

The Role of MMS in Alternative Energy

On August 8, 2005, President George W. Bush signed into law the Energy Policy Act of 2005 (the Act). This law grants the Minerals Management Service (MMS) new responsibilities over Federal offshore alternative energy and alternate uses of America's offshore public lands, also known as the Outer Continental Shelf (OCS).

Why was the U.S. Department of the Interior designated as the "lead" permitting Agency?

- The U.S. Department of the Interior (the Department) is the primary body in the Federal Government responsible for overseeing the development of the Nation's offshore Federal alternative and traditional energy resources.
- The MMS has been designated by the Department to oversee the management of oil, natural gas, and other mineral activities on offshore Federal lands. As America's offshore energy and marine minerals manager, the MMS has many years of experience in overseeing such areas as:
 - ✓ environmental and engineering expertise and research (regarding leasing and operations, as well as emerging offshore technologies and various safety issues),
 - ✓ regulatory expertise (to ensure human safety and environmental protection), and
 - ✓ a trained offshore inspection workforce.
- The MMS has established working relationships with State, Federal, and international regulators to coordinate and share information on regulation of offshore projects.
- Many of the provisions of the Act pertain to the Department and the MMS's core missions of ensuring safety, environmental

protection, multiple use, fair compensation and conservation of resources.

What authority did the MMS receive?

Section 388 of the Act authorizes the Department, specifically the MMS, to:

- act as the lead agency for Federal offshore alternative energy and alternate uses of America's offshore public lands,
- ensure consultation with States and other stakeholders,
- grant easement, leases, or rights-of-way for alternative energy related uses of the Federal OCS,
- pursue appropriate enforcement actions in the event violations occur,
- require financial surety to ensure that facilities constructed are properly removed at the end of their economic life, and
- regulate, monitor, and determine fair return to the Nation.



However, the Act does *not*:

- supersede or modify the existing authority of any other agency with regard to the permitting of alternative energy projects.
- authorize any leasing, exploration or development activities for oil or natural gas.

OFFSHORE ALTERNATIVE ENERGY PROGRAMS



Congressional moratoria and administrative withdrawals in effect remain unchanged.

- apply to areas within the boundaries of the National Park System, National Wildlife Refuge System, National Marine Sanctuary System, or any National Monument.

What are MMS's program objectives?

- Hold meaningful dialogue with affected State and local governments and Federal agencies.
- Ensure protection of the environment.
- Ensure human safety.
- Establish fair return for use of OCS lands.
- Share revenue with affected States.

What are the program milestones?

✓ Energy Policy Act of 2005 Enacted	Aug. 8, 2005
✓ Advance Notice of Proposed Rulemaking (ANPR) issued	Dec. 31, 2005
✓ Notice of Intent (NOI) to prepare the Programmatic Environmental Impact Statement (EIS) issued	May 5, 2006
✓ Draft PEIS released	Mar. 21, 2007
✓ Notice of Availability (NOA) of the final PEIS published	Nov. 6, 2007
✓ Interim Policy on Offshore Alternative Energy Resource Assessment and Technology Testing Activities announced	Nov. 6, 2007
✓ Draft lease form MMS-0001 released	Dec. 14, 2007
✓ Record of Decision for the Final PEIS published	Jan. 10, 2008
✓ NOI to prepare an Environmental Assessment (EA) issued	Feb. 26, 2008
✓ Notice of Competitive Interest published	April 18, 2008
✓ Revised lease form MMS-0001 released	April 21, 2008
✓ Proposed Rule and NOA of the Draft EA published	July 9, 2008

What activities are on the horizon?

- Continue coordination with stakeholders. (Congressional delegations, coastal States, Federal Agencies, industry, the environmental community and the general public).
- Initiate environmental studies through contracting scientific and engineering information.
- Determine leasing priorities and issue limited leases under the Interim Policy.
- Prepare environmental compliance documents (NEPA, ESA, CZMA, etc.).
- Monitor activities and facility inspection.
- Finalize the Rule.



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