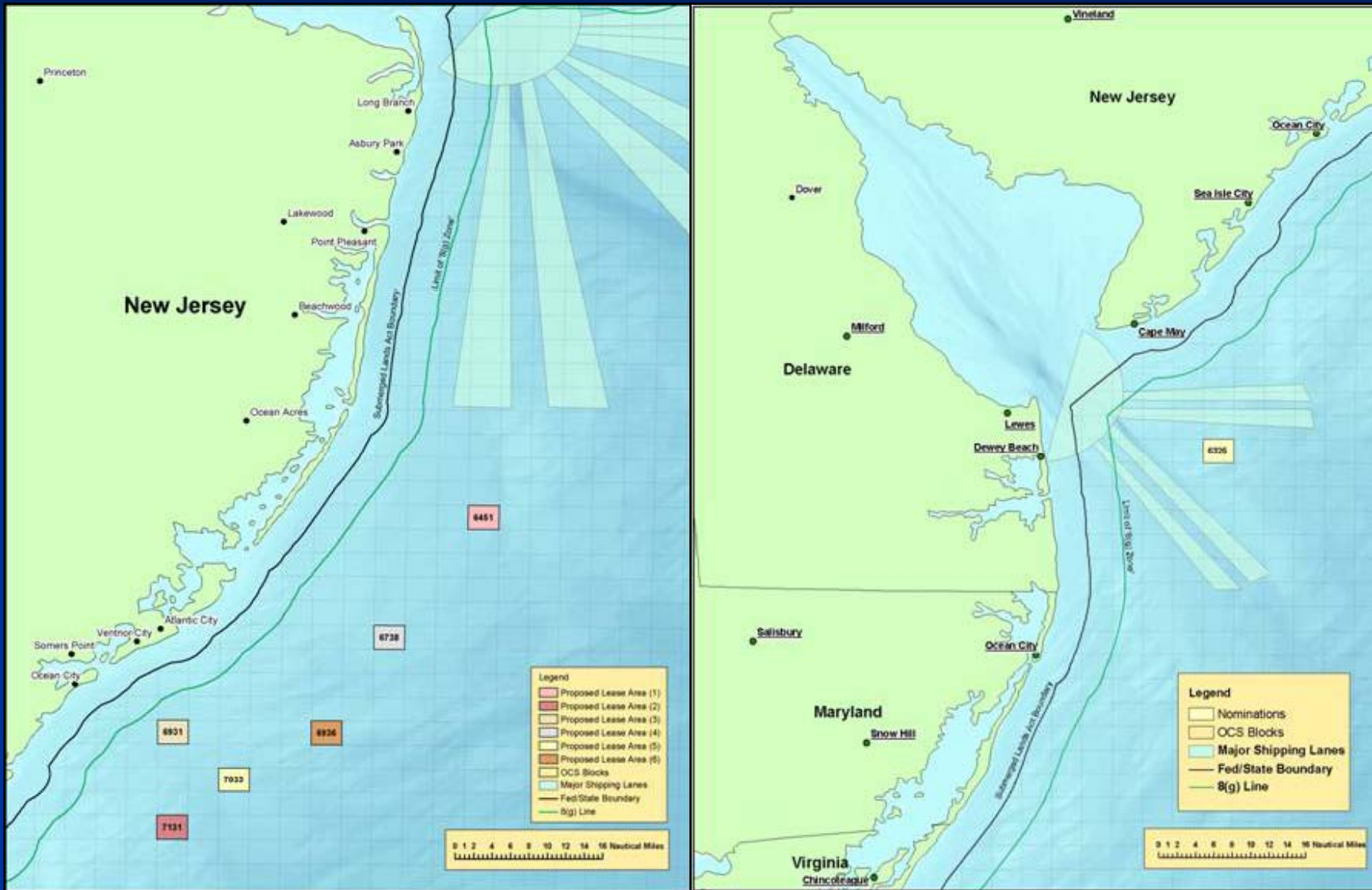
New England State Initiatives

- √Massachusetts—Oceans Act of 2008; Governor's wind production goal of 2,000 MW by 2020
- √Rhode Island—SAMP; plans for OCS project in 2015
- √Maine—established task force; issued bond proposal; set offshore wind goal
- Be in a position to support State plans and goals

Anticipated Project Priorities

- New Jersey has a goal of installing 1000 MW of offshore wind energy by 2012
- MMS Priority: Issue interim policy leases *ASAP* and initiate commercial leasing in 2009

Proposed Limited Leases off Delaware and New Jersey



Anticipated Project Priorities

- Delaware took steps to develop offshore wind power to construct a 200 MW facility on the OCS in 2012
- MMS Priority: Issue interim policy lease ASAP and initiate commercial leasing in 2009

Anticipated Project Priorities

- Rhode Island selected Deepwater Wind to develop OCS wind power with construction starting in 2015
- MMS Priority: Initiate commercial leasing no later than 2012

Anticipated Project Priorities

- New York may be the next most active area after DE, NJ, and RI
- MMS Priority: Be prepared to start commercial leasing as early as 2009.

Anticipated Project Priorities

- Massachusetts has ambitious plans involving development of OCS wind resources
 - MMS Priority: Be in a position to support the goals and plans of the state.

Status of Cape Wind Energy Project Proposal

- ✓ Published draft EIS (*Jan 2008*)
- ✓ Held draft EIS public hearings
(*Mar 2008*)
- ✓ Published final EIS (*Jan 2009*)
- Continuing regulatory compliance

Looking Forward...

- Complete the rule
- Issue Interim Policy leases
- Work with FERC, others, following on MOU, to develop policy and regulation as necessary
- Continue to work closely with State local, and tribal governments
- Begin commercial leasing processes in the Northeast and Mid-Atlantic
- Be prepared to begin leasing processes elsewhere as needed
- Develop a process to address Federal alternative energy initiatives
- Hold workshops and issue guidance on the rulemaking
- Complete review of Cape Wind Project
- Continue planning for technology assessment and environmental studies
- Identify and address key challenges and baseline data needs using adaptive management philosophy

More Information...

www.mms.gov/offshore/alternativeenergy

Steven D. Textoris

Acting Program Manager
Chief, Alternative Energy Projects and Coordination Branch
Office of Offshore Alternative Energy Programs
Minerals Management Service

703-787-1300